

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 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

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

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

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

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

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

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

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, J.P.
SECRETARY FOR DEVELOPMENT

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

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

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

MR GREGORY SO KAM-LEUNG, J.P.
UNDER SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

MR RAYMOND TAM CHI-YUEN, J.P.
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

MR KENNETH CHEN WEI-ON, J.P.
UNDER SECRETARY FOR EDUCATION

MS JULIA LEUNG FUNG-YEE, J.P.
UNDER SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

MR YAU SHING-MU, J.P.
UNDER SECRETARY FOR TRANSPORT AND HOUSING

PROF GABRIEL MATTHEW LEUNG, J.P.
UNDER SECRETARY FOR FOOD AND HEALTH

MS FLORENCE HUI HIU-FAI, J.P.
UNDER SECRETARY FOR HOME AFFAIRS

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Employees Retraining Ordinance (Amendment of Schedule 2) Notice 2009	60/2009
Fugitive Offenders (Germany) Order (Commencement) Notice.....	61/2009
Mutual Legal Assistance in Criminal Matters (Germany) Order (Commencement) Notice	62/2009
Building Management (Amendment) Ordinance 2000 (Commencement) Notice 2009.....	64/2009
Building Management (Amendment) Ordinance 2007 (Commencement) Notice 2009.....	65/2009

Other Papers

- No. 80 — AIDS Trust Fund
2007-2008 Accounts with the Director of Audit's Report
- No. 81 — Employees Retraining Board
Annual Report 2007-08
- No. 82 — Audited Statement of Accounts together with the Director of Audit's Report of the Quality Education Fund for the year ended 31 August 2008

- No. 83 — Audited Statement of Accounts together with the Director of Audit's Report of the Education Development Fund for the year ended 31 August 2008
- No. 84 — Report No. 52 of the Director of Audit on the results of value for money audits - March 2009
- No. 85 — Kowloon-Canton Railway Corporation Annual Report 2008

WRITTEN ANSWERS TO QUESTIONS

Mechanism for Handling Unclaimed Dead Bodies

1. **MR RONNY TONG** (in Chinese): *President, I have received complaints alleging that some public hospitals handed over the dead bodies of deceased patients to the Food and Environmental Hygiene Department (FEHD) for cremation when relatives of the deceased had yet to be located and informed, making it impossible for the relatives concerned to arrange burial for the deceased subsequently. Moreover, the police will hand over unclaimed dead bodies to the FEHD for cremation or burial. In this connection, will the Government inform this Council whether it knows:*

- (a) *when a patient passed away in a public hospital or when a dead body is discovered by the police, the respective procedures currently adopted by the public hospital and the police to locate and notify relatives of the deceased to claim the dead body, and how they handle unclaimed dead bodies;*
- (b) *the numbers of*
- (i) *unclaimed dead bodies handled;*

- (ii) *unclaimed dead bodies handed over to the FEHD for cremation or burial; and*
 - (iii) *cases of relatives of the deceased requesting to get back the dead bodies already handed over to the FEHD for cremation or burial which were handled respectively by public hospitals and the Police in each of the past five financial years; and*
- (c) *whether the Hospital Authority (HA) and the police have any mechanism in place to review the arrangements mentioned in (a), so as to ensure that relatives of the deceased can claim dead bodies in time?*

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

- (a) In respect of unclaimed dead bodies whose identities are known, the public hospitals under the HA will, according to the established guidelines, contact the relatives of the deceased to claim the body based on the hospital admission information of the deceased. If the hospitals could not contact or have no information about the relatives of the deceased, police assistance will be sought. According to the police's internal guidelines and handling procedures, on receipt of a request from a hospital for assistance in locating the relatives of any deceased person whose body was not claimed, the police will send officers to visit the last known address of the deceased and/or his/her relative(s). Where the relative(s) of the deceased are located, the police will invite them to contact the hospital concerned. The police officers will inform the hospital concerned of the outcome of their visit. Unless the relative(s) of the deceased specifically raise objection, the police will also provide the contact details of the relative(s) of the deceased to the hospital concerned. If the dead body eventually remains unclaimed, the hospital will hand it over to the FEHD, which will then arrange for the burial or cremation of the dead body in accordance with established procedures.

In case of discovery of unidentifiable dead body, the police will carry out an investigation. The police will conduct a detailed search at the scene where the dead body is found to seek information which may be related to the death. The police will also take fingerprints, palm prints and DNA samples from the dead body, and make a record of information on the clothing worn on the dead body in an effort to confirm the identity of the deceased. Besides, the police will use various possible means to try to contact the next of kin of the deceased.

Meanwhile, a Government Forensic Pathologist will perform an autopsy to ascertain the cause of death. Generally, the unclaimed dead body will be kept in the mortuary concerned for one month after the autopsy. If the police are able to contact the relatives of the deceased before the expiry of the one-month period or any period extended for the investigation into the death, and the dead body is no longer required for the purposes of any police investigation, the mortuary will make arrangements for the relatives to claim the dead body. If the dead body remains unclaimed after the expiry of the retention period, the mortuary concerned will inform the FEHD, which will then arrange for the burial or cremation of the dead body in accordance with established procedures.

- (b) The numbers of unclaimed dead bodies handled by HA and the police are shown in Annex 1 and 2 respectively. The police do not maintain statistics on the cases in which relatives of the deceased requested to claim the dead bodies already handed over to the FEHD for cremation or burial.
- (c) The police keep the relevant internal guidelines and handling procedures under review. As for the HA, its policy on handling dead bodies, including the procedures for identification and collection of dead bodies by the deceased's relatives, is subject to regular review, monitoring and necessary revision by its specialty co-ordinating committee of Pathology.

Annex 1

Statistics related to unclaimed dead bodies handled by the HA

Year	<i>Number of unclaimed dead bodies handled by the HA</i>		<i>Number of cases among those under (a) and (b) in which relatives of the deceased requested to get back the dead bodies already handed over to the FEHD for cremation or burial</i>
	<i>(a) Number of dead bodies which relatives of the deceased refused to claim</i>	<i>(b) Number of dead bodies in respect of which the hospitals could not contact the relatives of the deceased and which remained unclaimed after police investigation and were handed over to the FEHD for handling</i>	
2004-2005	147	287	0
2005-2006	131	282	0
2006-0007	149	240	1
2007-0008	185	263	0
2008-2009	225	199	1
Total	837	1 271	2

Annex 2

Statistics related to unclaimed dead bodies handled by the Police

Year	<i>Number of unclaimed dead bodies handed over to the FEHD for handling through public mortuaries ^(Note)</i>
2004-2005	290
2005-2006	220
2006-2007	258
2007-2008	286
2008-2009	247
Total	1 301

Note:

Figures provided by the FEHD

Accidents of Work Injury

2. **DR LEUNG KA-LAU** (in Chinese): *President, section 15 of the Employees' Compensation Ordinance (Cap. 282) stipulates that an employer must give notice to the Commissioner for Labour (the Commissioner) of an accident of work injury within a prescribed period from the day on which it has come to the knowledge of the employer that the accident has occurred. If the accident results in the incapacity of the employee for a period exceeding three days or the death of the employee, the employer must give notice by using the specified Form 2. Moreover, persons injured in work accidents usually go to public hospitals for medical treatment, and the Employees' Compensation Assessment Boards (ECABs) appointed by the Labour Department (LD) assess for them the required sick leave and the percentage of permanent loss of earning capacity. In this connection, will the Government inform this Council:*

- (a) *of the number of copies of Form 2 received in each of the past five years by the Commissioner from employers, with a breakdown by nature of injury, part of the body injured, type of accident and agents involved as filled out in the forms;*
- (b) *whether it knows the details (including the number of bed-days, number of discharges and deaths, number of accident and emergency (A&E) services attendances, number of specialist out-patient (clinical) attendances, number of general out-patient attendances, number of physiotherapy services attendances, number of occupational therapy (physical and psychiatry) services attendances and number of radiotherapy services attendances) of the services of public hospitals used respectively by employees and self-employed persons in each of the past five years due to injury in work accidents, as well as the respective percentages of such numbers in the relevant totals;*
- (c) *whether it knows the total costs, as calculated on the basis of unit costs set out in the Hospital Authority's (HA) annual reports, incurred by public hospitals in each of the past five years to provide services to persons injured in work accidents; and*

- (d) *of the respective numbers of employees and self-employed persons, who had been injured in work accidents, for whom ECABs conducted the said assessment in each of the past five years?*

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

- (a) The LD can only provide detailed occupational injuries statistics for the first three quarters of 2008 because the full-year statistics for 2008 will only be available at the end of this month (April). During the said period, there were a total of 32 056 occupational injuries. In the years from 2004 to 2007, there were 44 025, 44 267, 46 937 and 43 979 occupational injuries respectively. The breakdown of occupational injuries by "nature of injury", "part of body injured", "type of accident" and "agents involved" between 2004 to 2007 and the first three quarters of 2008 are set out at Annexes 1 to 4 respectively.

- (b) and (c)

Statistics provided by the HA on services for work-related injuries and the relevant cost of such services are set out in Annex 5. However, the HA does not have complete statistics on the treatment for work-related injuries, nor the breakdown by employees and self-employed persons. The HA also does not have statistics on general out-patient attendances and radiotherapy services attendances arising from work-related injuries.

- (d) While employees' compensation assessments are not provided for self-employed persons, the number of injured employees assessed by the ECABs in the past five years are as follows:

2004	16 470
2005	17 284
2006	18 202
2007	17 060
2008	15 814

Occupational Injuries in All Workplaces
(2004-2007) and 1st Three Quarters of 2008
- analysed by Nature of Injury -

<i>Nature of Injury</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>1st Three Quarters of 2008</i>
Abrasion	1 489	1 395 (1)	1 474	1 400	985
Amputation	126	110	120	101	62
Asphyxia	8 (7)	14 (12)	12 (10)	10 (10)	6 (6)
Burn(heat)	3 085	2 998 (1)	3 053 (2)	2 954 (2)	1 939 (1)
Burn	170	125	143	108	73
Contusion & bruise	9 650 (18)	9 785 (24)	10 375 (21)	9 905 (13)	7 145 (9)
Concussion	43	53	61 (1)	63	38
Laceration and cut	8 232	7 976 (1)	8 142	7 635	5 439
Dislocation	217	205	210	202	133
Crushing	2 376	2 311 (6)	2 327 (3)	2 180 (1)	1 539 (1)
Electric shock	27 (1)	40 (5)	27 (1)	26 (2)	26 (3)
Fracture	2 485	2 587 (2)	2 635	2 481 (2)	1 986 (1)
Puncture wound	1 126	1 049 (2)	1 005 (1)	925	610
Sprain & strain	11 486	11 758	13 127	12 157	8 980
Freezing	2	10	4	10	11
Poisoning	7	12 (1)	6	1	2
Irritation	194	212	206	240	192
Nausea	4	6	8	4	8
Multiple injuries	2 491 (40)	2 666 (39)	3 016 (48)	2 831 (50)	2 386 (48)
Others	807 (121)	955 (93)	986 (100)	746 (92)	496 (71)
Total	44 025 (187)	44 267 (187)	46 937 (187)	43 979 (172)	32 056 (140)

Notes:

- 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. Since 1 January 1998, LD has used the date of occurrence of an injury as the basis for computing work injury statistics instead of the date of reporting in order to reflect more accurately the number of work injuries occurring in the year.
- Figures in brackets denote the number of fatalities.
- "Others" includes loss of sight of eye, bacterial infection, and so on.

Annex 2

Occupational Injuries in All Workplaces
(2004-2007) and 1st Three Quarters of 2008
- analysed by Part of Body Injured -

<i>Part of Body Injured</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>1st Three Quarters of 2008</i>
Skull/scalp	1 384 (18)	1 440 (19)	1 381 (17)	1 313 (12)	1 006 (10)
Eye	1 213	1 199	1 247	1 264	752
Ear	55	59	51	47	41
Mouth/tooth	128	158	155	130	87
Nose	86	96	86	88	51
Face	341	316	342 (1)	285	200
Neck	482	480 (1)	549	499	403
Back	3 900 (1)	4 040	4 233	3 448	2 322 (1)
Chest	688	749 (2)	781 (1)	725 (1)	512 (2)
Abdomen	122	119 (2)	139	136	83
Trunk	1 761	1 591	1 985	2 159	1 810
Pelvis/groin	409 (1)	397	434	374	263
Finger	9 915	9 554	9 779	9 212	6 445
Hand/palm	4 470	4 490	4 566	4 381	3 050
Forearm	1 364	1 289	1 433	1 298	900
Elbow	898	887	931	848	606
Upper arm	290	275	287	283	191
Shoulder	966	993	1 052	1 000	754
Hip	246	275	341	287	220
Thigh	424	425	431	398	294
Knee	1 407	1 551	1 649	1 480	1 180
Leg	934	960 (1)	1 019	928 (1)	733
Ankle	2 761	2 854	3 134	3 131	2 227
Foot	3 476	3 377 (1)	3 641	3 530	2 567
Multiple locations	5 900 (39)	6 292 (49)	6 855 (57)	6 380 (54)	5 058 (50)
Others	405 (128)	401 (112)	436 (111)	355 (104)	301 (77)
Total	44 025 (187)	44 267 (187)	46 937 (187)	43 979 (172)	32 056 (140)

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. Since 1 January 1998, LD has used the date of occurrence of an injury as the basis for computing work injury statistics instead of the date of reporting in order to reflect more accurately the number of work injuries occurring in the year.
2. Figures in brackets denote the number of fatalities.
3. "Others" includes internal organs.

Occupational Injuries in All Workplaces
(2004-2007) and 1st Three Quarters of 2008
- analysed by Type of Accident -

<i>Type of Accident</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>1st Three Quarters of 2008</i>
Trapped in or between objects	1 024 (4)	1 098	1 183 (2)	974 (3)	728
Injured whilst lifting or carrying	8 195	8 375	9 337	9 074	6 724
Slip, trip or fall on same level	9 146 (2)	9 978 (2)	10 711 (2)	9 836 (1)	7 594
Fall of person from height	1 786 (23)	1 513 (28)	1 673 (21)	1 585 (20)	1 187 (23)
Striking against fixed or stationary object	4 150	3 741 (1)	4 001 (1)	3 817	2 758
Striking against or struck by moving object	5 113 (6)	5 110 (6)	4 787 (5)	4 374 (4)	3 106 (5)
Stepping on object	215	279	283	335	181
Exposure to or contact with harmful substance	377	352 (1)	357	369	271
Contact with electricity or electric discharge	33 (2)	49 (5)	37 (1)	30 (2)	28 (3)
Trapped by collapsing or overturning object	12 (1)	38 (4)	42 (4)	21 (3)	15 (2)
Struck by falling object	778 (4)	777 (2)	842 (2)	645 (5)	423 (2)
Struck by moving vehicle	2 179 (45)	2 262 (32)	2 394 (35)	2 446 (29)	1 923 (25)
Contact with moving machinery or object being machined	1 098	1 105 (2)	1 021	955	672
Drowning	2 (2)	7 (6)	5 (5)	7 (7)	3 (3)
Exposure to fire	66	38 (1)	53 (2)	53 (2)	20 (1)
Exposure to explosion	29	9	15	10	8
Injured by hand tool	4 393	4 146	4 417	3 996	2 745
Injured by fall of ground	0	1	0	1	2
Asphyxiation	6 (5)	6 (5)	7 (5)	3 (3)	3 (3)
Contact with hot surface or substance	2 995	2 948	2 983	2 894	1 917
Injured by animal	459 (1)	467 (1)	509	489	306
Injured in workplace violence	1 106 (1)	1 064 (3)	1 088 (4)	1 005	666 (2)
Others	863 (91)	904 (88)	1 192 (98)	1 060 (93)	776 (71)
Total	44 025 (187)	44 267 (187)	46 937 (187)	43 979 (172)	32 056 (140)

Notes:

- 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. Since 1 January 1998, LD has used the date of occurrence of an injury as the basis for computing work injury statistics instead of the date of reporting in order to reflect more accurately the number of work injuries occurring in the year.
- Figures in brackets denote the number of fatalities.

Annex 4

Occupational Injuries in All Workplaces
(2004-2007) and 1st Three Quarters of 2008
- analysed by Agents Involved -

<i>Agents Involved</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>1st Three Quarters of 2008</i>
Equipment for lifting/conveying	362	294	206	202	123
Portable power or hand tools	4 651	4 353	4 595	4 241	2 918
Other machinery	919	937	856	898	526
Material/product being handled or stored	11 715	11 019	11 736	10 633	7 590
Ladder or working at height	1 512	1 264	1 398	1 465	1 184
Sewage, manhole or other confined space	1	0	1	1	0
Movable container or package of any kind	121	187	226	63	4
Floor, ground, stairs or any working surface	9 512	10 213	11 281	9 809	7 520
Gas, vapour, dust or fume	36	22	17	16	9
Electricity supply, wiring apparatus or equipment	47	56	56	71	42
Vehicle or associated equipment or machinery	2 241	2 395	2 671	2 566	1 923
Others	12 908	13 527	13 894	14 014	10 217
Total	44 025	44 267	46 937	43 979	32 056

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. Since 1 January 1998, LD has used the date of occurrence of an injury as the basis for computing work injury statistics instead of the date of reporting in order to reflect more accurately the number of work injuries occurring in the year.
2. "Others" includes occupational injury cases without "agents involved" reported.

Statistical data on services provided by the HA for work-related injuries

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Number of attendances of patients at the A&E Departments arising from work-related injuries ⁽¹⁾	81 602	77 802	79 763	76 240	57 114 ⁽³⁾
Number of subsequent patient beds days of the patients ⁽¹⁾	23 298	24 234	22 009	23 102	⁽⁴⁾
Number of subsequent discharges & deaths of the patients ⁽¹⁾	5 962	5 621	5 738	5 674	⁽⁴⁾
Number of subsequent specialist outpatient (clinical) attendances by the patients ⁽¹⁾	65 981	62 636	61 540	58 553	⁽⁴⁾
Number of subsequent physiotherapy attendances by the patients ⁽¹⁾	72 424	74 426	72 864	73 215	⁽⁴⁾
Number of subsequent attendances for occupational therapy by the patients ⁽¹⁾	35 456	36 133	35 915	34 189	⁽⁴⁾
Total cost of the above services (\$million) ⁽²⁾	214	214	209	216	⁽⁴⁾

Notes:

- (1) The figures refer to the attendances at the A&E Departments arising from industrial traumas, and attendances for different services by the patient within the following 365 days of his/her A&E attendance or inpatient stay. Not all the medical treatments subsequently received by the patient are necessarily related to that injury.
- (2) As not all the medical treatments subsequently received by the patient are necessarily related to the industrial traumas, the relevant cost should not be taken as the total cost for the treatment for work-related injuries.
- (3) Figure is as at 31 December 2008, full-year figure will not be available until end of April 2009.
- (4) Full-year figure will not be available until April 2010.

Recruitment of Medical Practitioners by Hospital Authority

3. **DR PAN PEY-CHYOU** (in Chinese): *President, will the Government inform this Council whether it knows:*

- (a) *the total number of vacancies of medical practitioners (MPs) in public hospitals under the Hospital Authority (HA) in each of the past 12 months, together with a breakdown by the rank and clinical department of the vacancies;*

- (b) *whether the HA has conducted any recruitment exercise for the vacancies in (a); if it has, of the number of vacancies which have been filled at present, broken down respectively by their rank and clinical department; if not all of the vacancies have been filled, the reasons for that; and*
- (c) *as section 14A of the Medical Registration Ordinance (Cap. 161) stipulates that the Medical Council of Hong Kong may register a person who has obtained "acceptable overseas qualification" as an MP with limited registration, whether the HA has filled vacancies by recruiting persons who have been registered under that provision as an MP with limited registration; if it has, what vacancies were filled in this way in the past three years; if not, the reasons for that; and whether the HA will consider recruiting such MPs to fill the vacancies, in order to relieve the work pressure of serving MPs?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, a total of 244 doctors in the HA left service in the past 12 months, that is, between April 2008 and March 2009. Among them, 72 were Consultants or Associate Consultants and 172 were Residents. In the same period, the HA promoted a total of 252 serving doctors to the ranks of Consultant and Associate Consultant so as to fill the 72 vacancies arising from staff turnover mentioned above and another 180 newly created posts of Consultant and Associate Consultant. In addition, the HA also recruited a total of 390 doctors in the same period, mainly to fill the vacancies of Resident resulting from staff turnover and the newly created posts of Resident. As a whole, the number of doctors in the HA in March 2009 has increased by over 140 as compared with that in the same month last year.

- (a) The number of doctor vacancies arising from staff turnover in the HA (including HA hospitals and HA Head Office) in the past 12 months, with breakdown by rank and clinical department, is at Annex.
- (b) The HA fills the vacancies of Consultant or Associate Consultant mainly by internal promotion of serving doctors. As for the vacancies of Resident, they are mainly filled by a central recruitment exercise conducted between February and June each year recruiting

fresh graduates from the Faculty of Medicine of the two local universities and other qualified doctors for specialist training in the HA. Individual departments may conduct mid-year recruitment for other vacancies of Resident to address their operational needs and service demand if necessary.

Through the above exercises, the doctor vacancies arising from staff turnover in the HA in the past 12 months have been filled. Figures on the appointment of doctors, with breakdown by clinical department and rank, are also at Annex.

- (c) Under the HA's existing arrangements, doctors with qualifications for registration under the Medical Registration Ordinance from Hong Kong and overseas would be given priority consideration in HA's recruitment exercise. Only when there is a lack of relevant local experts in certain specialties or service areas will the HA consider applying for limited registration with the Medical Council of Hong Kong for particular doctors with an "acceptable overseas qualification" so that they can be employed to fill these special vacancies.

In the past three years, the HA recruited seven doctors with limited registration from outside Hong Kong, with two among them appointed as Senior Medical Officers in the specialties of Anaesthesia and Pathology respectively for the above reason. The other five doctors were appointed on an unremunerated basis to receive training or for exchange of experience and knowledge in HA with subsidies provided by their organizations outside Hong Kong.

The HA enhanced the remuneration package for its doctors in 2006 and 2007 with a view to attracting more doctors to join the HA. There has been a steady increase in the manpower of doctors in various specialties in the past few years. The HA will continue to make assessment on its manpower situation on a regular basis, and the appointment of doctors with limited registration will only be considered on a need basis.

Annex

Number of doctor vacancies arising from staff turnover and the appointment of doctors by rank and department in the HA (including its hospitals and Head Office) each month between April 2008 and March 2009

Clinical Department		Number of doctor vacancies arising from staff turnover												Appointment		
		2008										2009		Total	April 2008-March 2009	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		Internal Promotion	Recruitment from Outside HA
Accident & Emergency	Consultant	-	-	-	-	1	-	1	-	-	-	-	-	2	4	-
	Associate Consultant	-	-	-	1	-	-	-	-	1	-	-	-	2	18	-
	Resident	-	-	1	8	-	-	1	2	1	2	2	-	17	-	48
	Sub-total	-	-	1	9	1	-	2	2	2	2	2	-	21	22	48
Anaesthesia	Consultant	-	-	-	1	-	-	-	-	-	-	-	1	6	1	
	Associate Consultant	-	-	-	-	-	1	-	1	1	1	1	6	17	-	
	Resident	1	1	1	2	-	-	-	-	1	-	-	6	-	28	
	Sub-total	1	1	1	3	-	1	-	1	2	1	1	13	23	29	
Family Medicine	Consultant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Associate Consultant	-	-	-	-	-	-	1	-	-	-	-	1	10	-	
	Resident	3	2	-	16	1	-	2	-	1	5	1	2	33	-	40
	Sub-total	3	2	-	16	1	-	3	-	1	5	1	2	34	10	40
Medicine	Consultant	-	-	-	-	1	-	-	-	-	-	-	1	6	-	
	Associate Consultant	-	1	1	-	-	-	1	1	3	-	-	7	33	3	
	Resident	3	-	3	10	4	5	4	5	4	5	1	1	45	-	71
	Sub-total	3	1	4	10	5	5	5	6	7	5	1	1	53	39	74
Obstetrics & Gynaecology	Consultant	-	-	-	-	-	-	-	-	-	-	-	-	1	-	
	Associate Consultant	-	1	2	1	-	-	-	-	3	-	-	7	13	2	
	Resident	-	1	-	1	-	1	-	1	-	1	-	5	-	18	
	Sub-total	-	2	2	2	-	1	-	1	3	1	-	12	14	20	
Ophthalmology	Consultant	1	-	-	-	-	-	-	-	-	1	-	2	5	-	
	Associate Consultant	-	-	1	-	-	-	-	-	-	-	-	1	9	-	
	Resident	2	-	-	-	-	1	-	-	2	1	-	6	-	11	
	Sub-total	3	-	1	-	-	1	-	-	3	1	-	9	14	11	
Orthopaedics	Consultant	-	-	-	-	1	-	-	-	-	-	-	1	3	-	
	Associate Consultant	-	-	1	-	1	-	-	1	-	-	-	3	13	-	
	Resident	2	-	-	2	1	2	-	-	1	4	-	14	-	17	
	Sub-total	2	-	1	2	3	2	-	1	1	4	-	18	16	17	
Paediatrics	Consultant	-	-	-	-	-	-	-	1	-	-	-	1	4	-	
	Associate Consultant	-	-	1	-	-	-	-	-	-	1	-	2	6	-	
	Resident	1	1	1	4	1	1	-	1	-	2	2	3	17	-	29
	Sub-total	1	1	2	4	1	1	-	2	-	2	3	3	20	10	29
Pathology	Consultant	-	-	-	-	-	-	-	-	-	-	-	-	2	-	
	Associate Consultant	-	-	-	-	-	-	-	-	-	-	-	-	4	1	
	Resident	-	-	-	-	-	-	1	-	1	-	-	2	-	8	
	Sub-total	-	-	-	-	-	-	1	-	1	-	-	2	6	9	

Clinical Department		Number of doctor vacancies arising from staff turnover												Appointment		
		2008										2009		Total	April 2008-March 2009	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		Internal Promotion	Recruitment from Outside HA
Psychiatry	Consultant	-	-	-	-	1	-	1	-	-	-	-	1	3	3	-
	Associate Consultant	-	-	-	-	-	2	-	1	-	-	-	-	3	13	-
	Resident	-	-	-	1	-	-	1	1	1	1	1	-	6	-	27
	Sub-total	-	-	-	1	1	2	2	2	1	1	1	1	12	16	27
Radiology	Consultant	-	-	-	1	-	1	-	-	-	-	1	3	9	2	
	Associate Consultant	1	-	1	-	1	-	1	-	-	1	2	7	13	1	
	Resident	-	1	-	1	-	-	-	-	-	1	-	3	-	11	
	Sub-total	1	1	1	2	1	1	1	-	-	2	3	13	22	14	
Surgery	Consultant	-	1	1	-	-	-	-	-	2	-	-	1	5	9	1
	Associate Consultant	-	-	1	2	1	1	2	-	1	-	1	-	9	31	-
	Resident	3	-	2	2	-	-	-	1	-	1	-	-	9	-	49
	Sub-total	3	1	4	4	1	1	2	1	3	1	1	1	23	40	50
Others	Consultant	-	-	-	-	-	-	1	-	-	1	-	-	2	5	1
	Associate Consultant	1	-	-	-	-	1	-	-	1	-	-	-	3	15	-
	Resident	-	1	-	2	-	1	1	-	-	1	-	3	9	-	21
	Sub-total	1	1	-	2	-	2	2	-	1	2	-	3	14	20	22
Total		18	10	17	55	14	17	18	16	22	27	13	17	244	252	390

Remarks:

1. Associate Consultants include Associate Consultants and Senior Medical Officers.
2. Residents include Residents and Medical Officers.
3. Figures on the turnover and appointment of doctors cover full-time and part-time doctors appointed on permanent and contract terms.

Assisting Students from Low-income Families in Making Use of Information Technologies in Learning

4. **MR WONG YUK-MAN** (in Chinese): *President, with the development of information technologies in recent years, learning through the Internet has become an indispensable part of primary and secondary education. Also, the Government set up the Working Group on Development of Textbooks and E-learning Resources in October 2008 to study the research and development of e-learning resources (including e-textbooks). However, some concern groups have pointed out that, among some 300 000 families receiving grants under the School Textbook Assistance Scheme (especially for some 64 000 recipient families under the Comprehensive Social Security Assistance Scheme), quite a number of parents indicate that they cannot afford Internet service charges. Moreover, the findings of the survey conducted by the Census and Statistics Department between July and September 2008 showed that, among the 728 000*

primary and secondary students aged 10 or above, about 21 400 (that is, 2.9%) of them did not have any computer and access to the Internet at home. In this connection, will the Government inform this Council:

- (a) whether it will consider including Internet service charges in the School Textbook Assistance Scheme, so as to narrow the digital divide; if it will not, of the reasons for that; and*
- (b) how the Government helps primary and secondary students from low-income families who do not have any computer and access to the Internet at home to learn via e-textbooks?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) The existing School Textbook Assistance Scheme is to provide financial assistance to needy primary and secondary students for purchasing essential textbooks and covering the costs of miscellaneous school-related expenses. In the 2007-2008 school year, the actual disbursement of the Scheme amounted to over \$440 million. In considering whether and how the scope of the Scheme should be expanded, we need to give regard to the priority of other education initiatives and the availability of public resources.

On information technology learning support, we recognize that information technologies are conducive to students' learning. We have therefore put in a large amount of resources to equip schools with adequate computer facilities. We have also introduced various measures to help students from low-income families to gain access to computers and the Internet for their learning.

We grant recurrent subsidies to all primary and secondary schools annually to enable them to open their computer rooms and related facilities outside school hours for use by students with a need. In addition, computer and Internet access facilities are available for use by students free of charge at various locations across the territory. For example, 136 Integrated Children and Youth Services Centres

and 66 public libraries currently provide more than 1 700 computer workstations with Internet access. Students can have access to many of these facilities even in evenings and during weekends.

The Government has also introduced programmes to provide needy students with recycled computers and home Internet access service. A new round of Computer Recycling Programme lasting for two years was launched in February 2009. Families receiving Comprehensive Social Security Assistance or School Textbook Assistance are eligible. Successful student applicants will be provided with one set of recycled computer and one-year of free Internet access service. Beneficiaries may also choose to join a favourable Internet access service plan for two subsequent years, the details of which are being discussed between the Government and the designated Internet service provider. We believe that the Computer Recycling Programme can help those students in need.

We will continue to closely monitor the situation and will evaluate the effectiveness of the Computer Recycling Programme in due course.

- (b) Details on how the Government helps students from low-income families to have access to computers and Internet for learning are provided in part (a) above. The Working Group on Development of Textbooks and E-learning Resources is currently studying the way forward for the development of e-learning resources or e-textbooks. In studying the use and development of e-learning resources, the Working Group will explore and recommend on how to support students from low-income families to use e-learning resources.

Provision of Elderly Housing

5. **MR CHAN KIN-POR** (in Chinese): *President, while all the units in Jolly Place and Cheerful Court which are the elderly estates constructed by the Hong Kong Housing Society (HKHS) have been rented out, there are at present still about 200 elderly people on the waiting list for such units, and the elderly housing project developed by the HKHS at Tanner Hill in North Point will not be*

completed until 2013 at the earliest. This reflects that the provision of elderly housing, particularly that for middle-class elderly people, has failed to meet the demand. Moreover, the Third Legislative Council passed a motion at its meeting on 9 April 2008 urging the Government to expeditiously formulate a clear policy on elderly housing. In this connection, will the Government inform this Council:

- (a) of the respective demands for various types of elderly housing in the next five and 10 years according to the government's assessment; whether it has assessed if elderly housing and residential care services currently provided or subsidized by the Government are adequate to meet such demands; if the assessment result is in the affirmative, of the details and the relevant statistics; if the assessment result is in the negative, whether the Government will adjust the existing policy to cope with the demands for elderly housing in the future, such as exploring the development of elderly housing by the HA rather than relying solely on the HKHS to provide such units, formulating land policies to complement elderly housing in terms of land supply, land grant and land premium, and so on, and providing land to non-profit-making bodies at concessionary prices or for free for the purpose of building elderly housing;*
- (b) as the impact of the financial tsunami is emerging, an increasing number of retiring persons, especially those middle-class elderly people who may no longer have the financial means to live in private housing but are not eligible to apply for public housing, are worried about their livelihood after retirement, whether the Government will increase the supply of elderly housing in response to the needs of these "sandwich class" elderly people; if it will, of the details; if not, the reasons for that; and*
- (c) besides the actions mentioned in the Progress Report on the above motion submitted by the authorities in July 2008, whether the Government has implemented other new measures to address the housing needs of the elderly hitherto; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the rationale behind the concept of "elderly housing" is for elders to live together so that they will receive one-stop services. Jolly Place in Tseung Kwan O and Cheerful Court in Jordan Valley of the HKHS's "Senior Citizens Residence (SEN) Scheme", which provide on a trial basis one-stop services comprising leased accommodation, recreational and medical/care services for eligible elders under a lease-for-life arrangement, are examples of "elderly housing". The Government is currently following up with the HKHS on another two elderly housing projects in the former Tanner Hill Estate in Tanner Road, North Point, and Tin Shui Wai Area 115 respectively.

The aforementioned mode of elderly housing undoubtedly provides elders with an additional choice of housing. That said, the objective of the government's elderly policy is to promote "ageing in the community", to encourage mutual care among old and young family members and mutual support among neighbours, and to ensure that elders living in different locations may receive various types of support conveniently. Therefore, our present policy is to assist elders to age in the community by strengthening the role of family in mutual support and enhancing the supporting services and facilities for elders, so that elders could have access to various types of welfare, medical and community services and facilities conveniently regardless of where they live, rather than requiring elders to live together.

My reply to the three parts of the question is set out below:

- (a) Like the demographic structure of many other developed economies, as a result of social development, Hong Kong has an increasing proportion of elderly population. According to the "Population Projection 2007-2036" of the Census and Statistics Department (C&SD), one out of every eight persons in Hong Kong is aged 65 or above. It is estimated that by 2033, on average about one out of every four persons in Hong Kong will be elders.

Caring for the elders has always been one of the major policies and directions of the Government. The Government will continue to adjust and enhance its policies taking into account the demographic changes, with a view to ensuring that elders receive proper care.

Different elders have different housing needs. Elders who have long-term care needs and cannot receive sufficient care at their domestic homes may choose to stay in residential care homes for the elderly (RCHEs), including private and government subsidized RCHEs. At present, there are 753 RCHEs in Hong Kong which provide a total of 75 000 residential care places (including about 49 000 private/self-financing places and about 26 000 subsidized places). As far as the private/self-financing residential care places are concerned, there are currently about 16 000 vacant places in the market. As for the subsidized residential care places, the Government has been allocating considerable resources to increase the supply of places progressively. In this connection, the number of subsidized residential care places has increased from 16 000 to 26 000 over the past 10 years or so, representing an increase of 60%.

It is the wish of the majority of the elders to stay in their domestic homes. Elders who have better self-care ability and can receive sufficient care at their domestic homes will choose to live at home. Some of them are living with their spouses and other family members, and some of them are living alone. The types of housing which they live in include public rental housing (PRH), subsidized sale flats and private housing. According to the General Household Survey conducted by the C&SD in the 4th quarter of 2008, of the elders who were not institutionalized, 37% lived in PRH, 18% lived in subsidized sale flats, and the remaining lived in various types of private housing.

The Government provides low-income families who cannot afford private rental housing, including elders, with subsidized PRH flats. At present, there are about 7 000 elderly applicants on the waiting list and their average waiting time is about 1.2 years, which is lower than the average of about 1.9 years for general family applicants. The Hong Kong Housing Authority (HA) will continue to actively co-ordinate with policy bureaux and departments concerned to identify suitable sites for PRH development in different districts to meet the needs of the community, including the elders.

With regard to the needs of the elderly PRH tenants, while it is not the policy of the HA to provide elderly-only PRH, the HA is committed to providing elderly PRH tenants with a safe and convenient living environment and making PRH a suitable place for needy elders to live. The HA has since 2002 adopted "universal design" in all of its new projects. The objective of "universal design" is to provide a living environment suitable for tenants of all ages. Under this concept, the HA has introduced various types of elderly-friendly designs, such as lever type door handles, and has enhanced the design of the passageways of PRH estates. In 2006, the HA implemented the "Barrier-free Access Improvement Programme" to enhance facilities such as ramps, handrails and voice synthesizers in lifts, to make it more convenient for needy elders and the disabled. Also, the HA implemented the "Estate Improvement Scheme" to renovate and add recreational and leisure facilities suitable for elders, and provide lifts in some of the PRH estates to enhance the accessibility for elders. The implementation of the aforementioned measures has enhanced the living environment of PRH to further cope with the need of elders. The HA will continue to explore possible means to further enhance the facilities in PRH estates.

Besides, the HA has put in place a series of enhanced housing arrangements for fostering harmonious families so as to encourage harmony and mutual support among generations. Elders may apply together with their young offspring for PRH under the Harmonious Families Priority Scheme and enjoy a credit waiting time of six months, irrespective of their choice of living under one roof or separately in two nearby PRH units. For those opting for living under one roof, they can even opt for PRH flats in the Urban District. Existing elderly PRH tenants may apply for transfer to estates near to that of their offspring through the Harmonious Families Transfer Scheme, or apply for amalgamation of tenancies with that of their offspring and be transferred to a PRH unit of suitable size under the Harmonious Families Amalgamation Scheme. To encourage inter-generational support, the HA has also implemented the Harmonious Families Addition Scheme to allow elderly tenants to

add adult offspring into their tenancies. The HA will continue to implement the above schemes to benefit more elders in need.

The Government places equal emphasis on the needs of elders who are not living in PRH. Different bureaux have relevant policies and measures to enable elders living in different locations to receive and enjoy conveniently various types of welfare, medical and community services and facilities. Also, the Government encourages mutual care among family members. In fact, quite a considerable number of elders choose to live together with, or near to, their younger offspring.

The concept of "elderly housing" does provide elders with an additional choice of housing. In fact, if private organizations consider that there is demand for this type of housing, they may consider developing elderly housing projects on private land. If HKHS or other non-government organizations wish to seek the government's subsidy and support in developing elderly housing projects, relevant government departments will consider them carefully, taking into account relevant factors including the effective use of public resources and the land premium consideration.

(b) and (c)

The focus of our existing subsidized housing policy is to provide PRH to low-income families who cannot afford private rental housing. As mentioned above, the HA already has a comprehensive policy to help elders in need of PRH, and various measures to encourage mutual care among elders and other family members. Also, the HA facilitates elders to age in the community through "universal design" and enhancement of facilities.

It is possible for elders to receive proper support without having to live together. The Government will continue to enhance the welfare, medical and recreational services so that elders may make use of the services conveniently regardless of where they live.

Also, the Government will encourage mutual care among old and young family members and mutual support among neighbours.

Regarding "elderly housing", as mentioned above, if HKHS or other non-government organizations wish to seek government's support in developing such projects, relevant government departments will examine carefully the detailed proposals taking into account the relevant factors.

The Government has already approved in principle in September 2008 for the HKHS to carry out two elderly housing projects in the former Tanner Hill Estate in Tanner Road, North Point and Tin Shui Wai Area 115 respectively, on the condition that HKHS will pay the Government the market value land premium reflecting the restrictive use of the elderly units (that is, the restriction that the units may only be leased to elders aged 60 or above). Given that these two projects will not enjoy nominal or concessionary land premium, they are different from the two SEN trial projects (that is, the Jolly Place and the Cheerful Court) which enjoyed nominal land premium. HKHS may therefore decide on their own the eligibility criteria for elders living in the elderly units and other arrangements, including taking in elders of various income/asset profile who are willing to pay for the rental flats and the services under a market-driven approach.

The elderly housing project in Tanner Road, North Point will provide about 520 elderly housing units. The Tin Shui Wai Area 115 elderly housing project will be developed in two phases and will in total provide about 900 elderly housing units. The aforementioned two elderly housing projects, together with the Jolly Place and the Cheerful Court, will provide a total of about 2 000 elderly housing units to meet market needs.

Employment Statistics

6. **MR LEE CHEUK-YAN** (in Chinese): *President, regarding the employment statistics for 2008 compiled by the Census and Statistics Department, will the Government set out in the table below the statistics on employed persons*

for that year (excluding unpaid family workers, foreign domestic helpers and employed persons who worked less than 35 hours during the seven days before enumeration due to vacation)?

Gender	Hours of work during the seven days before enumeration (Hours)	Monthly employment earnings (HK\$)					Total
		Less than 3,000	3,000 to 4,999	5,000 to 7,499	7,500 to 9,999	10,000 or above	
Female	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Sub-total						
Male	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Sub-total						
Female and Male	Less than 35						
	35 to 49						
	50 to 59						
	60 or above						
	Total						

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, according to the results of the General Household Survey conducted by the Census and Statistics Department in 2008, statistics on employed persons by gender, hours of work during the seven days before enumeration and monthly employment earnings are given below:

Gender	Hours of work during the seven days before enumeration (Hours)	Monthly employment earnings (HK\$)					Total
		Less than 3,000	3,000 to 4,999	5,000 to 7,499	7,500 to 9,999	10,000 or above	
Female	Less than 35	62 900	41 800	20 100	10 400	38 700	173 900
	35 to 49	5 800	35 500	131 100	145 200	452 500	770 100
	50 to 59	1 000	7 900	50 900	43 100	106 200	209 000
	60 or above	1 400	5 900	58 400	39 800	44 700	150 200
	Sub-total	71 000	91 000	260 400	238 500	642 100	1 303 100

Gender	Hours of work during the seven days before enumeration (Hours)	Monthly employment earnings (HK\$)					
		Less than 3,000	3,000 to 4,999	5,000 to 7,499	7,500 to 9,999	10,000 or above	Total
Male	Less than 35	25 100	25 000	27 300	18 400	40 500	136 200
	35 to 49	5 400	16 300	102 900	171 300	653 700	949 600
	50 to 59	1 400	3 700	37 000	65 900	220 800	328 800
	60 or above	1 300	5 000	67 300	80 800	187 400	341 700
	Sub-total	33 200	49 900	234 500	336 400	1 102 300	1 756 300
Female and Male	Less than 35	88 000	66 800	47 400	28 800	79 200	310 100
	35 to 49	11 200	51 700	234 000	316 500	1 106 300	1 719 700
	50 to 59	2 400	11 600	87 900	109 000	326 900	537 800
	60 or above	2 700	10 900	125 700	120 600	232 000	491 900
	Total	104 200	141 000	494 900	575 000	1 744 400	3 059 400

Notes: Statistics presented in the above table:

- (1) exclude unpaid family workers, foreign domestic helpers and employed persons who worked less than 35 hours during the seven days before enumeration due to vacation; and
- (2) are rounded to the nearest hundreds. Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Hill Fires Caused by Burning of Joss Sticks and Joss Papers

7. **MR ABRAHAM SHEK** (in Chinese): *President, the authorities have indicated that among the hill fires that broke out each year on days around Ching Ming Festival and Chung Yeung Festival, which are traditional days for ancestral worship, quite a number of them were caused by kindling materials left behind by grave sweepers after burning joss sticks and joss papers. In this connection, will the Government inform this Council:*

- (a) *of the number of hill fires that broke out on days around Ching Ming Festival and Chung Yeung Festival in the past three years which were caused by the burning of joss sticks and joss papers by grave sweepers, as well as the area of vegetation destroyed and the time needed to restore the vegetation;*
- (b) *of the number of prosecutions instituted in the past three years against people who had caused hill fires; whether the authorities*

have assessed the effectiveness of the relevant enforcement actions, and whether they will step up prosecution in this regard; if an assessment has been made and prosecution will be stepped up, of the details; if not, the reasons for that; and

- (c) *given the bitter lesson from the recent hill fires in Australia as well as the repeated occurrence of hill fires caused by human negligence in Hong Kong and the situation shows no sign of improvement, whether the authorities will consider amending the legislation to raise the relevant penalty so as to enhance the deterrent effect; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The number of hill fires that broke out on days around Ching Ming and Chung Yeung Festivals from 2006 to 2008 and the area of vegetation affected are as follows:

	2006		2007		2008	
	<i>Ching Ming</i>	<i>Chung Yeung</i>	<i>Ching Ming</i>	<i>Chung Yeung</i>	<i>Ching Ming</i>	<i>Chung Yeung</i>
No. of hill fires	58	122	32	111	23	9
Area affected (hectare)	38.19	747.19	15.23	163.48	24.13	0.56

We cannot ascertain whether all of these hill fires were caused by the burning of joss sticks and joss papers.

The vegetation destroyed by hill fires involves a wide variety of species and the growth rate of different species varies. Generally speaking, a destroyed grass slope can recover within a few months, but a destroyed scrubland will take years to restore.

- (b) The Agriculture, Fisheries and Conservation Department (AFCD) will prosecute any person who has lit a fire illegally in the countryside in accordance with the Forests and Countryside Ordinance (Cap. 96) or the Country Parks and Special Areas

Regulations (Cap. 208A). The prosecution figures from 2006 to 2008 are as follows:

	2006	2007	2008
No. of cases prosecuted	16	9	12*

Note:

* including two cases which are pending trial

We attach great importance to the prevention of hill fires. Every year during the seasons with a high risk of hill fires, especially around the Ching Ming and Chung Yeung Festivals, various government departments make a concerted effort on the publicity, prevention and fighting of hill fires. The AFCD deploys additional enforcement staff to patrol burial grounds in the countryside and take immediate prosecution action against those who contravene the law. We will continue to, as we have been doing so before, assess and review from time to time the need for strengthening the enforcement action further.

- (c) The maximum penalty under the Forests and Countryside Ordinance (Cap. 96) for illegal lighting of a fire in the countryside is a fine of \$25,000 and one-year imprisonment, and that under the Country Parks and Special Areas Regulations (Cap. 208A) is a fine of \$5,000 and one-year imprisonment. The Administration considers that these penalties already have deterrent effect and therefore do not need to be increased at this stage. As a matter of fact, notwithstanding the effects of weather conditions, the number of hill fires has been decreasing in recent years. The annual number of hill fires has dropped from about 3 300 in 1999 to about 1 200 in recent years, and that of hill fires in country parks has also dropped from nearly 200 in 1999 to around 40 in recent years. We will continue with civic education and publicity to increase public awareness of hill fire prevention, step up our efforts to prevent hill fires, and consider from time to time the need for reviewing penalties in the light of the circumstances.

Elderly Commission

8. **MR LEUNG KWOK-HUNG** (in Chinese): *President, some members of the public have relayed to me that the Elderly Commission (EC), which is responsible for advising the Government on the policy for the elderly, operates in a "black box" without any transparency, and some of the EC members are often absent from its meetings, leading to an imbalance in the elderly policy. For example, 19 006 elderly people had passed away while waiting for places in subsidized care and attention homes as well as nursing homes in the past five years. Those persons have also alleged that the EC lacks credibility as some EC members have calculatedly steered the elderly policy in such a way as to transfer benefits to the companies in which they hold shares or the organizations in which they are employed. In this connection, will the Government inform this Council:*

- (a) *whether the Government will open all EC meetings to the public from now on, and allow members of the public and deputations to observe the meetings; if so, when this will be implemented; if not, of the reasons for that;*
- (b) *why the Government stopped publishing the minutes of EC meetings on its web site from the 52nd EC meeting in 2007 onwards; apart from releasing brief press summaries, whether the Government will immediately publish on its web site the minutes of all EC meetings (including the voting results on each policy item) in the past three years to enable the public to find out and understand the rationale of EC members during the discussions, and the bases upon which EC used the terms such as "welcomed" or "pleased to note"; if so, when such an arrangement will be made; if not, of the reasons for that, and whether there is any secret which cannot be made public;*
- (c) *of the number and rate of attendance at EC meetings as well as the number of absence from EC meetings for all EC members (including government representatives) in each of the past five years, broken down by their names;*
- (d) *of the attendance rate of the representative from the Education Bureau (EDB) in each of the past five years, and the Government's reason for removing the EDB representative from the membership list of the EC starting from 2009; whether such a change will have*

any impact on the implementation of the Elder Academy Scheme; if so, of the impact; if not, the reasons for and the purpose of appointing EDB representatives to the EC in the first place;

- (e) whether it knows which companies or institutions providing elderly or rehabilitation services whose shares had been held by EC members or their family members in the past five years; which of the above types of companies or institutions have employed them to hold remunerated or non-remunerated posts; of the titles of their relevant posts; whether such companies or institutions have received any direct or indirect monetary benefits or subsidized services from the Government; if they have, of the names of such companies or institutions, as well as the details of the relevant monetary benefits or services and the amount of government funding they received annually;*
- (f) of the amount of government funding received annually since the 2006-2007 financial year for the Elderly Academy Scheme by the education institution in which the EC Vice-chairman is employed and the duration of the funding period; and*
- (g) whether it knows, since the 2006-2007 financial year, if there were/are EC members or their family members with shares of the Oasis Nursing Home in Wong Tai Sin; if so, of the names of the EC members concerned, as well as the amount of government funding granted to the nursing home annually since that financial year, and the duration of the service contract awarded to it?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the Government of the Hong Kong Special Administrative Region made "Care for the Elderly" a strategic policy objective in 1997 to improve the quality of life of our elderly population and provide them with a sense of security, a sense of belonging and a feeling of health and worthiness. The EC was established in the same year. Its main task is to provide advice to the Government in the formulation of a comprehensive policy in caring for the elderly. EC members include professionals from elder-related services and other sectors, academics and community leaders. Recently, the EC has focused its efforts on promoting

"active aging" and advising on the means to further enhance long-term care services for the elderly.

My reply to the question is as follows:

(a) and (b)

The EC always conducts its meetings in an open and transparent manner. Prior to each meeting, the agenda will be uploaded onto the EC's website <www.elderlycommission.gov.hk>. A press briefing will normally be held and a press summary issued immediately after the meeting to explain the matters discussed at the meeting. The EC's minutes will also be uploaded onto the EC's website for public inspection after confirmation by the Commission. Through the above measures, the EC has provided effective channels for the public and stakeholders of elderly services to keep abreast of its operation and decisions. For the time being, we do not see the need for the EC to open up its meetings to further enhance the transparency of its work.

In accordance with the arrangement above, the minutes of the 52nd to 56th EC meetings have been uploaded onto the EC's website.

- (c) Record of attendance of the official and non-official members at EC meetings in the past five years is at Annex.
- (d) One of the tasks of the EC is to advise the Government on the formulation of a comprehensive policy for the elderly including matters relating to the care, housing, financial security, health and medical, psychological, employment and recreational needs of the elderly. When the EC was established in 1997, the then Secretary for Education and Manpower or his representative was an ex-officio member of the EC, responsible for advising on matters relating to elderly employment. Following the reorganization of the Government Secretariat on 1 July 2007, manpower planning has come under the portfolio of the Labour and Welfare Bureau (LWB). As a result, the Secretary for Education or his representative is no longer an ex-officio member of the EC. The record of attendance

of the then Secretary for Education and Manpower or his representative at EC meetings since 2004 is at Annex.

Although the Secretary for Education is no longer an EC member, this has not affected the implementation of the Elder Academy Scheme. The EDB is in fact very supportive to the Scheme, and has been working in co-operation with LWB to facilitate the implementation of the Scheme. With the support of EDB and other relevant organizations, the Scheme has been successfully implemented. To support the long-term development of the Scheme, the Financial Secretary has agreed to earmark \$10 million in the 2009-2010 financial year and work with various stakeholders to co-sponsor and establish the Elder Academy Development Foundation.

- (e) EC members are appointed on an ad personam basis. As the EC is tasked to advise the Government on the formulation of a comprehensive policy for the elderly, it comprises members engaged in elderly services who can advise on this area of work from the sector's perspective.

According to information available to LWB and the Social Welfare Department (SWD), in the past five years there were incumbent or former EC members who were employees of SWD-subvented organizations, operators of contract residential care homes for the elderly (RCHEs) or private homes for the elderly participating in the Enhanced Bought Place Scheme. As the SWD considers funding applications and awards service agreements/contracts according to a set of objective criteria for the respective services, and that the EC is not involved in the process, the status of the aforementioned EC members has not affected the amount of funds allocated by the SWD to the organizations concerned nor the SWD's decision to award service agreements/contracts to individual organizations.

Besides, the "one-tier reporting system" of the Government applies to the EC. If a member perceives the issue to be dealt with at a EC meeting will give rise to a conflict of interest, he/she has to declare

to the Chairman of the meeting his/her interest in the matter. The declaration will be put on record.

- (f) To encourage elders to engage in lifelong learning so as to promote active ageing and enable our senior citizens to lead an enriched life, the EC launched the Elder Academy Scheme in early 2007. In February 2007 and June 2008, it openly invited all secondary and primary schools to apply for setting up Elder Academies in partnership with social welfare organizations. Before deciding on whether or not to approve the applications and the amount of funds to be granted, the EC assessed the proposals submitted by the schools with respect to the course content, the number of learning places, school facilities, the numbers of hours available for elders' learning at the school each week, measures to promote the concept of inter-generational harmony, as well as the experience of the partnering social welfare organizations in providing elderly service. Based on the above assessment criteria, four secondary/primary schools under the same education body as the tertiary institution for which the incumbent EC Vice-chairman is working have each been provided with \$60,000 to establish Elder Academies. The amount of funds is the same as that provided to the other 42 schools whose applications were approved in the same period.

In late 2007, the EC also invited tertiary institutions to take part in the Scheme to help elders realize their dream of "studying in universities". The EC assessed the course format and content, related activities and the number of learning places set out in the proposals submitted by the tertiary institutions before deciding on whether or not to approve the applications and the amount of funds to be granted. So far seven tertiary institutions have submitted proposals to the EC. The EC has approved the seven applications based on the above assessment criteria and decided on the amount of funds having regard to the scale and duration of the proposals. The tertiary institution for which the incumbent EC Vice-chairman is working is one of the successful applicants and has been granted \$100,000, \$175,000 and \$150,000 in the three financial years starting from 2007-2008 respectively for the implementation of the Scheme.

- (g) Since 2001, the Government has been selecting the operators of purpose-built RCHEs through open tenders with a view to enhancing the service quality of RCHEs, encouraging innovative and value-added services, and achieving cost effectiveness. Under the new arrangement, the SWD will conduct open tendering exercises for individual purpose-built RCHEs soon to be completed. Organizations with experiences in operating RCHEs (including non-governmental and private organizations) can participate in the tendering exercises. Upon receiving the tenders, the SWD and concerned departments will select suitable operators based on a set of open assessment criteria. The criteria cover various aspects, including the tenderers' past performance in operating RCHEs (for example, the number of warnings and advisory letters received from the SWD); whether the internal designs of RCHEs proposed by the tenderers are conducive to the provision of a safe environment which promotes harmony among elderly residents and protects privacy; tenderers' expertise in handling common diseases or accidents of elders (for example, bedsores and falls); plans for infection control and crisis management; value-added services to be provided by the tenderers, as well as human resource arrangements and management, and so on. Whether the tenderers or individual shareholders of the tendering organizations have joined any Government advisory bodies is not a factor for consideration by the Government. So far, the SWD has awarded through open tenders 16 contracts for operating purpose-built RCHEs, including that for operating the Oasis Nursing Home. The contract period for operating a purpose-built RCHE is normally five years. Subject to the performance of the operator, the SWD may consider renewing the contract with the operator for a maximum of five years.

As for the amount of subsidies, the SWD will allocate subsidies to contract RCHEs on a monthly basis according to the number of elders allocated to the concerned home from the SWD's Central Waiting List. Therefore, the amount of subsidies allocated to an individual contract RCHE is determined by the actual number of elders occupying subsidized places in the concerned home. In the 2008-2009 financial year, the average monthly subsidy of a subsidized place in contract RCHEs was \$5,900.

Annex

Record of Attendance of Members of the EC since 2004

No of meetings	2004	2005	2006	2007	2008	2009	
		5	4	4	4	4	2
<i>No of attendance of non-official members (and %)</i>							
Hon TAM Yiu-chung*	5(100%)	2(100%)	Term of office expired on 29 July 05				
Prof Iris CHI*	2(40%)	0(0%)					
Mrs LAM PEI Yu-dja, Peggy*	5(100%)	2(100%)					
Dr WU Wai-yung, Raymond*	4(80%)	2(100%)					
Mr LAI Kam-cheung, Michael*	5(100%)	2(100%)					
Mr WONG Hong-yuen, Peter*	2(40%)	2(100%)					
Dr NG Yau-yung*	5(100%)	4(100%)	2(100%)	Term of office expired on 29 July 06			
Dr LUM Shun-sui, Susie*	4(80%)	3(75%)	3(75%)	4(100%)	2(67%)	Term of office expired on 29 July 08	
Ms WONG Yiu-ming, Anita*	5(100%)	4(100%)	4(100%)	3(75%)	3(100%)		
Mr WAN Man-yeek*	3(100%)	Term of office expired on 29 July 04					
Dr LEONG Che-hung	Appointed on 30 July 05		2(100%)	4(100%)	4(100%)	4(100%)	2(100%)
Prof CHAN Cheung-ming, Alfred	3(60%)	4(100%)	4(100%)	4(100%)	3(75%)	1(50%)	
Mr CHAN Iu-seng, Star	5(100%)	3(75%)	4(100%)	4(100%)	4(100%)	2(100%)	
Dr LAM Ching-choi	5(100%)	3(75%)	4(100%)	4(100%)	3(75%)	2(100%)	
Prof Jean WOO	Appointed on 30 July 04	1(50%)	2(50%)	3(75%)	1(25%)	2(50%)	1(50%)
Mr CHAN Chi-yuk, Kenneth	Appointed on 30 July 05		2(100%)	4(100%)	4(100%)	4(100%)	2(100%)
Mr CHAN Han-pan			0(0%)	2(50%)	3(75%)	1(25%)	1(50%)
Prof CHIU Fung-kum, Helen			1(50%)	3(75%)	3(75%)	2(50%)	1(50%)
Rev LAU Wai-ling, Dorothy			1(50%)	4(100%)	4(100%)	2(50%)	2(100%)
Mr MA Chan-hang, Leo			2(100%)	4(100%)	2(50%)	2(50%)	2(100%)
Dr YAM Yin-chun, Loretta			2(100%)	4(100%)	3(75%)	1(25%)	2(100%)
Dr WONG Yee-him	Appointed on 30 July 06			2(100%)	4(100%)	4(100%)	2(100%)
Ms FUNG Yuk-kuen, Sylvia	Appointed on 1 April 09						

No of meetings	2004	2005	2006	2007	2008	2009
		5	4	4	4	4
<i>No of attendance of official members (and %)</i>						
Secretary for Labour and Welfare or representative	Set up on 1 July 2007			2(100%)	4(100%)	2(100%)
Secretary for Food and Health ⁽¹⁾ or representative	5(100%)	3(75%)	4(100%)	4(100%)	4(100%)	2(100%)
Secretary for Education ⁽²⁾ or representative*	2(40%)	0(0%)	0(0%)	0(0%)	No longer served as an official member	
Secretary for Transport and Housing ⁽³⁾ /Director of Housing or representative	5(100%)	4(100%)	3(75%)	4(100%)	3(75%)	2(100%)
Director of Health or representative	5(100%)	4(100%)	4(100%)	4(100%)	4(100%)	2(100%)
Director of Social Welfare or representative	5(100%)	4(100%)	4(100%)	4(100%)	4(100%)	2(100%)
Chief Executive, Hospital Authority or representative	3(60%)	3(75%)	3(75%)	4(100%)	2(50%)	1(50%)

Notes:

* "*" denotes former member (the others are incumbent members).

(1) Secretary for Health, Welfare and Food before 1 July 2007.

(2) Secretary for Education and Manpower (SEM) before 1 July 2007. The SEM or representative was absent from the meetings as the agenda items did not concern the Education and Manpower Bureau.

(3) Secretary for Housing, Planning and Lands before 1 July 2007.

Compensation for Third Party Victims, or Their Families, in Traffic Accidents Caused by Drink Driving

9. **MS CYD HO** (in Chinese): *President, it is learnt that at present, motor vehicles insurance policies in respect of third party risks generally have a "Drink Driving Exclusion Clause" stating that the insurer will not incur any contractual obligation to indemnify (or compensate) the policyholder for any damages or losses suffered by him in relation to his liability arising from a traffic accident involving drink driving. In this connection, will the Government inform this Council:*

- (a) *whether third party victims, who have been injured or died in traffic accidents involving drink driving, or their families, need to seek compensation personally from the drivers who caused the accidents or the vehicle owners concerned by instituting legal proceedings; if so, what support the Government will provide to assist them in making compensation claims; in the event that the drivers who caused the accidents and the vehicle owners concerned are incapable of making compensation or are declared bankrupt, whether such victims or their families will receive reasonable compensation; and*
- (b) *whether it has assessed if the above exclusion clause violates the principle that the rights of third party victims in traffic accidents should be protected; if it has, of the outcome; and whether the authorities have any plan to review and amend the relevant legislation to ensure that insurers will discharge, upon collection of insurance premiums, their obligations to compensate third party victims who have been injured or died in traffic accidents; if there is no plan to review and amend legislation, whether the procedures for claiming compensation by such victims or their families will be delayed because the traffic accidents involve drink driving, and how the existing legislation ensures that the insurers will give them reasonable compensation?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, under section 4 of the Motor Vehicles Insurance (Third Party Risks) Ordinance (the Ordinance), any person who uses or permits any other person to use a motor vehicle on a road shall take out an insurance policy covering the injury or death of third party. Sections 10 and 12 of the Ordinance also provide that upon determination by the Court that a person who drives or owns a vehicle shall be liable to the injury or death of a third party in a traffic accident, the insurer shall make compensation in respect of claims arising from the injury or death of the third party victims no matter whether or not the insured has violated the terms set out in the insurance policy (including the Drink Driving Exclusion Clause). Therefore, the victims and their families do not need to seek compensation from the drivers who caused the accidents or the vehicle owners concerned.

Identification of Six Economic Areas by Task Force on Economic Challenges for Further Development

10. **MISS TANYA CHAN** (in Chinese): *President, at its fourth meeting held on 3 April this year, the Task Force on Economic Challenges (TFEC) agreed to study how to further develop the following six economic areas where Hong Kong has enjoyed clear advantages, namely, testing and certification, medical services, innovation and technology, cultural and creative industries, environmental industry, and educational services. In this connection, will the Government inform this Council:*

- (a) *whether the TFEC has conducted any relevant research before identifying the above economic areas; if it has, of the research methodology, outcome of the research analyses and the criteria adopted for identifying these economic areas; if it has not, the criteria used by the TFEC to identify these areas;*
- (b) *of the following details about the development plans for each economic area according to the current conception of the Government and the TFEC:*
 - (i) *types of industries to be involved;*
 - (ii) *specific development directions and effectiveness indicators;*
 - (iii) *the industries and projects to be focused for development, as well as the specific reasons and justifications for selecting them;*
 - (iv) *whether it will adjust the relevant existing policies and the size and structure of the government departments concerned to dovetail with the development needs of the economic areas; if it will, of the details of the adjustment;*
 - (v) *details of the resource input intended for the policies on developing economic areas;*
 - (vi) *details, including the timetable, of the plans to attract and nurture talents; and*

(vii) *whether it will launch concessionary initiatives to promote the development of the economic areas, if it will, of the details of such initiatives;*

if details of one or more of the above items are not available, when the authorities will provide the relevant information; and

(c) *whether the Government has set a plan to review the development of those economic areas on a regular basis, to adjust the relevant policies and resource input in response to the prevailing situation, and to consider whether to continue to promote the development of the economic areas concerned; if it has set such a plan, of the details; if not, the reasons for that?*

FINANCIAL SECRETARY (in Chinese): President, the Chief Executive established the TFEC in October last year to monitor and assess the impact of the financial tsunami on local and global markets, and provide timely evaluation of its impact on the local economy and our major industries.

The strategy of "stabilizing the financial system, supporting enterprises and preserving employment" adhered firmly by the Government coincides with the theme of "Stability, Growth and Jobs" of the G20 Summit held in early April this year. This shows that our policy is in line with the mainstream approach adopted by the rest of the world to combat the financial tsunami.

Another major objective of the TFEC is to propose specific options for the Government and business community to address the challenges, and help us turn crisis into new business opportunities and enhance our competitiveness. This will lay a more solid foundation for the sustained development of our economy in future. The financial tsunami has led us to examine closely what other new economic areas Hong Kong should continue to support and develop in addition to the traditional ones.

Against this background, the Chief Executive announced after the fourth meeting of the TFEC on 3 April 2009 that the TFEC will study how to further develop the six economic areas where Hong Kong enjoys clear advantages, namely testing and certification; medical services; innovation and technology; cultural and creative industries; environmental industry; and educational services.

In examining and discussing which economic areas have greater development potential and comparative advantages, the TFEC has made reference to the findings of various studies conducted by the Government and non-government organizations (including study reports and opinions of the Central Policy Unit (CPU), relevant bureaux, think tanks and research institutes), papers of the Commission on Strategic Development (CSD), academic literature, statistical data, and the views of the public and the industries. These economic areas with comparative advantages have also been discussed thoroughly in the forums and meetings held by the CPU and the CSD.

Besides referring to past research studies, the TFEC has also considered a number of factors including: (1) the economic area concerned should be able to benefit Hong Kong's economy in the medium to long term, be built on the existing economic pillars and related industries, and filling or creating niche markets best served by Hong Kong given our competitive advantages; (2) the economic area should be able to develop sustainably in a free and open market without relying solely on government input on resources and continued support; and (3) the potential of the economic area should be assessed by its viability and readiness for development. Lastly, we have to assess whether the development of the economic areas can capitalize on the opportunities for co-operation with the Mainland and the Pearl River Delta region, including those arising from the Outline of the Plan for the Reform and Development of the Pearl River Delta and the National Twelfth Five-Year Plan (2011-2015).

Taking into account the above factors, the TFEC has identified six economic areas that Hong Kong enjoys clear advantages as the priority areas for focused study. We should contemplate whether the change in the global economic environment and our increased integration with the Mainland will present new opportunities and what the Government can do to make best use of the advantages enjoyed by these industries to facilitate their development, for instance, through policy, legislation and provision of land and other resources, and so on.

Before determining whether Hong Kong should focus on the development of these economic areas, the TFEC considers it necessary to further explore the room for their development and related implementation issues. The Chief Executive has asked the CPU to arrange a series of focus group discussions with

participation of trade representatives, academia, researchers, TFEC members and government officials. Outcome of the discussions will be reported to the TFEC at its next meeting for further consideration. The Government will carefully study and consider the views of the community and the TFEC before making a decision on the order of priority, and specific policies and measures for the development of these industries.

Declaration of Interests by Members of Chief Executive's Committee of Hong Kong Monetary Authority

11. **MRS REGINA IP** (in Chinese): *President, apart from monitoring the local banking system and maintaining the stability of Hong Kong dollar, the Hong Kong Monetary Authority (HKMA) also manages the Exchange Fund with a total asset value as high as HK\$1.5 trillion, which has a significant bearing on the local financial market. At present, the Register of Members' Interests of the Exchange Fund Advisory Committee (EFAC) is available for public inspection at HKMA Offices. Although all HKMA staff are required to declare interests in accordance with HKMA Administration Circulars No. 3/2008 "Code of Conduct" and No. 1/2002 "Rules on Restrictions on Investment by HKMA Staff", information on such declaration of interests is not open for public inspection. In view of this, will the Government inform this Council:*

- (a) *whether there is any difference between the declaration of interests required of HKMA's Chief Executive as a member of the EFAC and the declaration of interests required of him in accordance with the aforesaid administration circulars; if there is, of the details and why information on the interests declared by HKMA's Chief Executive in accordance with the administration circulars is not made public; and*
- (b) *as the Chief Executive's Committee consists of HKMA's Chief Executive, Deputy Chief Executives and Executive Directors, why the Government does not make public the information on the interests declared by various members of the Committee?*

FINANCIAL SECRETARY (in Chinese): President,

- (a) As a member of the EFAC, the Chief Executive of the HKMA is required to declare the following on an annual basis:
- proprietorships, partnerships or directorships of companies;
 - remunerated employments, offices, trades, professions or vocations;
 - shareholdings in a publicly listed or private company of more than 1% of the company's issued share capital; and
 - other declarable interests, taking into consideration the nature of work of the Committee or Sub-Committee.

The declaration is available for inspection on request by any member of the public.

In accordance with the Rules on Restrictions on Investments by HKMA Staff, the Chief Executive of the HKMA is also required to declare the following to the Financial Secretary on an annual basis:

- investments held in and outside Hong Kong, as defined in the Rules;
- proprietorships, partnerships, or directorships of companies in or outside Hong Kong;
- shareholdings of 1% or more of the issued share capital in any public or private companies in or outside Hong Kong, and in the case of private companies, (i) the nature of the business of the private company, (ii) whether the company has active business activities, (iii) whether the officer has actively participated in the business of the company, and (iv) the names of other shareholders; and
- the name, occupation, place and nature of work of his spouse.

In addition, the Chief Executive of the HKMA is required to report to the Financial Secretary, within seven days, any purchase or sale of foreign currency against the Hong Kong dollar involving HK\$100,000 or more in any one day, any purchase or sale of shares or warrants or other instruments, any purchase or sale of unit trusts, mutual funds, insurance funds, Hong Kong equities index funds, pension funds or debt securities of HK\$100,000 or more in any one day, any purchase and sale of any interest in land and buildings in or outside Hong Kong, and loan facilities obtained from, or arranged through, Authorized Institutions where each of such facilities exceed HK\$100,000. If, having received any report on such transactions, the Financial Secretary considers that a conflict of interest exists, he may direct the Chief Executive of the HKMA to divest himself of such holdings.

These disclosure, declaration and reporting requirements are reviewed from time to time, taking into account the functions of the HKMA, general practice in the public sector and advice from the Independent Commission Against Corruption. The arrangements are consistent with those for senior officials in the Civil Service. The Chief Executive of the HKMA has given an undertaking to ensure that the content of his record of financial interests available for public inspection is beyond that required under standard government practice. A statement of his financial interests, going beyond those interests that are required to be disclosed as a member of EFAC, is available for public inspection on request.

- (b) According to the "Rules on Restrictions on Investments by HKMA Staff", HKMA staff at the level of Division Head and above, including Deputy Chief Executives and Executive Directors are subject to the same declaration and reporting requirements as the Chief Executive of the HKMA, except that they are required to make their declarations and reports to the Chief Executive of the HKMA rather than to the Financial Secretary. In view of the detailed personal data contained in them, these declarations and reports are not made available for public inspection. These arrangements are consistent with those for officials at similar levels in the Civil Service.

Elderly Health Centres

12. **MR WONG KWOK-HING** (in Chinese): *President, I have received complaints from elderly people and concern groups for elderly people about new members of elderly health centres (EHCs) having to wait for a long time for various health care services. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of attendances for the various health care services provided last year by each EHC to its members;*
- (b) *regarding each EHC in each of the past three years, of the number of newly-registered members waiting for physical check-up services, the average waiting time for first-time service, and the number of new members who passed away while waiting;*
- (c) *of the criteria adopted by the Government for drawing up the estimates of expenditure of EHCs, and whether they include the elderly population figures of various districts; if so, of the details; if not, the reasons for that; and*
- (d) *whether it had assessed the effectiveness of the services provided by EHCs last year; if so, what criteria were used for conducting the assessment; if not, of the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): *President, the Government has always attached importance to the health of elders. The Department of Health (DH) currently provides comprehensive primary health care services, including health assessment, physical check-up, medical consultation, counselling and health education, to elderly members aged 65 or above, through 18 EHCs in the territory. The objectives of setting up EHCs are to enhance primary health care for elders, improve their ability to take care of themselves and encourage them to develop healthy lifestyle.*

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- (a) In 2008, the numbers of various health care services provided to members by each EHC are shown in Annex 1.
- (b) The number of elders waiting for enrollment as members and the waiting time in respect of each EHC in the past three years are shown in Annex 2. New members receive their first health assessment on the day they become members. The DH does not keep statistics on the number of elders who passed away while waiting for enrollment as EHC members.

The waiting time for EHC membership varies from district to district. Factors affecting the waiting time include the size of the elderly population in respective districts, elders' personal preference (for example, individual elders may join their friends in neighbouring districts to apply for membership in the same EHC), availability of other physical check-up services in respective districts and the renewal of EHC membership by elders. In view of these factors, the waiting time for membership enrollment for each EHC often varies.

To shorten the waiting time for some elders, the DH provides them with information on those EHCs with shorter waiting time for enrollment as members.

- (c) The Government uses the past and anticipated numbers of membership enrollment and attendances for health assessment and medical consultation for formulating the estimated provision for the elderly health service.

The services of the EHCs are heavily subsidized by the Government. In view of the ageing population, demand for primary health care services for elders will only increase in the long run. It is not possible to meet the health care needs of all elders through the EHCs alone. The provision of highly subsidized primary health care

services by EHCs is also not the most cost-effective and sustainable way to deliver services to elders.

Indeed, the EHCs are not the only providers of primary health care services for elders. Other service units under the DH, the Hospital Authority, community service organizations and private health care providers also provide similar services. Elders can also receive health care services offered by non-governmental organizations (NGOs) which are reasonably priced.

Private medical practitioners are also key providers of primary health care services for elders. To enhance primary health care services for elders, the Government has launched the Elderly Health Care Voucher Pilot Scheme (the Scheme) for three years starting from 1 January 2009. The Scheme aims at providing additional choices for elders on top of the existing public primary health care services, and enabling elders to choose their own private primary health care services in their local communities that suit their needs most. Under the Scheme, elders aged 70 or above will be provided with five health care vouchers of \$50 each annually to partially subsidize their use of private primary health care services.

As regards health education, free health talks and other health education activities for elders and their carers are organized by 18 visiting health teams of the DH, in collaboration with elderly centres operated by NGOs. In addition, the DH produces health educational kits for self-learning by elders and for use by other elderly service centres, with a view to further promoting health education and disease prevention.

- (d) The Government conducts regular review and assessment on the service effectiveness and performance of EHCs, using the annual statistics on the number of membership enrollments, the number of attendances at health education activities, and the number of attendances for medical consultation and health assessment as criteria for the review and assessment.

Annex 1

The numbers of various health care services provided to members
by each EHC in 2008

<i>EHCs</i>	<i>No. of health assessments provided (no. of attendances)</i>	<i>No. of medical consultations provided (no. of attendances)</i>	<i>No. of counselling and health education provided (no. of attendances)</i>
Kennedy Town	4 190	5 565	10 804
Shau Kei Wan	4 657	4 676	7 788
Wan Chai	4 278	5 439	9 985
Aberdeen	4 236	7 142	9 176
Nam Shan	4 404	4 100	6 076
Lam Tin	4 332	4 953	12 811
Yau Ma Tei	4 511	5 367	10 124
San Po Kong	4 111	5 667	5 380
Kowloon City	4 155	4 764	13 986
Yuen Chau Kok/ Lek Yuen	4 476	6 232	9 151
Shek Wu Hui	4 322	7 781	11 555
Tseung Kwan O	4 628	6 544	10 357
Tai Po	4 158	6 150	9 840
Tung Chung	4 286	3 597	11 921
Tsuen Wan	4 162	6 477	8 255
Tuen Mun	4 246	6 047	6 911
Kwai Shing	4 267	3 981	7 747
Yuen Long	4 264	3 692	6 630
Total	77 683	98 174	168 497

The number of elders waiting for enrollment as new members at each EHC and the waiting time in the past three years

<i>EHCs</i>	<i>No. of elders waiting for enrollment as new members (as at end of December of each year)</i>		
	<i>2006</i>	<i>2007</i>	<i>2008</i>
Kennedy Town	990	731	151
Shau Kei Wan	2 299	1 769	1 237
Wan Chai	2 455	2 310	2 158
Aberdeen	899	621	368
Nam Shan	1 488	591	441
Lam Tin	1 750	1 381	1 147
Yau Ma Tei	2 136	2 190	1 537
San Po Kong	1 604	1 190	868
Kowloon City	2 824	2 573	1 840
Yuen Chau Kok/ Lek Yuen	2 336	2 273	2 137
Shek Wu Hui	1 327	1 178	473
Tseung Kwan O	967	926	822
Tai Po	751	599	451
Tung Chung	386	329	236
Tsuen Wan	2 475	2 207	1 684
Tuen Mun	644	597	519
Kwai Shing	1 058	993	641
Yuen Long	280	202	30
Total	26 669	22 660	16 740

<i>EHCs</i>	<i>Median waiting time for enrollment as new members (months)</i>		
	<i>2006</i>	<i>2007</i>	<i>2008</i>
Kennedy Town	23.9	19.7	14.2
Shau Kei Wan	50.5	50	47.3
Wan Chai	43.6	48.2	43.3
Aberdeen	32.3	30.5	18.5
Nam Shan	28.6	13.8	5.1

<i>EHCs</i>	<i>Median waiting time for enrollment as new members (months)</i>		
	<i>2006</i>	<i>2007</i>	<i>2008</i>
Lam Tin	41.8	39	34.3
Yau Ma Tei	47.7	48	45.2
San Po Kong	42.9	41.7	40.4
Kowloon City	46	48.8	47.1
Yuen Chau Kok/ Lek Yuen	43.2	45.5	47.8
Shek Wu Hui	43.7	40.4	33.5
Tseung Kwan O	22.3	25.4	27
Tai Po	26.4	26	26.1
Tung Chung	26.9	13.5	3.6
Tsuen Wan	45.2	48	50.4
Tuen Mun	24	21	16.6
Kwai Shing	32.5	37.6	25.8
Yuen Long	18.8	16.6	11.4

Services for Cruise Travellers

13. **MR PAUL TSE** (in Chinese): *President, I have received complaints that when a mega cruise liner arrives in Hong Kong and is berthed at the Kwai Chung Terminals, very often only a few immigration officers will go on board the liner to handle the travellers' immigration clearance, and hence travellers have to wait for hours to undergo such procedure. Moreover, as other vehicles are not allowed to enter the Kwai Chung Terminals area, travellers have to first ride in the vehicles arranged by the cruise liner company to Tsim Sha Tsui Star Ferry Pier and then change to other means of transport to their destinations. The aforesaid arrangement not only dampens the travellers' enthusiasm for travelling, but also takes up their sightseeing and shopping time. In this connection, will the Government inform this Council:*

- (a) *whether last year, it had reviewed the arrangement of the immigration clearance procedure for cruise travellers visiting Hong Kong and the berthing facilities for cruise liners; if so, of the results of the review; if not, whether it will proceed with the review immediately; and*

- (b) *of the measures in place, prior to the commissioning of the first berth of the new cruise terminal at Kai Tak in mid 2013, to improve the services for cruise travellers visiting Hong Kong as well as to step up the relevant complementary measures, so as to minimize the inconvenience caused to them?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, our reply is set out below:

- (a) Depending on individual circumstances and taking into account the requests of cruise operators, the Immigration Department (ImmD) will exercise flexibility in arranging the immigration clearance of mega cruise vessels. The arrangements include:
- (i) *boarding the cruise vessel at the last port-of-call prior to its arrival in Hong Kong*

In response to a request by the cruise operator and taking into account the number of visitors and crew members, the ImmD will dispatch a suitable number of officers to board the cruise vessel at the last port-of-call prior to its arrival in Hong Kong. ImmD officers will conduct immigration clearance for the visitors and crew members during the cruise vessel's journey to Hong Kong, so that the visitors can disembark immediately after the berthing of the cruise vessel in Hong Kong. The cruise operator will be responsible for the travel expenses of the ImmD officers.

- (ii) *boarding the cruise vessel in Hong Kong waters*

If there are no other arrangements for the cruise vessel, the ImmD will board the cruise vessel in Hong Kong waters when it sails through Junk Bay or Round Island (Ngan Chau) Pilot Boarding Stations, and conduct immigration clearance for the visitors and crew members. This would help save time, and facilitate the visitors to disembark as soon as possible after the berthing of the cruise vessel.

Furthermore, before the arrival of each cruise vessel, the ImmD will obtain the list of visitors and crew members from the local shipping agency and conduct part of the immigration clearance procedures in advance to shorten the waiting time for the visitors.

For departure arrangements, the ImmD will obtain the list of visitors and crew members from the local shipping agency and conduct part of the departure clearance procedures in advance to expedite the process. And, depending on the number of visitors and crew members, the ImmD will arrange a suitable number of officers to board a cruise vessel four hours prior to its departure to perform departure clearance.

The Government will continue to actively engage the cruise industry on the arrangements for immigration clearance with a view to providing efficient and quality services to our visitors.

- (b) The Tourism Commission (TC) has been actively engaging the cruise industry, and co-ordinating with the relevant departments to provide quality supporting facilities and services to visiting cruise vessels and their passengers. Under the Advisory Committee on Cruise Industry (ACCI), a Working Group on Interim Berthing Arrangement has been set up to consider and formulate interim berthing arrangements and support measures for cruise vessels before the completion of the new cruise terminal.

For cruise vessels which exceed the berthing capability of the Ocean Terminal or have conflicts in schedules and require alternative berthing locations, the TC will facilitate the vessel calls and assist in the liaison between the local shipping agencies of the cruise operators and the relevant departments such as the Lands Department, Marine Department, Transport Department and police as necessary. This includes the introduction of a set of "Streamlined Procedures for Applying for a Temporary Multiple-Visits Waiver for Berthing Cruise Vessels at the Container Terminal" since November 2006 to facilitate container terminal operators in applying for the berthing of cruise vessels at their facilities. In September 2008, the Government promulgated to the industry a set of guidelines on "Streamlined Procedures for

Arranging Temporary Anchorage and Tendering for Cruise Vessels" to facilitate cruise operators in arranging mid-stream operations more expeditiously.

The TC works closely with the relevant departments, cruise operators, shipping agencies and travel agents on the berthing arrangements to devise the most appropriate arrangement for each vessel call in order to facilitate the embarkation and disembarkation of passengers. The Hong Kong Tourism Board also arranges cultural performances, and sets up temporary visitor enquiry and service counters, and so on, on cruise passengers' arrival in Hong Kong so that they can experience the hospitality of Hong Kong.

Given the special operational environment and transport needs of container terminals, we need to ensure the safety of the cruise passengers, minimize the number of non-container terminal vehicles, and reduce the waiting time of cruise passengers at container terminals for transportation. We consider the arrangement of feeder buses by shipping agencies to transport cruise passengers in and out of container terminals the safest and most appropriate arrangement. The arrangement is also widely accepted by the industry.

We will continue to maintain close liaison with the cruise industry and gather their views through ACCI and other channels to further enhance Hong Kong's supporting facilities for the berthing of cruise vessels and services to cruise passengers.

Funding Provided Under Lump Sum Grant Subvention System to NGOs and Their Reserves

14. **MR WONG SING-CHI** (in Chinese): *President, in the 2008-2009 financial year, 162 non-governmental organizations (NGO) providing welfare services were funded under the Lump Sum Grant (LSG) subvention mode. In this connection, will the Government inform this Council:*

- (a) *of the respective amounts of subvention granted to each NGO in the current and the past two financial years; and*
- (b) *whether it knows the amount of cumulative LSG Reserves of each NGO at the end of the 2007-2008 financial year?*

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

- (a) In the 2008-2009 financial year, 162 NGOs were funded under the LSG subvention system. The levels of their subvention in the three years from 2007-2008 to 2009-2010 are set out at Annex 1.
- (b) In order to enable NGOs on LSG to accumulate sufficient resources to achieve financial viability in the long run and to honour their contractual commitment to Snapshot Staff⁽¹⁾, the Social Welfare Department did not claw back the reserves of these NGOs in respect of the 2004-2005 to 2006-2007 financial years, though the amount might have exceeded the normal cap, that is, 25% of the annual operating expenditures of the NGOs. It should be noted that in all circumstances, LSG reserves can only be spent on designated services and activities.

Generally speaking, NGOs' LSG reserves are generated from staff turnover, service streamlining and re-engineering, organizational restructuring and successful bidding of new services. The situation varies from NGO to NGO. Individual NGO's LSG reserve level needs to be looked at with reference to its overall financial position and service structure. It would be misleading to consider only the level of LSG reserve as an indicator of the financial situation of an NGO. A more useful benchmark for the sector as a whole would be the cumulative reserve of all the NGOs on LSG, which is estimated to be about \$2.2 billion as at 31 March 2008. A breakdown by the reserve banding is at Annex 2.

⁽¹⁾ These are staff on the recognized establishment of NGOs' subvented service units as at 1 April 2000. Their terms and conditions of employment are guaranteed provided that they remain employed by the same NGO and have not been regraded or promoted to another rank.

Subventions to NGOs on LSG

	<i>Name of NGO</i>	2007-2008	2008-2009	2009-2010
		<i>Actual</i>	<i>Revised Estimate</i>	<i>Estimate</i>
		\$	\$	\$
1	ABERDEEN KAI-FONG WELFARE ASSOCIATION SOCIAL SERVICE CENTRE	39,477,890	48,448,894	48,370,662
2	ASIAN OUTREACH HONG KONG LTD.	907,455	944,364	945,371
3	ASSOCIATION FOR ENGINEERING & MEDICAL VOLUNTEER SERVICES	7,799,550	8,980,254	9,033,029
4	LOK CHI ASSOCIATION LIMITED	1,209,885	1,482,706	1,480,521
5	ASSOCIATION FOR THE RIGHTS OF INDUSTRIAL ACCIDENT VICTIMS LIMITED	463,894	659,643	665,822
6	AGAINST CHILD ABUSE LTD.	1,075,879	1,287,490	1,288,545
7	AGENCY FOR VOLUNTEER SERVICE	1,215,038	1,475,695	1,525,912
8	ALICE HO MIU LING NETHERSOLE CHARITY FOUNDATION	32,598,448	35,505,600	35,944,297
9	ALICE LAN & VERA SHEN EDUCATION FUND LTD.	1,130,390	1,343,067	1,335,572
10	THE ABM HONG KONG SWATOW BAPTIST CHURCH COMMUNITY SERVICE ASSOCIATION LTD.	6,498,526	8,797,512	8,859,682
11	ASBURY METHODIST SOCIAL SERVICE	8,650,548	11,976,851	12,058,710
12	ASIA WOMEN'S LEAGUE LTD.	28,079,337	30,687,601	30,447,636
13	ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM (HK) LTD.	11,796,112	12,419,995	12,446,039
14	BAPTIST MID-MISSIONS	1,481,648	1,774,939	1,744,433
15	BAPTIST OI KWAN SOCIAL SERVICE	34,314,003	42,350,114	42,465,970
16	BARNABAS CHARITABLE SERVICE ASSOCIATION LTD.	2,768,606	3,681,230	3,904,784
17	BOYS' & GIRLS' CLUBS ASSOCIATION OF HONG KONG	167,689,601	210,149,946	209,236,058
18	BOYS' BRIGADE HONG KONG	2,400,474	3,505,896	3,510,505
19	HK BUDDHIST ASSOCIATION	27,260,978	31,405,345	31,689,944
20	THE HONG KONG BODHI SIKSA SOCIETY LTD.	11,420,485	12,576,435	13,142,414
21	CARITAS — HK	549,266,395	642,022,671	645,181,379
22	CHEUNG SHA WAN KAI FONG WELFARE ASSN LAM TAM YIN WAH DAY NURSERY	375,265	469,673	465,044
23	CHEUNG CHAU RURAL COMMITTEE	1,775,469	2,582,102	2,553,520
24	THE FREE METHODIST CHURCH OF HONG KONG	6,982,037	8,930,691	8,959,022
25	CHI LIN NUNNERY	29,771,346	32,696,282	32,544,003
26	CHINA PENIEL MISSIONARY SOCIETY INC.	830,860	1,001,534	1,003,034
27	CHINESE EVANGELICAL ZION CHURCH LTD.	5,209,545	6,445,969	6,420,558
28	CHINESE RHENISH CHURCH HK SYNOD	38,975,733	43,928,886	44,437,566
29	CHINESE YOUNG MEN'S CHRISTIAN ASSOCIATION OF HONG KONG	103,544,539	129,944,320	129,689,881
30	CHING CHUNG TAOIST ASSOCIATION OF HK LTD.	18,359,047	20,627,994	20,422,304
31	THE CHRISTIAN AND MISSIONARY ALLIANCE CHURCH UNION (HK) LTD.	10,179,942	11,821,282	11,645,756
32	THE CHRISTIAN NEW BEING FELLOWSHIP LTD.	4,499,693	5,777,597	6,633,309
33	CHRISTIAN FAMILY SERVICE CENTRE	119,895,368	140,391,526	145,802,931
34	CHRISTIAN CONCERN FOR THE HOMELESS ASSOCIATION	1,915,956	2,736,843	2,743,511
35	CHRISTIAN NATIONALS' EVANGELISM COMMISSION AGED PEOPLE CENTRE	830,840	1,015,105	1,024,217
36	CHUK LAM MING TONG LTD.	17,206,736	18,609,577	18,435,654
37	CHUNG SHAK-HEI (CHEUNG CHAU) HOME FOR THE AGED LTD.	19,780,165	22,500,222	22,642,032
38	CHUNG SING BENEVOLENT SOCIETY	18,620,085	21,913,788	22,088,770
39	HOP YAT CHURCH SOCIAL CENTRE FOR THE ELDERLY	732,421	921,962	918,670
40	HONG KONG SHENG KUNG HUI WELFARE COUNCIL	353,873,576	412,083,809	422,914,294
41	ENDEAVOURERS BERT JAMES YOUNG SOCIAL CENTRE FOR THE ELDERLY	774,568	964,168	960,748
42	THE EBENEZER SCHOOL AND HOME FOR THE VISUALLY IMPAIRED LTD.	8,207,118	10,078,661	10,314,293

		2007-2008	2008-2009	2009-2010
	<i>Name of NGO</i>	<i>Actual</i>	<i>Revised Estimate</i>	<i>Estimate</i>
		\$	\$	\$
43	EMMANUEL CHURCH	301,874	398,832	393,750
44	EVANGEL CHILDREN'S HOME	5,412,265	5,736,484	5,789,176
45	ASSOCIATION OF EVANGELICAL FREE CHURCHES OF HK	7,641,013	9,040,788	8,973,797
46	ELCHK SOCIAL SERVICE HEAD OFFICE	107,966,461	132,854,829	142,244,632
47	THE FINNISH EVANGELICAL LUTHERAN MISSION	3,180,753	4,292,820	4,926,371
48	FUNG KAI PUBLIC SCHOOL	12,366,096	14,347,600	14,542,102
49	FIVE DISTRICTS BUSINESS WELFARE ASSOCIATION	639,512	763,949	760,222
50	FUNG YING SEEN KOON	1,608,235	1,978,382	1,981,307
51	THE MOTHER SUPERIOR OF THE CONGREGATION OF OUR LADY OF CHARITY OF THE GOOD SHEPHERD OF ANGERS AT H K	11,688,339	12,987,740	13,322,521
52	HANS ANDERSEN CLUB LTD.	2,129,872	2,571,522	2,560,110
53	HARMONY HOUSE LIMITED	3,523,408	4,012,905	5,262,658
54	HEEP HONG SOCIETY	138,743,196	159,382,003	158,144,005
55	HEUNG HOI CHING KOK LIN ASSOCIATION	89,934,714	97,106,739	98,133,873
56	HK & KLN KAIFONG WOMEN'S ASSOCIATION	3,078,332	3,434,242	3,404,512
57	HK & MACAU LUTHERAN CHURCH	7,904,369	8,915,882	9,203,802
58	HONG CHI ASSOCIATION	141,191,378	158,051,521	163,090,563
59	HONG KONG BLIND UNION	2,491,062	3,050,062	3,072,908
60	HK CATHOLIC MARRIAGE ADVISORY COUNCIL	9,737,553	10,825,715	10,640,146
61	HK CHILDREN & YOUTH SERVICES	92,855,239	117,270,765	118,806,814
62	HK CHINESE WOMEN'S CLUB	20,768,367	22,790,953	22,521,067
63	HK CHRISTIAN MUTUAL IMPROVEMENT SOCIETY	2,019,360	2,411,514	2,353,036
64	HK CHRISTIAN SERVICE	177,676,960	214,957,320	213,990,712
65	HK COUNCIL OF SOCIAL SERVICE	27,109,002	29,362,831	29,393,301
66	THE HONG KONG DOWN SYNDROME ASSOCIATION	7,344,481	8,627,648	8,673,890
67	HONG KONG EVANGELICAL CHURCH SOCIAL SERVICE LTD.	6,432,366	6,873,881	6,908,822
68	HONG KONG WOMEN FOUNDATION LTD.	856,697	1,053,177	1,059,722
69	HK FAMILY WELFARE SOCIETY	158,597,496	184,763,262	183,722,940
70	HONG KONG FEDERATION OF HANDICAPPED YOUTH	2,531,475	2,883,600	2,893,645
71	HK FEDERATION OF THE BLIND	1,138,402	1,416,600	1,419,276
72	HK FEDERATION OF YOUTH GROUPS	140,512,546	178,036,577	179,182,666
73	HK JUVENILE CARE CENTRE	9,667,913	11,438,182	12,049,821
74	HK LUTHERAN SOCIAL SERVICE LUTHERAN CHURCH — HK SYNOD	133,650,643	159,637,594	164,549,321
75	H K MUTUAL ENCOURAGEMENT ASS LTD.	1,650,725	2,035,040	2,039,511
76	HK PHAB ASSOCIATION	18,922,173	23,430,999	23,415,130
77	HK PLAYGROUND ASSOCIATION	60,718,198	75,835,910	77,135,698
78	HONG KONG RED CROSS	3,162,134	3,529,656	3,556,030
79	HONG KONG REHABILITATION POWER LIMITED	1,543,410	2,169,822	2,181,933
80	HK SOCIETY FOR THE AGED	166,826,470	185,842,554	185,335,909
81	HK SOCIETY FOR THE BLIND	78,667,629	86,871,271	87,179,257
82	HK SOCIETY FOR THE DEAF	19,340,383	22,119,791	22,200,305
83	THE HONG KONG SOCIETY FOR REHABILITATION	21,807,035	24,542,456	24,799,923
84	HK SOCIETY FOR THE PROTECTION OF CHILDREN	30,687,254	31,498,455	31,157,126
85	HK SPORTS ASSOCIATION FOR THE MENTALLY HANDICAPPED	1,121,443	1,394,551	1,407,068
86	HK STUDENT AID SOCIETY	32,872,810	35,828,316	36,112,562
87	THE HONG KONG TUBERCULOSIS, CHEST AND HEART DISEASES ASSOCIATION	15,429,722	16,817,629	17,086,530
88	THE NESBITT CENTRE LIMITED	1,104,864	1,324,802	1,327,463
89	HK YOUNG WOMEN'S CHRISTIAN ASSOCIATION	134,204,044	168,279,818	169,900,727
90	HK-MACAO CONFERENCE OF SEVENTH — DAY ADVENTISTS	7,897,651	10,132,014	10,098,979
91	HOSPITAL AUTHORITY — KWAI CHUNG HOSPITAL	208,000	376,599	377,701
92	INTERNATIONAL BUDDHIST PROGRESS SOCIETY (HONG KONG) LIMITED	797,329	988,007	998,694
93	INTERNATIONAL SOCIAL SERVICE HK BRANCH	77,463,567	63,636,046	64,337,084

	<i>Name of NGO</i>	2007-2008	2008-2009	2009-2010
		<i>Actual</i>	<i>Revised Estimate</i>	<i>Estimate</i>
		\$	\$	\$
94	INTERNATIONAL WOMEN'S LEAGUE LIMITED	771,281	964,847	970,764
95	JORDAN VALLEY KAIFONG WELFARE ASSOCIATION	864,670	1,053,264	1,059,957
96	HAVEN OF HOPE CHRISTIAN SERVICE	102,944,722	113,202,771	118,254,602
97	KIANGSU CHEKIANG & SHANGHAI RESIDENTS (H.K.) ASSOCIATION	14,800,613	16,491,236	16,431,553
98	KOWLOON CITY BAPTIST CHURCH	1,704,921	2,334,002	2,344,336
99	WAI JI CHRISTIAN SERVICE	94,324,999	104,497,621	107,613,581
100	KOWLOON WOMEN'S WELFARE CLUB	8,353,948	9,297,115	9,430,343
101	KWUN TONG METHODIST SOCIAL SERVICE	7,641,643	9,984,507	9,998,605
102	LAM TIN ESTATE KAIFONG WELFARE ASSOCIATION LTD.	1,402,563	1,002,304	1,004,688
103	LIGHT AND LOVE HOME LIMITED	872,248	982,373	983,798
104	LOK SIN TONG BENEVOLENT SOCIETY KOWLOON	27,173,304	29,653,549	29,566,184
105	LUTHERAN PHILIP HOUSE LTD.	2,938,538	3,228,806	3,206,606
106	MENTAL HEALTH ASSOCIATION OF HK	110,714,981	122,238,943	123,070,258
107	METHODIST CHURCH HK MEVCC SW	28,116,979	34,975,616	35,091,828
108	MONG KOK KAI FONG ASSOCIATION LTD	19,471,076	23,986,921	24,262,338
109	MOTHER'S CHOICE LTD.	12,167,505	13,511,504	13,684,566
110	NEIGHBOURHOOD ADVICE-ACTION COUNCIL	122,960,350	152,267,577	159,696,501
111	NEW LIFE CHURCH OF CHRIST HK LTD.	1,766,351	2,044,730	2,049,193
112	NEW LIFE PSYCHIATRIC REHABILITATION ASSOCIATION	141,092,168	155,888,446	159,964,896
113	NEW TERRITORIES WOMEN & JUVENILES WELFARE ASSOCIATION LTD.	4,078,800	4,651,331	4,606,935
114	OPERATION DAWN LIMITED	3,362,446	4,706,616	5,151,749
115	S K H ST SIMON'S SOCIAL SERVICES	1,100,676	1,304,438	1,291,098
116	PENTECOSTAL CHURCH OF HK LTD.	15,615,252	18,158,954	18,124,196
117	PO LEUNG KUK	240,778,631	271,431,234	275,797,358
118	POK OI HOSPITAL	102,490,396	116,628,311	118,014,780
119	THE SUPERIORESS OF THE SISTERS OF THE PRECIOUS BLOOD	7,636,340	8,776,167	9,549,784
120	PROJECT CARE	5,793,193	6,209,239	6,255,462
121	THE RICHMOND FELLOWSHIP OF HK	24,565,839	29,340,050	29,457,370
122	SALVATION ARMY	228,731,528	263,431,748	266,061,995
123	SCOUT ASSOCIATION OF HK	21,017,485	27,996,038	28,218,541
124	SHAMSHUIPO KAI-FONG WELFARE ADVANCEMENT ASSOCIATION	733,360	851,139	853,799
125	SIK SIK YUEN	85,927,478	98,673,419	98,363,142
126	SISTERS OF IMMACULATE HEART OF MARY	1,252,217	1,467,822	1,460,350
127	SOCIETY FOR COMMUNITY ORGANIZATION LTD.	1,391,241	1,606,686	1,611,731
128	THE SOCIETY OF REHABILITATION AND CRIME PREVENTION HK	63,970,024	73,108,225	72,413,615
129	SOCIETY OF BOYS' CENTRES	33,523,612	36,513,398	36,944,722
130	FU HONG SOCIETY	196,197,453	215,100,889	216,241,433
131	SOCIETY OF ST VINCENT DE PAUL	461,414	562,657	558,735
132	SAHK	175,610,588	195,047,801	193,822,193
133	HONG KONG PARALYMPIC COMMITTEE & SPORTS ASSOCIATION FOR THE PHYSICALLY DISABLED	1,357,899	1,709,659	1,697,469
134	SHENG KUNG HUI ST. CHRISTOPHER'S HOME LTD.	33,562,061	34,874,701	34,715,441
135	ST. JAMES' SETTLEMENT	107,920,738	130,084,088	131,596,423
136	ST MATTHIAS' CHURCH DAY NURSERY	626,265	739,261	734,419
137	STEWARDS LIMITED	33,765,528	40,344,508	40,549,431
138	TAI HANG YOUTH CENTRE	1,609,443	2,435,490	2,438,373
139	THE CHURCH OF UNITED BRETHREN IN CHRIST HK LTD.	10,421,432	14,044,519	14,121,100
140	THE METHODIST CENTRE	16,296,933	20,134,953	20,453,851
141	THE MISSION COVENANT CHURCH LIMITED	1,125,503	1,378,815	1,374,667
142	THE TSIM SHA TSUI DISTRICT KAIFONG WELFARE ASSOCIATION	758,740	950,486	965,610
143	THE SAMARITAN BEFRIENDERS HONG KONG	4,464,177	4,936,275	4,940,897
144	SUEN MEI SPEECH & HEARING CENTRE FOR THE DEAF	2,337,390	2,685,046	2,687,366
145	THE WORLD FELLOWSHIP OF BUDDHISTS	1,610,407	1,617,575	1,618,797
146	THE TSUNG TSIN MISSION OF HONG KONG SOCIAL SERVICE COMPANY LIMITED	17,269,110	20,019,153	19,813,637
147	TUEN MUN YUK CHI RESOURCE CENTRE LTD.	1,801,161	1,988,101	2,004,479

	<i>Name of NGO</i>	2007-2008	2008-2009	2009-2010
		<i>Actual</i>	<i>Revised Estimate</i>	<i>Estimate</i>
		\$	\$	\$
148	TUNG LUM BUDDHIST AGED HOME	5,872,410	6,799,989	6,886,551
149	TUNG SIN TAN HOME FOR THE AGED	3,232,111	3,838,577	3,902,594
150	TUNG WAH GROUP OF HOSPITALS	571,652,400	646,106,336	668,431,157
151	UNITED CHRISTIAN NETHERSOLE COMMUNITY HEALTH SERVICE	5,855,102	6,604,214	6,630,930
152	WATCHDOG LTD.	3,028,623	3,413,959	3,421,151
153	HONG KONG WEST POINT BAPTIST CHURCH ELDERLY CENTRE	740,395	925,428	926,924
154	WOMEN'S WELFARE CLUB EASTERN DISTRICT HONG KONG	17,262,387	19,702,556	19,964,873
155	WOMEN'S WELFARE CLUB WESTERN DISTRICT HK	2,990,136	3,395,145	3,338,370
156	YAN CHAI HOSPITAL	193,363,187	214,768,800	219,811,916
157	YAN OI TONG LTD.	56,002,445	67,114,776	67,351,243
158	YANG MEMORIAL METHODIST SOCIAL SERVICE	70,960,594	86,055,165	89,335,816
159	YOUTH OUTREACH	5,945,734	8,134,784	8,166,078
160	YUEN LONG TOWN HALL MANAGEMENT COMMITTEE LTD.	16,238,870	20,241,132	20,076,766
161	THE YUEN YUEN INSTITUTE	20,676,930	23,025,677	23,117,424
162	ZION SOCIAL SERVICE LIMITED	4,773,870	6,246,232	6,305,288
	TOTAL	<u>6,832,812,482</u>	<u>7,902,335,588</u>	<u>8,013,378,146</u>

Annex 2

NGOs on LSG in the 2008-2009 financial year
Reserve Position as at 31 March 2008

<i>LSG Reserve as a % of Operating Expenditure</i>	<i>No. of NGOs</i>
Over 40%	49
35% to less than 40%	8
30% to less than 35%	18
25% to less than 30%	12
20% to less than 25%	15
15% to less than 20%	15
10% to less than 15%	7
5% to less than 10%	5
Less than 5%	33
Total	162

Note: The above LSG reserve position is based on the latest Annual Financial Reports submitted by NGOs. It includes the NGOs' reserves in respect of the 2004-2005 to 2006-2007 financial years, which are not subject to the normal cap of 25%.

The reserves of two NGOs which ceased to receive LSG in October and November 2007 respectively are not reflected.

Development of Cattle Depot Artist Village

15. **DR PRISCILLA LEUNG** (in Chinese): *President, since it was renovated in 2001, the former Ma Tau Kok Quarantine Depot has been renamed Cattle Depot Artist Village and its workshops have become available for renting by local artists. In recent months, some members of the Kowloon City District Council have relayed to me that since the management work of the above venue involves many government departments, there is confusion in the rights and responsibilities of the parties concerned. In addition, as the venue is not completely open for visit by the public, it has not been fully utilized. Moreover, as there is no policy bureau dedicated to the promotion of cultural development, the work in this area has failed to yield satisfactory results. In this connection, will the Government inform this Council:*

- (a) *of the criteria adopted for vetting and approving applications for renting the workshops of the Cattle Depot Artist Village and the relevant rentals; the current number and percentage of workshops which are vacant;*
- (b) *whether hirers are allowed under the rental conditions to engage in work which is unrelated to art and cultural creation in their workshops (such as conducting business trading activities);*
- (c) *which government department is currently responsible for the management of the Cattle Depot Artist Village; whether it has any plan to completely open the Cattle Depot Artist Village for visit by the public;*
- (d) *given that the Cattle Depot Artist Village is currently classified as a Grade III historical building, whether it knows if the Antiquity Advisory Board has any plan to upgrade the building's grading;*
- (e) *whether the Development Bureau has any plan to revitalize the Cattle Depot Artist Village further; if it has, of the relevant timetable, and whether it will adopt leading the renewal of the entire old Kowloon City district and complementing the synergistic development of Kai Tak new development area, and so on, as the prime factors of consideration in the revitalization of the Village;*

- (f) *whether it knows how the Cattle Depot Artist Village and Jockey Club Creative Arts Centre (the Centre), which was opened in September 2008, co-ordinate with each other and divide between them the work on arts development; and*
- (g) *given that at present Hong Kong does not have a policy bureau dedicated to the promotion of cultural development, while the Government of Macau Special Administrative Region has set up the Secretariat for Social Affairs and Culture for such purposes, whether the Government will set up a culture bureau to co-ordinate the work on cultural development in various areas?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the former Ma Tau Kok Quarantine Depot has been leased to the old tenants of the former Government Supplies Department Headquarters at Oil Street, North Point since 2001. The Cattle Depot Artist Village has been given this name as the tenants thereat are mainly engaged in arts activities.

- (a) At present, all tenants at the former Ma Tau Kok Quarantine Depot (that is, the Cattle Depot) used to be tenants of the ex-Government Supplies Department Headquarters at Oil Street, North Point. After moving out from the Oil Street, these tenants started to take up tenancy for non-domestic purpose at the Cattle Depot paying market rent since 2001. Of the 20 lettable units at Cattle Depot, five are vacant at present. As most of the vacant units require substantial repairs, they are not put up for lease at the moment.
- (b) According to the existing tenancy agreements, the Cattle Depot units are for non-domestic purpose, but not limited to arts and cultural creation use.
- (c) The Cattle Depot is currently managed by the Government Property Agency. As the property is not equipped with fire safety installations, lighting, emergency access and hygiene facilities that meet the conditions under the Places of Public Entertainment licensing framework, the Cattle Depot cannot be fully open to the public for staging large-scale activities.

However, to meet the special needs of individual activities, tenants may apply for a Temporary Place of Public Entertainment Licence from the relevant departments and open their premises for public patronage upon obtaining the necessary approvals.

- (d) The Cattle Depot was rated as a Grade III historical building in 1994. As the Antiquities and Monuments Office has proposed to the Antiquities Advisory Board (AAB) for the upgrading of the building to be a Grade II historical building, the AAB is now consulting the public on the proposal.

- (e) The Development Bureau has commissioned the Hong Kong Arts Development Council to study the future development of the Cattle Depot. The study will examine the background and the current situation of the Cattle Depot as an artist village, the history of local and overseas artist villages, as well as the feasibility of operating an artist village at the Cattle Depot in future. Besides, the Development Bureau has also commissioned The Chinese University of Hong Kong to conduct a study on the history and the community development of the Kowloon City district. The study will cover how the Cattle Depot, after revitalization, can generate a synergistic effect on nearby places, including the Kai Tak new development area and the old quarters in To Kwa Wan like the 13 Streets. It will also examine the different heritage values of the historical buildings in Kowloon City and their impact on the development of the district, as well as the possibility of outlining a heritage trail/network in the district.

The Development Bureau keeps an open mind on what conservation approach to adopt to revitalize the former Ma Tau Kok Quarantine Depot. The Development Bureau is now studying the history and background, the current situation, as well as the future development and operating mode of this historical building.

- (f) At present, it is not a tenancy condition or a requirement on the Cattle Depot tenants to conduct any arts creation activities in their units. The tenants operate independently and they do not have to follow any operation or development direction.

On the other hand, the Centre, which is planned, developed and operated by the Hong Kong Baptist University (HKBU), is established to achieve the following three objectives:

- (i) Provide studio space for local artists and art groups;
- (ii) Help promote arts and culture in the community; and
- (iii) Nurture creative arts talents for Hong Kong.

When considering the tenancy applications for the Centre, whether an applicant would help the HKBU achieve the Centre's objectives, such as participation in the Centre's art promotion projects, was part of the assessment.

As the two places are markedly different in their background, management and their mode of operation, against our cultural policy objective celebrating diversified development, we do not need the two to have any co-ordination and division of work in the development of the arts.

- (g) The Home Affairs Bureau is the policy bureau in the Government responsible for the cultural and arts development of the Hong Kong Special Administration Region. There are currently two Deputy Secretaries at the bureau responsible for the co-ordination of the cultural policy and cultural development in various fields, as well as the development of the West Kowloon Cultural District respectively.

Development of Chinese Medicine Sector

16. **DR LAM TAI-FAI** (in Chinese): *President, given that the co-operation of Chinese and Western medicine practitioners in treating patients may generate complementary effects, Chinese medical therapies are widely practised overseas, and the Government is open-minded towards the setting up of a Chinese medicine hospital (CMH), will the Government inform this Council:*

- (a) *when the Government will commence a study on the setting up of a CMH and what the relevant details are; if it cannot commence the study immediately, of the reasons for that;*
- (b) *whether the Government will consider providing subsidies or other incentives to private medical institutions to encourage them to establish and operate CMHs; if it will, of the details; if not, the reasons for that;*
- (c) *whether it has assessed the number of CMHs whose operational needs can be met by graduates from existing local full-time undergraduate degree courses in Chinese medicine each year, and whether the places in such courses are sufficient to meet the demand; if it has made such an assessment, of the outcome; whether it will consider allocating more resources to increase the number of places in such courses;*
- (d) *whether the Government will consider providing more clinical internship opportunities to students of undergraduate degree courses in Chinese medicine; if it will, of the details; if not, the reasons for that; and*
- (e) *whether it has any plan to enhance co-operation with relevant Mainland authorities to capitalize on the experience of the Chinese medicine practitioners (CMPs) on the Mainland to assist in the training of local talents in Chinese medicine and develop the Chinese medicine sector into a major export industry?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the contribution of Chinese medicine to the primary health care services is widely recognized by the public. For patients who need to be hospitalized or suffer from severe illnesses, they are treated by Western medical practitioners generally, while the CMPs may play a supplementary role.

In Hong Kong, setting up a purely CMH may not provide the most comprehensive treatment to patients. The long-term goal of the Administration in promoting the development of Chinese medicine is to develop, through an evidence-based approach, a model of collaboration between Chinese and Western

medical practitioners that can meet the actual circumstances and needs of Hong Kong.

- (a) In view of the actual needs of patients, the Hospital Authority (HA) is trying out different models of Chinese and Western medicines shared care services. For instance, the Kwong Wah Hospital has developed a concerted plan for the treatment of common diseases which respond favourably to the combined use of Chinese and Western medicines, and established an inter-referral system between Chinese and Western medical practitioners in its day treatment services; the Princess Margaret Hospital (Lai King Building) and the Tung Wah Group of Hospitals Fung Yiu King Hospital provide Chinese and Western medicines shared care services in their geriatric units; the Shatin Hospital, the Haven of Hope Hospital and the Duchess of Kent Children's Hospital have introduced Chinese medicine therapy into their integrated neuro-rehabilitation service for in-patients. The Tuen Mun Hospital will also introduce Chinese medicine into its in-patient integrated treatment following the implementation of Chinese medicine day rehabilitation service.

On cancer treatment, acupuncture has been used as pain relief treatment for terminal cancer patients in the Centre for Cancer of the Prince of Wales Hospital. The Ha Kwai Chung Chinese Medicine Centre is also exploring the delivery of Chinese and Western medicines integrated services for cancer patients from the Cancer Centre of Princess Margaret Hospital. In view of the increasing demand for Chinese medical treatment for pain, the Ngau Tau Kok Chinese Medicine Centre and United Christian Hospital have jointly piloted a Chinese and Western medicines integration programme to provide acupuncture and/or acupressure treatment for chronic pain.

We will continue to introduce Chinese medicine service into the existing hospital services. To optimize the potential of Chinese medicine treatment, combined Chinese and Western medical treatment will be provided on a trial basis for specific health conditions. A similar Chinese and Western medicines integration model will be considered to be incorporated in the proposed Chinese medicine building under the Kwong Wah Hospital Redevelopment Project.

- (b) Chinese medicine service has primarily been provided by the private sector in Hong Kong. To promote the further development of the Chinese medicine service, the Government has established public Chinese medicine clinics (CMCs) in various districts since 2003. The CMCs have adopted a tripartite model in which the HA collaborates with a non-governmental organization (NGO) and a local university in each of the clinics. Under this model of collaboration, the HA provides a modernized infrastructure for the management and service delivery by the clinics; the universities manage the training and research programmes of the clinics; and the NGOs operate the clinics based on their comprehensive local service network and experience in providing medical/community services. These three parts are complementary to one and other.

We consider that public and private Chinese medicine services can complement each other in meeting the community needs. Over the years, we have helped NGOs develop Chinese medicine service in different ways. For instance, we are launching a pilot scheme with the Pok Oi Hospital to allow its Chinese Medicine Vehicles to offer medical consultation in public day general out-patient clinics.

As regards the operation of a CMH by the private sector, we will carefully study the different aspects of a proposal and take the necessary measures as appropriate.

- (c) At present, the three local universities funded by the University Grants Committee, namely the University of Hong Kong, The Chinese University of Hong Kong and the Hong Kong Baptist University, provide a total of 79 places for undergraduate degree courses in Chinese medicine per year.

Students of undergraduate courses in Chinese medicine of the three local universities can obtain registration status as CMPs through taking and passing the CMPs Licensing Examination. Besides, under the Chinese Medicine Ordinance, persons who have completed courses recognized by the Chinese Medicine Practitioners Board of the Chinese Medicine Council and listed CMPs are also eligible to sit for the licensing examination. In 2008, a total of 327 people passed the CMPs Licensing Examination and obtained the

registration status. As such, the local supply of human resources in Chinese medicine is sufficient and is able to meet the needs in the community.

- (d) At present, all three local full-time Chinese medicine degree courses recognized by the Chinese Medicine Practitioners Board are required to provide at least 30 weeks of clinical internship for the students. These three local universities have their own CMCs to train their students. As for hospital services, all local universities will arrange for their students to get exposure to relevant experience in the Mainland.

In addition, the Government actively provides clinical internship opportunities for graduates of degree courses in Chinese medicine. Currently, each public CMC has to employ at least five graduates of degree courses in Chinese medicine as junior CMPs for one year, so as to provide training opportunities. The Government is planning to further extend such training by providing junior CMPs with the second and third years of training in public CMC, so as to provide more opportunities of clinical internship for them.

- (e) Since the enactment of the Chinese Medicine Ordinance in 1999 and the establishment of the Chinese Medicine Council of Hong Kong, we have been working in close co-operation with the relevant Mainland authorities such as the State Administration of Traditional Chinese Medicine (SATCM) and the State Food and Drug Administration to ensure the smooth management and development of Chinese medicine in Hong Kong.

As regards the administration of CMPs, the SATCM provides expert assistance in the accreditation of degree courses in Chinese medicine and the CMPs Licensing Examination. Meanwhile, Chinese medicine experts in the Mainland may come to Hong Kong through the limited registration system for conducting clinical research and educational work in local universities and scientific research institutions. Chinese medicine institutions in the Mainland also provide internship opportunities to students of undergraduate courses in Chinese medicine of the three local universities to further facilitate exchanges between Hong Kong and the Mainland.

To further deepen mutual co-operation in Chinese medicine, the Food and Health Bureau and SATCM entered into a co-operation agreement on Chinese medicine in November 2007. The scope of co-operation covers: strategy for the development of Chinese medicine, policy and statute on Chinese medicine, Chinese medicine treatment and development of combined Chinese and Western medical treatments, standards of Chinese medicine, training of CMPs, hospital administration and implementation of cultural and scientific activities in Chinese medicine.

Air Mail Centre Situated at Chek Lap Kok

17. **MR ALBERT CHAN** (in Chinese): *President, the Air Mail Centre (the Centre) situated at Chek Lap Kok has come into operation for over 10 years since 1998. I have recently received complaints that a large quantity of expensive facilities installed in the Centre several years ago are still being left idle while the staff of the Centre still have to move bulky parcels manually. It has been reported that in March this year, Hongkong Post refused to give a detailed response about the aforesaid situation on grounds of "internal operation and aviation security". In this connection, will the Government inform this Council:*

- (a) *whether the electronic display panel in the Centre can display real-time flight information (including flight delay messages); if not, of the reasons for that;*
- (b) *in respect of each conveyor belt on each floor of the Centre, of the daily average number of hours it was in operation and the daily average quantity of parcels it handled last year;*
- (c) *why the pulley duct and large turntable packing platform on the first floor of the Centre, the large lift linking the ground floor to the second floor, as well as the X-ray scanner for human beings and objects have been left idle for a long time;*
- (d) *of the reasons why bulky parcels still have to be moved manually in the Centre; and*

- (e) *whether it will consider taking measures to improve efficiency of parcel handling in the Centre, and penalizing the staff concerned for not taking measures to enable the aforesaid facilities to be fully utilized; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, to tie in with the relocation of the airport from Kai Tak to Chek Lap Kok, the Post Office (PO) constructed the AMC at the Hong Kong International Airport. The Postal Mechanization System (POMS) came into operation in July 1998. However, between then and the design of the AMC facilities in the early 1990s, there were changes to the operating environment and the nature of international mail. These changes, together with the less-than-expected growth in the mail volume, have led to the underutilization of some of the AMC facilities. The Audit Commission carried out an audit review on the POMS, and set out its concern and recommendations regarding the operation and cost-effectiveness of the POMS in Report No. 44 of the Director of Audit released in March 2005. Subsequently, the Public Accounts Committee (PAC) of the Legislative Council held hearings on the project and set out its conclusions and recommendations in PAC Report No. 44. The PO has completed all the follow-up actions recommended by the Audit Commission and the PAC, and has submitted regular reports to the Legislative Council.

My replies to the questions raised by Mr Albert CHAN are as follows:

- (a) The electronic display panel at the AMC shows information on flights to mailing destinations to facilitate mail sorting by AMC staff in the order of the flights' departure time. While the panel cannot provide information on flight delay or cancellation, the AMC has established with the airlines or their agents a communication mechanism through which information on flight changes is available immediately so that the officer-in-charge can make the necessary adjustments based on operational needs.
- (b) The AMC is equipped with a conveyor system that comprises five units, that is, Units A, B, D, E and F. The system is mainly used for handling parcels and Speedpost items. The locations of these

Units and their average daily operating hours during the past year are as follows:

<i>Unit</i>	<i>Location</i>	<i>Average daily operating hours during the past year (hour)</i>
A	From the roadside platform to the X-ray machine at the entrance	18
B	From G/F to the Parcel Sorting System	13.5
D	From G/F to the raised platform of the Transit Section	0.5
E	From the raised platform to G/F of the Transit Section	16 ^(Note)
F	Linkage with the Parcel Sorting System	18 ^(Note)

Note:

Some parts of the Units have not been used. The above operating hours only apply to other parts of the Units.

The Audit Commission also pointed out that the utilization rate of Unit D had been low. The Unit was constructed in accordance with the operating conditions in the early 1990s. Due to subsequent changes to the operating environment, it has not been fully utilized.

- (c) The three systems have not been put to use because of the following reasons:

Unit load device transfer system (UDTS) (that is, the "pulley duct and large turntable packing platform" as stated in the question): According to PO's design concept of the AMC, the UDTS can dispatch inbound mail to the General Post Office and the International Mail Centre together with the unit load devices (ULDs), thereby obviating the need to open and unload the ULDs at the AMC. However, the plan did not materialize because of changes in the mode of operation. The UDTS has therefore not been put to use.

Container storage and retrieval system (CSRS) (that is, the "large lift linking the ground floor to the second floor" as stated in the question): The CSRS at the AMC comprises storage bins for temporary storage of processed mail before dispatch to outbound aircrafts. However, as the number of flights at the Hong Kong International Airport has been higher than expected, the mail dispatch frequency has been very high, and the need for temporary storage decreases. The Audit Commission was aware of the situation when it conducted the audit review. The PO has already used the facility for other storage purpose, so as to better utilize resources.

Metal Detector Archway (that is, the "X-ray scanner for human beings and objects" as stated in the question): The PO originally planned to install a metal detector archway at both the main entrance and the entrance of the airside platform to enhance security at the AMC. However, since all people entering the AMC have already passed their security check, the PO considers it unnecessary to install such a detector at the entrance of the airside platform.

- (d) Currently, the Packet Sorting System and the Parcel Sorting System at the AMC handle over 90% of the packets and 60% of the parcels each day. Other mail items with odd shape, thickness, size or weight that cannot be sorted by machines require manual sorting. Owing to the practical operational needs of the AMC, it is inevitable that parcels would have to be moved manually. Examples include placing these parcels in mail bags for sealing and dispatch.
- (e) The Audit Commission has recommended that continuous effort should be made by the PO to further improve the performance of the POMS. Pursuant to this recommendation, the PO, with the assistance of the Electrical and Mechanical Services Department, has gradually improved the performance of the Packet Sorting System, and has raised its utilization rate from an average of sorting 31% of packets each year in 1999-2004 to 92% last year. As for the Parcel Sorting System, since it has been in use for over ten years, that is, two third of its designed operating life, there is little room to further improve its performance. We have reported this to the Legislative Council in May 2007.

As mentioned above, the main reason for the underutilization of the system is that there have been changes in the operating conditions and the nature of mail items since the system was designed in the early 1990s.

Loans Under Start-up Loan Scheme to Self-financing Institutions

18. **MR CHEUNG MAN-KWONG** (in Chinese): *President, from the 2008-2009 academic year onwards, self-financing institutions which have received interest-free loans from the Government under the Start-up Loan Scheme may apply for extension of the repayment period of such loans from "no more than 10 years" to "no more than 20 years", if it is proven that they have financial difficulties. In this connection, will the Government inform this Council:*

- (a) *of the up-to-date number of institutions from which applications have been received by the authorities, the justifications for the applications, the criteria and the average time taken for vetting and approving the applications, as well as the deadline for submission of applications;*
- (b) *of the names of the institutions whose applications have been approved, as well as the extended loan repayment period and the resultant reduction in the amount of annual repayment in respect of each case;*
- (c) *whether it has assessed if there is room for the institutions which have been permitted to repay loans over an extended period to lower the tuition fees of their self-financing post-secondary programmes; if the assessment outcome is in the affirmative, of the details; if the assessment outcome is in the negative, the reasons for that; and*
- (d) *whether it has assessed the financial impact on the Government of the arrangement for extending loan repayment periods; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) Institutions were invited to submit applications for extension of repayment period of Start-up Loans in December 2008. We have received applications from a total of eight institutions. Applicants sought to reduce financial pressure so as to deploy more resources to improve the quality of teaching and learning.

Applications for extension of repayment period of Start-up Loan are assessed by an independent Vetting Committee. They will make recommendations to the Secretary for Education on whether to approve the applications. In assessing the applications, key factors considered by the Vetting Committee include financial difficulties faced by the institutions and how resources are deployed to improve the quality of teaching and learning. It takes around four to five months to complete the vetting process.

- (b) The Vetting Committee is currently assessing the applications received and the process is expected to be completed within a month. If the applications are approved, the loan repayment periods may be extended to 20 years and the institutions' annual repayments may be reduced by about one half.
- (c) In assessing applications for extension of repayment period of Start-up Loans, the main considerations of the Vetting Committee are whether the extension can effectively improve the cash flow position of the institution and how resources will be deployed to improve the quality of teaching and learning. The level of tuition fees of self-financing sub-degree programmes is set by institutions based on situations of individual programmes.
- (d) Institutions may apply for extension of repayment period of Start-up Loan up to a maximum of 20 years. An interest rate on a no-gain-no-loss basis will be charged for outstanding loans after the first 10 years of repayment. Extension of loan repayment period will incur some loss of interests to the Government. Interests forgone would depend on the amounts and the repayment periods of

the applications approved. As the assessment of applications is still in process, we are not in a position to provide amount details at this stage.

Academic Titles of Teaching Staff in Tertiary Institutions Funded by UGC

19. **DR JOSEPH LEE** (in Chinese): *President, regarding the tertiary institutions funded by University Grants Committee (UGC), will the Government inform this Council whether:*

- (a) *it knows the list of academic titles of teachers used by each tertiary institution;*
- (b) *last year, it had considered drawing up a standard list of academic titles for all institutions to follow, so as to avoid confusing and misleading the public; if it had, of the details; if not, the reasons for that; and*
- (c) *it has monitored various institutions in formulating criteria to determine the academic titles of their teachers, so as to ensure that the academic standards of teachers are commensurate with their titles; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) According to information provided by the UGC-funded institutions, the existing classification of ranks and titles of academic and teaching staff in the institutions is set out at Annex.

(b) and (c)

The Administration has not considered drawing up a list of academic titles for all institutions to follow or monitored various institutions' practice in formulating criteria to determine the academic titles. The eight UGC-funded institutions are autonomous statutory bodies governed by their respective ordinances. The institutions have

autonomy in managing their internal affairs, including human resources policies, and establishment of ranks and titles for their staff.

Annex

Titles and Ranks of Teaching/Academic Staff in UGC-funded institutions

Staff Grade	Title							
	CityU	HKBU	LU	CUHK	HKIEd	PolyU	HKUST	HKU
Chair Professor	Chair Professor	Chair Professor	Chair Professor	Professor of a subject	Chair Professor	Chair Professor	Chair Professor*	Chair Professor [@]
Professor	- Professor - Director (Chinese Civilisation Centre)	Professor	Professor	Professor	Professor	Professor	Professor	Professor
Associate Professor	- Associate Professor - Head (English Language Centre)	Associate Professor	Associate Professor	Associate Professor	Associate Professor	Associate Professor	Associate Professor	Associate Professor
Assistant Professor	- Assistant Professor - Assistant Director (Chinese Civilisation Centre)	Assistant Professor	Assistant Professor	Assistant Professor	Assistant Professor	Assistant Professor	Assistant Professor	Assistant Professor
Reader	University Lecturer	N/A	N/A	Professor I [#]	N/A	N/A	N/A	N/A
Senior Lecturer (USS Pay Scales)	N/A	Senior Lecturer	N/A	Professor II [#]	N/A	N/A	N/A	N/A
Principal Lecturer	Principal Lecturer	Principal Lecturer	N/A	N/A	Principal Lecturer	Principal Lecturer	N/A	N/A
Senior Lecturer (non-USS Pay Scales)	Senior Lecturer	N/A	N/A	N/A	Senior Lecturer	Senior Lecturer	N/A	N/A
Lecturer (USS Pay Scales)	Lecturer	- Lecturer I - Lecturer II	Lecturer	Associate Professor [#]	N/A	N/A	N/A	N/A
Lecturer (non-USS Pay Scales)	Lecturer	N/A	N/A	N/A	Lecturer	Lecturer	N/A	N/A
Assistant Lecturer	N/A	Assistant Lecturer	N/A	N/A	N/A	N/A	N/A	N/A

Staff Grade	Title							
	CityU	HKBU	LU	CUHK	HKIEd	PolyU	HKUST	HKU
Instructor	- Instructor I - Instructor II - Senior Teaching Fellow - Teaching Fellow	- Senior Instructor - Instructor I - Instructor II	- Senior Language Instructor - Language Instructor - Assistant Language Instructor	- Senior Instructor - Instructor I - Instructor II - Teaching Fellow - Professional Consultant	- Senior Instructor - Instructor I - Instructor II - Senior Teaching Fellow - Teaching Fellow I - Teaching Fellow II - Teacher Development Consultant	- Senior Teaching Fellow - Senior Clinical Associate - Senior Instructor - Teaching Fellow - Clinical Associate - Instructor	- Principal Instructor - Senior Instructor - Instructor - Assistant Instructor	- Senior Teaching Consultant - Teaching Consultant - Teaching Fellow - Principal Language Instructor - Senior Language Instructor - Language Instructor - Assistant Language Instructor - Field Instructor - Instructor
Demonstrator / Tutor / Teaching Assistant	- Chinese Civilisation Course Senior Tutor - Chinese Civilisation Course Tutor - English Enhancement Course Senior Tutor - English Enhancement Course Tutor	Teaching Assistant	- Senior Teaching Fellow - Teaching Fellow - Assistant Teaching Fellow	- Tutor - Demonstrator - Teaching Assistant	- Course Tutor - English Teaching Assistant - Graduate English Tutor - Graduate Putonghua Tutor - Teacher Development Consultant II	- Tutor - Teaching Assistant	- Teaching Associate - Instructional Assistant	- Senior Teaching Assistant - Tutor - Demonstrator - Teaching Assistant

Notes:

- # These ranks are being phased out and no new appointment has been made to these ranks since 2002-2003.
- * Chair Professor is only an honorary title (not a rank) which is conferred on selected staff at the rank of Professor.
- @ Although this rank has been cancelled, incumbents' grades and titles have been grandfathered.
- USS University Salary Scales

Institution:

- CityU City University of Hong Kong
- HKBU Hong Kong Baptist University
- LU Lingnan University
- CUHK The Chinese University of Hong Kong
- HKIEd The Hong Kong Institute of Education
- PolyU The Hong Kong Polytechnic University
- HKUST The Hong Kong University of Science and Technology
- HKU University of Hong Kong

Concessionary Interchange Schemes for Franchised Buses and Green Minibuses

20. **MR KAM NAI-WAI** (in Chinese): *President, as at the end of 2007, the average daily person-times benefitting from each of the 96 concessionary bus-bus interchange (CBBI) schemes with interchange locations on Hong Kong Island was only about 77, which was far less than those of the other four areas: 2 059, 315, 529 and 604 for New Territories West, New Territories East, Lantau Island and Kowloon respectively. Moreover, a number of green minibus (GMB) route combinations on Hong Kong Island at present also provide interchange concessions. Regarding concessionary interchange schemes for franchised buses and GMBs, will the Government inform this Council:*

- (a) of the respective numbers, as at the end of 2008, of concessionary interchange schemes for franchised buses and GMBs with interchange locations in the aforesaid five areas respectively, together with a breakdown, by area, of the latest average daily person-times benefitting from the two types of schemes;*
- (b) whether the Transport Department (TD) has discussed with franchised bus companies and GMB operators the introduction of more concessionary interchange schemes on Hong Kong Island in the next 12 months; if it has, of the number of such schemes and other details (including the estimated person-times benefitting); whether the Government has set a long-term growth target for the person-times benefitting from concessionary interchange schemes; if it has no target, the reasons for that;*
- (c) given that the Government has all along been encouraging franchised bus companies to introduce more CBBI schemes, whether the Government also encourages operators of GMB routes which are in direct competition with franchised bus routes to offer interchange concessions; whether "whether interchange concession will be offered" is one of the factors of consideration in the TD's selection of operators for new GMB routes; and*
- (d) whether the authorities will, in the future when they negotiate with franchised bus companies operating bus routes on Hong Kong Island on the extension of franchise, request such companies to formulate more comprehensive CBBI schemes, as well as increase*

the number of interchange locations for the convenience of passengers, with a view to making good use of bus service resources?

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

- (a) As at the end of 2008, 229 bus-bus interchange (BBI) concession schemes have been introduced by various bus companies, and the average daily passenger trips were over 120 000. Detailed breakdowns by their interchange locations are as follows:
- 91 schemes on Hong Kong Island, and the average daily passenger trips were about 7 200;
 - 51 schemes in Kowloon, and the average daily passenger trips were about 27 900;
 - 42 schemes in the New Territories East, and the average daily passenger trips were about 16 100;
 - 35 schemes in the New Territories West, and the average daily passenger trips were about 65 000; and
 - 10 schemes on Lantau Island, and the average daily passenger trips were about 6 900.

As at the end of 2008, there were a total of 55 green minibus-railway interchange schemes. According to information provided by the Mass Transit Railway Corporation Limited, the average daily passenger trips were about 47 000. In addition, there are 35 green minibus-green minibus (GMB-GMB) interchange schemes in the aforesaid five areas. The TD does not have the passenger trip figures of these schemes.

- (b) The bus companies plan to introduce five new BBI concession schemes in the next 12 months on Hong Kong Island. These schemes mainly involve bus routes serving Eastern and Southern Districts. Two of the five schemes are put forward to tie in with the bus route rationalization projects, while the remaining three schemes

are aimed at enhancing the efficiency of bus resources utilization. Subject to the consultation results of the District Councils concerned, the schemes will be implemented in the next 12 months. Regarding GMBs, operators of various GMB route packages on Hong Kong Island are examining to offer GMB-GMB interchange schemes.

The Government has been encouraging franchised bus and GMB operators to introduce more concessionary interchange schemes having regard to their operating conditions and financial capability. Under the principle of free enterprise, the provision of concessionary interchange schemes is a decision for the operator. It is not appropriate for the TD to set a long-term growth target for the passenger trips benefitting from these schemes.

- (c) The Government has been encouraging GMB operators to introduce more fare concessions to passengers having regard to their operating conditions. The TD would take into account applicants' offer of different types of fare concessions to passengers, including concessionary interchange schemes, in their applications during the selection of operators for new GMB routes.
- (d) Under the principle of free enterprise, provision of concessionary interchange schemes is a decision for the operator. Franchised bus companies are required to submit their five-year forward planning programmes to the TD annually. The TD has urged the bus companies to include more comprehensive plans of BBI concession schemes and increase the number of interchange locations when formulating their forward planning programmes.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bills. We now resume the Second Reading debate on the Appropriation Bill 2009.

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

PRESIDENT (in Cantonese): The public officers concerned will speak, after which the Financial Secretary will reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I would like to thank Members for their valuable views on the 2009-10 Budget. I would like to take this opportunity to make responses in several major areas.

The Budget announced the Government's intention to implement a programme to issue government bonds through a more systematic arrangement, with a view to promoting the development of our bond market. We believe a local bond market with sufficient width, depth and liquidity will give the banking sector and stock market an additional financing channel, thereby strengthening our financial stability and consolidating our position as an international financial centre and a platform for capital financing, investment and credit facility. Through the implementation of the government bonds programme, we hope to promote the further and sustainable development of the local bond market.

We are now making at full steam the necessary preparations for implementing the government bonds programme, including drawing up the details of the programme, such as its scale, the volume of each issue, term, unit of currency, frequency of issue and target clients, and so on. In the process, we collected views of market participants and carefully considered the relevant factors, including the prevailing financial condition and market situation.

Shortly, we will submit to the Legislative Council a resolution on issuing bonds and establishing the fund. As mentioned in the Budget, the sums raised will be credited to the Bond Fund, and will not be accounted as part of the fiscal reserves and will be managed separately. The Fund will be used to make investments and meet the expenditure of the programme, such as interests for the bonds and the repayment of principal of bonds.

Apart from the government bonds programme, we will also respond to the market situation to improve the existing financial infrastructure and mechanism by studying and formulating suitable measures, with a view to promoting the sustainable development of the local bond market.

Furthermore, the SAR Government will continue to promote financial co-operation with the Mainland, to build up mutual assistance, complementarities and interaction between financial sectors in both places. At the same time of consolidating Hong Kong's position as an international financial centre, the aim of building up such relationship is also to promote the opening up the financial market on the Mainland. Strategic financial co-operation with the Mainland has been fully realized in several development directions in the future financial situation between Hong Kong and the Mainland:

- (a) As a Renminbi trade settlement centre outside the Mainland: The State Council announced on 8 April that it would allow Shanghai and four cities in Guangdong Province — Shenzhen, Guangzhou, Zhuhai and Dongguan — to settle international trade in Renminbi on a pilot basis. Hong Kong has completed the relevant technical preparations to act as the first Renminbi trade settlement centre outside the Mainland. This strategic decision of the Mainland is not only beneficial to our financial industry and cross-boundary trade, it will also reduce corporate exposure to foreign exchange risks and cut exchange costs in the wake of the global financial crisis.
- (b) As a Renminbi bond centre outside the Mainland: after a meeting with the Chief Executive at the Boao Forum, Premier WEN Jiabao announced that Hong Kong-invested banks would be allowed to issue Renminbi-denominated bonds in Hong Kong, and the Ministry of Finance was also considering issuing Renminbi bonds in Hong Kong. This will not only expand and deepen the Renminbi bond market in Hong Kong, providing an alternative for Hong Kong investors, but also create an offshore platform for bond issuers on the Mainland to conduct capital financing.
- (c) Strengthening the strategic co-operation with Shanghai: the speeding up of establishing Shanghai as an international financial centre will

lead to further strategic co-operation between Shanghai and Hong Kong. Apart from competing with one another, the two places also need to co-operate. In tandem with the continuous growth of the national economy, mutual promotion, development and prosperity will come as a result of enhanced strategic co-operation between the two cities and the rise of one city does not imply the fall of the other. Our relative edge lies in an international, liberal and institutionalized market. We will go on strengthening and developing these edges, boost the competitiveness of our market, and at the same time try to cut across markets in Hong Kong and Shanghai and seek opportunities of co-development.

- (d) Speeding up further co-operation between Guangdong and Hong Kong: Guangdong is the hinterland of Hong Kong's financial services. With closer economic ties with Guangdong, financial co-operation between Guangdong and Hong Kong will be achieved almost effortlessly and it is also an example of complementarities between the two places. The Outline of the Plan for the Reform and Development of the Pearl River Delta (PRD) promulgated by the State Council in January showed clear support for further co-operation between Guangdong and Hong Kong. We will speed up the process for financial institutions to enter counterpart markets, strengthen partnership and professional qualification recognition between organizations of the two places. Hong Kong can make use of its skills in financial innovation and product development to build up a multi-layer capital market for the PRD through collaboration.

To boost the competitiveness of our financial market, we must keep on fine-tuning the regulatory framework of our financial services. We are now implementing the recommendations proposed in the report prepared by the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) in relation to Lehman Brothers-related Minibonds, to further improve our regulatory framework and provide greater protection to investors, in particular with respect to the securities business operated by banks.

At the first stage, we will focus on the following three areas, including the sale of investment products, business ethics of intermediaries and education of

investors. The HKMA and the SFC have introduced a number of improvement measures, and a Code of Practice and relevant regulation will be drawn up after consultation with the market and the public in the third quarter of this year.

At the next stage, we will review the regulatory framework and regulatory arrangement, and examine recommendations which can only be implemented with the enactment of principal legislation. These include establishing a statutory ombudsman on financial affairs, reviewing the two sets of open invitation systems under the Companies Ordinance and the Securities and Futures Ordinance, and the regulatory framework for banks engaging in securities business, and so on. We are now conducting some preliminary studies forming the foundation for the next stage of work.

In the course of review, we need to take into consideration the conclusion drawn by the Legislative Council Subcommittee to Study Issues Arising from Lehman Brothers-related Minibonds and Structured Financial Products, our unique background, views expressed by market participants, as well as the trend of global financial development and the recommendations of international financial institutions (including G20 and the Financial Stability Forum).

To further upgrade the competitiveness of Hong Kong, since 1998-1999, the SAR Government has been actively pursuing the signing of agreements for avoidance of double taxation with our major trading partners. These agreements can help to eliminate uncertainties over tax liabilities and reduce the burden in withholding tax, thereby facilitating trading, investment and exchange of talents. So far, we have signed such agreements with Belgium, Thailand, the Mainland, Luxemburg and Vietnam, and negotiations have been started with another 11 economies.

However, due to constraints in law, we are currently unable to adopt the latest information exchange provision, barring us from signing agreements with some major trading partners or even to start negotiations with them. This has become the major hurdle in expanding our agreement network, causing some of our trading partners to cast doubts on the transparency of our taxation system.

To speed up our work in this area, the Financial Secretary announced in the Budget the plan to table relevant legislative proposals by the middle of this year, so that Hong Kong could align its arrangements for exchange of tax information with international standards. After implementing this proposal, we can then take forward negotiations with parties for agreements over which consensus could not be reached hitherto as a result of the arrangement standard for exchange of tax information. Furthermore, some countries even took the initiative to invite us to start negotiations with them on the agreement after learning about our decision. We will consult the Panel on Financial Affairs in May this year on the proposals regarding the legislative amendment, and to submit to the Legislative Council an amendment bill later.

President, I so submit. I hope Members will support the Appropriation Bill 2009. Thank you.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I am grateful to Members for putting forward many valuable and constructive views on three important areas related to the people's livelihood, namely, labour, manpower development and welfare in their speeches on the Budget.

Under the impact of global financial tsunami, our economy and labour market are contracting, and the unemployment rate has been rising continuously. The latest unemployment rate in the first quarter announced on Monday was 5.2%, the highest in 38 months.

I know that Members are very much concerned about the issue of unemployment, particularly in the construction sector. I would like to take this opportunity to make some response in this regard. That the unemployment rate in the construction industry has risen significantly to 11.2% is mainly due to the unemployment situation in fitting-out and maintenance works. We strongly believe that, following the Government's initiatives in expediting minor works projects and the "Operation Building Bright" campaign introduced in the Budget, a large number of job opportunities can be provided in the construction industry, especially to fitting-out and maintenance workers, and the situation would then improve. The day after tomorrow (that is, Friday), the Development Bureau will apply for funding for the "Operation Building Bright" campaign from the Finance Committee, seeking to get the works started in next month, so that 10 000 job opportunities can be created in the coming two years.

The SAR Government shares Members' grave concern about the economic and employment difficulties caused by the financial tsunami. We have taken multi-pronged strategies to respond proactively, with the policy objectives of stabilizing the financial market, supporting enterprises, preserving jobs and creating posts.

In view of the above situation, on the employment front, the Budget has earmarked \$400 million for the Labour Department to provide enhanced employment service to young people, the middle-aged and people with disabilities. It is anticipated that these measures will benefit 44 000 people in the next two years.

The Budget has also earmarked \$140 million to launch an "Internship Programme for University Graduates", to help university graduates to tide over the present difficulties in the economic downturn.

I fully appreciate Members' concern for the employment measures introduced for young people and university graduates. I wish to make a brief response here.

Given their relative inexperience and lower skills level, it has always been not easy for young people to find jobs. They always bear the brunt in an economic downturn. For this reason, the Labour Department has integrated the existing Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) to enhance the one-stop provision of pre-employment and on-the-job training to young people aged 15 to 24. Admission is conducted throughout the year and no one will be rejected by the Scheme.

The YPTP has been implemented for 10 years and over 85 000 trainees have received training so far. With the exception of some trainees pursuing further studies after training, the employment rate of the remaining trainees is close to 70%. The YWETS is fundamentally an employment programme. Since its implementation in 2002, it has helped more than 60 000 young people to successfully land a job.

The YPTP and YWETS have been in place for several years, providing practical and pragmatic employment channels for young people in need of jobs.

Employers, trainees, parents and even international labour organizations are all in support of the schemes, giving them positive comments.

The Internship Programme for University Graduates is a well-intentioned measure tailor-made for university graduates, aiming to provide them more choices and alternatives in the present difficult situation. Some Members, members of the public and will-be graduates have raised a lot of queries on the programme, in particular the so-called minimum wage of \$4,000. This is entirely a misunderstanding.

I have clarified on several occasions that these university graduates would be employed in the capacity of employees and would be paid wages commensurate with the responsibilities and training specified for the post. It is assured by tertiary institutions participating in the programme. I hope we can look at this programme positively, and I also hope that graduates interested in joining this programme can seize the opportunity to broaden their horizons and prepare themselves.

Some Members and members of the public think that we have overlooked the need of young people with sub-degree qualifications. It is again a misunderstanding. I must emphasize, we have never forgot about these associate degree holders. As a matter of fact, the YWETS has all along been providing suitable work attachment opportunities for these young people. The nature is similar to that of the Internship Programme for University Graduates. A participating employer is also eligible to receive from the Government a training subsidy of HK\$2,000 per intern per month. As these interns are also eligible to apply for up to \$4,000 for taking after work training courses, it is most suitable to cater for the needs of associate degree holders. Also, the subsidy of \$4,000 for taking after work training courses is not provided in the Internship Programme for University Graduates.

In the face of economic doldrums, the protection of labour rights has become all the more important. In this regard, we are going to introduce two major bills to the Legislative Council before the end of this Session.

These two bills are the Minimum Wage Bill seeking to prevent workers from receiving unreasonably low wages and the Employment (Amendment) Bill 2009 which ensures that employers who have the financial means to make

payment under an award of the Labour Tribunal. These two subjects have been discussed for years. With the substantive progress finally made, it is a significant step forward and also an important milestone and breakthrough in the protection of labour rights in Hong Kong.

The financial tsunami has affected the employment market. As a result, there is a greater demand for further education and training. To cope with the situation and taking into account the training demand of the expanded target group, the Employees Retraining Board (ERB) plans to provide at least 123 000 training places in this financial year, and earmarks resources to provide an additional 20 000 places to cater for the anticipated increase in demand. The ERB will also look closer at changes in the labour market, so as to flexibly deploy these places to meet the future challenges.

In regard to social welfare, I would like to clarify first that there is no reduction in the recurrent expenditure on social welfare. Many Members misunderstand that there has been cuts in the expenditure. Compared with the original estimate in 2008-2009, if we remove the one-off special funding for returning wealth to the public — it should be \$2.7 billion as far as we recall — and the increase of Old Age Allowance to \$1,000 monthly from January this year, the real growth in recurrent expenditure on social welfare in 2009-2010 is 6.3%. As a matter of fact, the recurrent expenditure on social welfare has indeed increased \$1.5 billion, to a record high of \$39.259 billion.

During the Budget debate, many Members expressed concern about the long waiting time for places in elderly homes and hostels for people with disabilities. I would respond to the issue of elderly homes first.

The Government is duty-bound to take care of the elderly. In fact, the Government has all along been spending a lot of resources on the elderly in providing non-contributory financial assistance, a number of heavily subsidized services and a comprehensive support network. In the revised estimate for 2008-2009, the total amount spent on providing social security, elderly service and health care service for the elderly was as high as \$36.8 billion, accounting for 11.7% of the Government's total expenditure.

The total supply of subsidized places in elderly homes has increased by 10 000 from about 16 000 to about 26 000 at present over a period of 10 years, representing an increase of 60%. However, as our population ages, the demand

for places in elderly homes is rising, so it is inevitable that people have to wait a longer time. The Government will go on exploring ways to increase the supply of subsidized places, so as to shorten as far as practicable the waiting time. Nevertheless, I wish to point out that, the most important thing is we must ensure that 55% of the elderly can receive various forms of assistance or services in the course of waiting, including private care homes places subsidized by the Comprehensive Social Security Assistance (CSSA) or subsidized community care services, so that they can age at home. All these show that the Government has not overlooked the care for the elderly.

Furthermore, we are also exploring ways to promote the development of quality private homes, so as to vitalize the market and enhance their quality, with a view to optimizing the 30% or so vacancy rate in private homes in the market. In this regard, the Elderly Commission has commissioned a consultancy to conduct a research, looking into ways to focus our resources on subsidized homes for the elderly most in need. The study will be completed by the end of this year.

As for people with disabilities, in 2009-2010, the Government provides a number of services and support targeted for people with disabilities, including health care, education, rehabilitation, employment support, transport and also CSSA and Disability Allowance. The total sum spent amounts to \$19.2 billion, representing 6.4% of the Government's total expenditure.

In 2009-2010, we will provide another 671 residential places for people with disabilities, and identify proactively suitable sites, with a view to increasing steadily the number of places in subsidized homes. Just like the elderly, most people with disabilities on the waiting list are receiving day-time training, vocational rehabilitation and community support services, to ensure that they can live comfortably in the community in the course of waiting for a place, thus alleviating indirectly the pressure and burden of their carers.

The 16 newly set up one-stop community support centre for people with disabilities have gradually been pressed into service since January this year, enhancing support to people with disabilities and their family living in the community by integrating home training and support service. In March this year, we also set up the first Integrated Community Centre for Mental Wellness in Tin Shui Wai, providing integrated community service in mental health.

To those who are unable to support themselves as a result of the financial tsunami or other factors, we provide assistance through the safety net of CSSA, helping them to meet their basic needs of living. In the Budget of 2009-2010, it is estimated that the recurrent provision for CSSA would be \$18.3 billion, that is, we are spending over \$50 million a day, taking up 47% of the recurrent expenditure on social welfare or 8% of the Government's total expenditure.

The number of CSSA cases has been on the rise recently, showing that this safety net is playing its role in the economic downturn. May I emphasize, there is no ceiling on CSSA expenditure. In other words, if necessary, we can apply to the Finance Committee of the Legislative Council for additional funding at any time.

Apart from CSSA, a provision of \$100 million was also earmarked for the Social Welfare Department to implement short-term food assistance projects throughout the whole territory in late February this year, to alleviate the burden of individuals and families in need by providing temporary in-kind food assistance. As at the day before, 7 031 people have been benefited. We will continue to monitor closely the usage of the service, and where necessary, we will allocate additional resources to meet the demand.

While food is important to members of the public, psychological support is just as important. In November last year, we responded promptly to allocate funds to the CEASE Crisis Centre operated by the Tung Wah Group of Hospitals and the Family Crisis Support Centre operated by Caritas — Hong Kong to set up Financial Crisis Emotional Support Hotlines, to provide 24-hour counselling service to people in need. Up to the day before, a total of 7 043 cases have been received by such services, and follow-up services are required for 1 579 people (about 22%) among them, including people from the middle class.

Finally, I want to talk about the Transport Support Scheme. As we all know, the Scheme is intended to encourage residents of four remote districts to "go out" to seek employment. This time-limited scheme provides targeted assistance to residents in those districts where employment opportunities are comparatively few and transport costs high. Expanding the scheme to cover the whole territory will depart from its policy intent of providing short-term assistance to kick-start employment and turn the assistance into an income subsidy. This proposal must therefore be critically examined. We have

undertaken to conduct a comprehensive and objective review in July this year, that is, one year after the implementation of the relaxation measures of the scheme.

President, amid the economic hardship and the weak employment situation, in addition to continuously providing a safety net and the necessary support to the disadvantaged groups, we have also launched relief measures targeted at unemployment, with a view to providing appropriate assistance to people affected.

As we recall and know, it takes time for all measures to take effect. I am sure when the series of measures launched by the Government are fully implemented, effects in relieving the situation can be seen gradually and the expected goal will be attained.

In the face of the present challenges, if we have confidence in ourselves and keep calm, we can surely ride out the storm.

President, I so submit. I hope Members will support the Appropriation Bill 2009. Thank you.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, first of all, I wish to thank Members for putting forward many valuable views on the policy areas of the Commerce and Economic Development Bureau. The economic development of Hong Kong hinges on the continuous efforts of the public.

While consolidating our edges, we also need to explore new areas and open up new business opportunities. The promotion of the creative industries is one of these initiatives. Since the announcement of the Chief Executive's policy address, we have received positive responses from the trade and support from Members. The preparatory work of setting up a dedicated office to support creative industries has entered the final stage. Pending the approval of the Finance Committee, Create Hong Kong (CreateHK) is expected to officially inaugurate in June. It will be dedicated to co-ordinating the Government's efforts in promoting the development of creative industries and providing one-stop services for the industries.

The Financial Secretary has earmarked \$300 million in the Budget to provide financial support to initiatives in support of the development of creative industries in the coming three years. This is a major investment policy-wise. Coupled with the resources injected in promoting creative industries, including the commitment of \$300 million under the Film Development Fund, the \$250 million for the DesignSmart Initiative, the \$100 million for supporting the operation of the Hong Kong Design Centre, and the \$25,000,000 commitment recently approved by Members under the Innovation and Technology Fund for the extension of the Incubation-cum-Training Programme of Cyberport, the Government has invested nearly \$100 million in supporting the development of creative industries.

Several Members have pointed out that we must have long-term policies in promoting creative industries. To this, I can not agree more. As a matter of fact, the Task Force on Economic Challenges chaired by the Chief Executive has recently suggested studying ways to promote new industries where Hong Kong enjoys clear advantages, with a view to injecting new impetus into promoting the long-term and sustainable development of our economy, and creative industries is one of these long-term strategies.

Through close contact with stakeholders in the creative sectors and listening to their views, we have worked out long-term strategies to promote the multi-dimensional development of the industries, including nurturing talents, facilitating start-ups and the development of creative establishments, expanding the local market size, exploring the Mainland and overseas markets, fostering a creative atmosphere within the community, generating synergy and facilitating exchanges among creative clusters in the territory and promoting Hong Kong as Asia's creative hub.

On this set of strategies, we have consulted the Panel on Information Technology and Broadcasting and obtained support from Members. Some Members suggested that, through the Mainland/Hong Kong Closer Economic Partnership Arrangement (abbreviated as "CEPA"), we could support our tourism industry by expanding the Mainland market for local creative industries and exploring overseas markets for the film industry. These proposals are fully in line with our strategies.

We will submit the funding proposals for the setting up a dedicated creative industries office and a \$300 million DesignSmart Initiative to support creative

industries to the Establishment Subcommittee and the Finance Committee for approval at the end of this month and in May respectively. I hope they will get the support of Members, so that we can implement as soon as possible the promotion of our creative economy, and in collaboration with the trade, identify and nurture young people interested in creative work, thus transforming our creativity into business opportunities.

Innovation and technology, applied technology, in particular, not only adds value for enterprises and creates wealth, but also helps to enhance the competitiveness of enterprises as well as the territory as a whole. Many Members have spoken in support of the promotion of research and development (R&D) work. Also, they suggested that more efforts should be exerted in creating job opportunities for R&D personnel, so as to promote development in innovation and technology. In response to the present economic downturn, we have relaxed the funding schemes under the Innovation and Technology Fund (ITF) to allow each R&D project funded by the ITF to employ two additional interns for a period of two years. For this purpose, an additional provision of \$90 million was allocated to engage 600 interns. In the new round of project proposal solicitation under the Innovation and Technology Support Programme, we have received more than 300 applications. Later on, we will launch two more rounds of project proposal solicitation, and will continue to join hands with local universities, R&D institutions and the trade in optimizing our existing resources to create more R&D jobs, so that in the short and middle term, we can increase the size of our R&D talents pool, step up our R&D strength and build up a richer R&D culture.

Furthermore, we will step up co-operation with the Mainland, to take advantage of the edges enjoyed by the two places in the area of innovation and technology, as well as to launch in collaboration with Guangdong Province the Technology Co-operation Funding Scheme to provide funding support for joint R&D projects that would generate benefits to both places. As at the end of last year, both sides financed more than 850 projects with a total funding of about \$1.9 billion.

The Shenzhen-Hong Kong Innovation Circle is another achievement accomplished in the co-operation between Hong Kong and the Mainland. The Governments of both sides agreed on the three-year action plan in March this year to combine the resource strengths of both places. The action plan for the

coming three years covers projects in various fields including biomedical, integrated circuit, radio frequency identification (RFID) technology, renewable energy and industrial design.

As regards support for the small and medium enterprises (SMEs), in the face of the global financial and economic crisis, the Government is paying close attention to the difficulties encountered by SMEs, and adopts resolute and speedy support measures. In formulating and implementing support measures for SMEs, we have been maintaining close communication with the Legislative Council, major trade associations, SMEs groups and relevant sectors, to ensure that the measures introduced meet the needs of enterprises.

It has been our strategy to introduce a policy as soon as it is considered mature. Since November 2008, we have successively enhanced the SME Loan Guarantee Scheme and launched the Special Loan Guarantee Scheme to help SMEs tide over their liquidity problem. Later on, in the light of the worsening external conditions, we launched the Special Loan Guarantee Scheme on 15 December 2008 with the Government's total guarantee commitment reaching \$100 billion, to provide 70% guarantee for the loans approved by the participating lending institutions.

As at 19 April 2009, more than 7 100 loan applications under the two schemes have been approved, accounting to more than 90% of the total number of applications, involving a total loan amount of up to \$14.4 billion to beneficiary enterprises employing more than 100 000 staff. We are now reviewing the support measures and will consider seriously Members' views in providing appropriate support for SMEs. The outcome will be announced by the end of May.

Moreover, in November 2008, the Trade and Industry Department (TID) increased the cumulative grant ceiling of the SME Export Marketing Fund from \$80,000 to \$150,000. Also, the scope of reimbursable items has been extended to include spending on advertisements placed on the websites of exhibition organizers and printed trade publications targeting export markets. This enables SMEs to use more flexibly the grant in participating promotion activities for the purpose of opening up offshore markets.

The response of the trade has been enthusiastic. As at the end of March this year, the number of applications received was close to 12 000, an increase of more than 2.7 times when compared to that of the same period last year. We can

thus see that the SME Export Marketing Fund is very popular among the SMEs. We will continue to closely monitor the effectiveness and the application situation of the Fund.

In a continuous effort to assist Hong Kong exporters in exploring overseas markets during this difficult period, the Hong Kong Export Credit Insurance Corporation (ECIC) has strengthened its support to Hong Kong exporters, such as handling as flexible and accommodative as possible SMEs' requests for export credit insurance and increasing the cover; lifting the ratings of six emerging markets and offering higher credit limits for exporters concerned; waiving the annual policy fee for one year; expediting the process of credit limits application; as well as offering a specified number of free evaluation services of overseas buyers' credit standing.

To tie in with the implementation of the above initiatives and the increase in service demand for the ECIC, the Legislative Council passed a motion in February this year to increase its statutory maximum liability to \$30 billion, thus enhancing significantly the cover offered by the ECIC.

Besides, the ECIC has stepped up co-operation with the China Export and Credit Insurance Corporation in organizing joint seminars to promote credit insurance services and relevant measures to Hong Kong enterprises, and to consider proactively strengthening co-operation in application referrals, with a view to providing better services to Hong Kong enterprises on the Mainland.

In regard to processing trade and exploring the Mainland market, the SAR Government has along been maintaining close liaison with the Central Government and Guangdong Province to reflect concerns expressed by Hong Kong businesses. Since the end of last year, the Central Government has implemented a number of initiatives to support Hong Kong, such as permitting the settlement of trade obligations in Hong Kong in Renminbi, facilitating Hong Kong enterprises in developing the Mainland market, raising the export tax rebate rates, suspending the need for actual payment of standing book deposit for processing trade enterprises and adjusting the Restricted and Prohibited Products catalogues.

In providing support to Hong Kong-owned enterprises, on the 18 April, after meeting Premier WEN Jiabao, the Chief Executive announced six initiatives proposed by Premier WEN to support our economy. These include allowing the

enterprises to use their assets in Hong Kong as collateral in securing loans from the mainland branches of Hong Kong banks, and it would first be tried out in Shanghai and Guangdong. These initiatives are greatly conducive to the financing and operation of Hong Kong-owned enterprises on the Mainland. Apart from supporting enterprises, it will also help to preserve employment.

Our work focus this year is to assist Hong Kong enterprises to develop the domestic sale market on the Mainland. In early March, the Chief Executive co-chaired a meeting with the Minister of Commerce in Beijing. The meeting facilitated Hong Kong business leaders in reflecting directly to mainland officials the difficulties encountered by Hong Kong enterprises when they develop their businesses in the Mainland market.

This Saturday, the SAR Government will organize jointly with the Ministry of Commerce the Domestic Market Business Matching Forum at the 105th China Import and Export Fair in Guangzhou. We encourage the participation of Hong Kong traders with production bases on the Mainland to explore together the Mainland market.

In mid-March, the Hong Kong Trade Development Council (TDC) organized the Hong Kong Consumer Products Expo in Guangzhou for a period of four days. The event attracted more than 100 000 Guangzhou citizens to visit and make purchases. The TDC will later stage similar trade fairs in other places on the Mainland, including Wuhan and Chongqing.

In addition, through working together with the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade and the Guangdong Commission on Foreign Trade and Economic Co-operation, we will study possible support measures on the restructuring and upgrading of Hong Kong businesses and developing the domestic sale market on the Mainland in collaboration with Guangdong Province.

In further promoting and implementing CEPA as an important measure to support the SAR to tide over the financial tsunami, the Central Government agreed to effect further liberalization of trade in services on the Mainland for Hong Kong. The new round of discussion on CEPA has entered the final stage, and the Sixth Supplement to the CEPA will be signed in May.

In this round of discussion, we seek to ensure that more sectors can gain access to the Mainland market on concessionary terms, in particular those key sectors where we have an edge, such as finance, tourism and creative industries. We also encourage studies on pilot liberalization of sectors yet to fully open up in the whole country to be conducted in Guangdong to tie in with the direction of comprehensive co-operation in service sectors as set down in "The Outline of the Plan for the Reform and Development of the Pearl River Delta". I hope the new round of opening-up measures can help both Hong Kong and Guangdong respond to the present economic crisis, continue to promote integration of service sectors in both sides and provide a new impetus for economic development.

On the development of our tourism sector, I am also grateful to Members for their recommendations on this area. To enhance our attractiveness and to establish Hong Kong as a prime destination for visitors, we will actively develop new tourism facilities. The expansion programmes of the Ocean Park implemented in 2006 have been successively completed. One of the major attractions — the "Amazing Asian Animals" — will commence operation on 30 April. Also, the Landscaped Piazza at Ngong Ping, Lantau Island is scheduled for completion early next year. In the next few years, we will be implementing a number of tourism initiatives, including the open piazza in Tsim Sha Tsui and the enhancement of the Lei Yue Mun waterfront.

Preparatory work for the cruise terminal is in full swing. We will seek the Legislative Council's funding approval for the project later this year to enable construction works to hopefully start towards the end of the year and to ensure that the first berth will commence operation in mid-2013. At the same time, we will continue to study together with the cruise sector how best the existing cruise facilities and services can be improved, including facilitating cruise passengers in immigration clearance, formulating interim berthing arrangements and support measures for cruise vessels before the completion of the new cruise terminal, and setting up temporary visitor enquiry and service counters, with a view to providing efficient and quality services to our visitors.

Apart from developing tourism facilities, the Central and SAR Governments have also implemented a series of measures to facilitate our visitors. From 1 April 2009 onwards, eligible Shenzhen permanent residents can apply for a one-year multiple-entry visa to visit Hong Kong. Starting from

next Monday (27 April), Taiwanese visitors holding a valid "Mainland Travel Permit for Taiwan Residents" can stay in Hong Kong for seven days, compared with the current policy which requires a valid entry/exit endorsement for the Mainland. Another measure to facilitate the entry of Shenzhen residents is allowing residents in Shenzhen having no registered household in Guangdong to apply for individual visit endorsement in Shenzhen to visit Hong Kong. These measures can bring in more tourists from both Mainland and Taiwan, thereby driving Hong Kong's tourism and related trades to bring in substantive economic benefits.

Last Saturday, the Central Authorities announced that mainland group tour travellers would be allowed to travel to Taiwan via Hong Kong on Hong Kong-based cruise liners. The Government and the trade felt greatly encouraged by this initiative. By attracting more cruise companies to develop itineraries with Hong Kong as their home-port, it will help to upgrade Hong Kong's position as a leading regional cruise hub. On the other hand, the measure provides enriched multi-destination itineraries covering Hong Kong and Taiwan for Mainland travellers, attracting more visitors to Hong Kong. We have in place sufficient and comprehensive support measures, including immigration facilities and custom inspection, providing convenient transport arrangement for visitors. We are ready to receive at any time travellers taking cruises to Hong Kong.

In addition, we will continue to maintain Hong Kong's image as a dynamic and vibrant city and to enrich the travel experience for visitors, so that they can come to Hong Kong again and again. For this purpose, we propose to create a commitment of \$100 million for setting up a "Mega Events Fund" to provide financial support to non-profit-making organizations to host attractive mega events in arts, culture and sports in Hong Kong in the next three years. To ensure proper monitoring of the use of public funds, we will set up an effective monitoring mechanism for the Fund, to ensure that the application process, assessment process, the monitoring of post-funding procedure and the implementation of follow-up programmes are handled properly. We will submit the funding application to the Finance Committee next month for approval.

President, with the above policies and measures, coupled with the proper financial support and the resilient and enterprising spirit of Hong Kong people, I am sure our economy will be helped to achieve steady and sustainable development.

I implore Members to support the Appropriation Bill 2009. Thank you, President.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, as pointed out by the Financial Secretary in the Budget, the promotion of a "green economy" will be an important trend in the sustainable development of our economy. I am grateful to Members for putting forward in their speeches many valuable views and observations in relation to this subject. I wish to take this opportunity to share with Members the direction we will take in promoting green economy, how our environmental policies are going to cope with and how new business opportunities can be generated in the process.

There have been a lot of discussions on the definition of green economy among the community, enterprises and the Government. In the Government's opinion, green economy covers all economic activities that the Government and enterprises undertaken for improving the quality of our environment, reducing depletion of natural resources and setting up goals for sustainable development. I must point out, green economy is not confined to conventional environmental industries or recycling industries. Today, industries related to green economy range from industrial technology to engineering, material supply and investment and financial industries, such as clean development mechanism and carbon/emission trading. In other words, each trade or enterprise can in fact explore its own green DNA, and through setting up greener work processes, reduce consumption, enhance efficiency and strengthen its operation, with a view to developing new industries and creating new business opportunities. Thus, apart from benefiting our economy, green economy also aims to promote sustainable economic development. Amidst the economic downturn, it will certainly help us faces challenges ahead. Summing up the initiatives adopted by the Government on the development of environmental policies and the views expressed by Members in recent years, I would like to elaborate my views in the following areas.

First, in using clean fuel for power generation, energy is an important impetus for economic development, but the ways of using energy will lead directly to pollution and the footprints left our environment. For this reason, moving towards using cleaner energy has been the major direction adopted by the Government in recent years. On 28 August 2008, the National Energy Administration signed a Memorandum of Understanding (MOU) on energy

co-operation with the HKSAR Government to ensure the continuous supply of nuclear electricity and natural gas. As power generation is a major source of pollution in Hong Kong, the MOU will facilitate Hong Kong in using cleaner fuel for power generation, which will contribute significantly to reduction in coal-fired electricity generation and improvement in air quality.

The MOU also creates new opportunities for our energy enterprises to taking part in energy infrastructure on the Mainland. After the conclusion of the MOU, energy enterprises of both sides have commenced work immediately. The construction work of the Shenzhen-Hong Kong spur line through which natural gas is provided to Hong Kong and that for an LNG terminal in Shenzhen jointly planned by energy enterprises of both sides have gradually commenced. Both projects are anticipated to be completed in 2013.

Renewable energy is a bright investment spot in global green economy. Apart from installing renewable energy facilities in government buildings, the SAR Government also encourages the private sector to develop renewable energy. For instance, as an incentive, in the Scheme of Control Agreements signed with the two power companies, the Government provides the two companies with a higher rate of return for their investment in renewable energy facilities. And the two power companies are trying to go along this way.

On 20 March this year, the Du Pont Apollo Global Thin Film Photovoltaic R&D Centre and the Hong Kong Science Park (HKSTP) Solar Energy Technology Support Centre were officially opened. With DuPont Apollo as an anchor partner company to set up a Thin Film Photovoltaic R&D Centre, we aim to construct a platform for studies and industries in solar energy. It shows that Hong Kong is well positioned in developing renewable energy. Besides, the HKSTP is working hard in the development of a new cluster focusing on environmental technology and renewable energy, to attract more investments and product development activities in this area.

Second, on energy conservation by buildings, Prof Patrick LAU, Dr Raymond HO and Mr Alan LEONG have mentioned in their speeches the need to improve the energy efficiency of buildings. The Government shares their views and the Environment Bureau has adopted a number of measures in this regard.

To encourage the private sector to take part in enhancing energy efficiency, we have earmarked \$450 million under the Environment and Conservation Fund

(ECF) to provide subsidies to property owners to conduct energy-cum-carbon audits and energy efficiency improvement projects in buildings. With subsidies provided on a matching basis, we hope to create business opportunities amounting to \$900 million for new industries. We also anticipate that more than 1 600 projects will be provided subsidies, creating business and job opportunities for various sectors such as the electrical, mechanical, building services and environmental engineering sectors as well as the consultancy sector.

To lead by example, the Government will allocate about \$450 million to carry out minor works in government buildings. Moreover, the Government will allocate an additional capital fund of \$130 million to enhance the energy efficiency of government buildings and public facilities. These works will also help create more new job opportunities.

Third, on the issue of clean transport, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Cyd HO and Ms Audrey EU suggested the Government adopt various ways and measures to promote electric vehicles. In this year's Budget, promoting the use of electric vehicles is one of the important measures in the promotion of green economy. The extensive use of electric vehicles not only helps improve roadside air quality, it also creates additional business opportunities for an array of related sectors such as parts for electric vehicles. As a head start, on the next day following the delivery of the Budget speech, the Environment Bureau entered into a Memorandum of Understanding to test a new type of electric vehicles that makes Hong Kong the first place in Asia, after Japan, to give this latest model of electric vehicle a trial. Tomorrow, on the way of a duty visit, I am going to Japan to sign another Memorandum of Understanding with another car manufacturer, so as to expand the market of electric vehicles in Hong Kong.

Furthermore, we announced on 30 March that a steering committee chaired by the Financial Secretary would be set up to make recommendations on strategy and specific measures to promote the use of electric vehicles in Hong Kong, with a view to ensuring that we are doing a better job.

Fourth, on waste disposal and recycling Mr CHAN Hak-kan, Mr IP Wai-ming and Mr LEE Wing-tat mentioned in their speeches the development of the local recycling industry and the need to promote recycling. We are facing a critical and pressing problem of waste disposal. To fully solve this problem, we must tackle it by adopting a three-pronged approach: reducing waste at source, waste recovery and resorting to modern waste-disposal technology. I have

explained at length on previous occasions these policies in the Legislative Council. I am glad to see the introduction of some important legislation on waste reduction, such as the proposed resolution under the Product Eco-responsibility Ordinance to be examined later today. If the resolution is passed, we can take a step ahead in this direction. We hope the work in waste separation at source can tie in with the operation of our local recycling industry. We collect over 2.8 tonnes of recyclable materials each year, with a total export value of more than \$6 billion. The business directly engages nearly 5 000 workers, making it an important foundation industry in the local green economy.

To promote the local development of high technology and high value-added green industries, the Government also hopes to provide long-term land equipped with better infrastructure for the industries at affordable rents under the EcoPark Programme, to encourage them to develop green industries. Tenancies of lots in Phase I of the EcoPark have all been awarded, and in the preparation for Phase II, we hope to make reference to the experience gained in the first phase, so as to facilitate the development in the 10 hectares of additional land provided in this phase. When the two phases of the EcoPark are in full operation, it is hoped that more than 700 job opportunities can be provided.

The Government is implementing the Producer Responsibility Schemes gradually, so as to promote and facilitate the recovery of recyclables of lower market value, and to help local recycling industries explore business opportunities by introducing financial incentives. In addition, the Government will continue to encourage small and medium enterprises to pursue improvement in the direction of conducting research and development efforts in recycling technology, so as to upgrade the technological level and competitiveness of the local recycling industry. Relevant initiatives will be introduced through the Innovation and Technology Fund and the Environment and Conservation Fund.

Dr Priscilla LEUNG urged the Government to promote green procurement. I agree with her in this regard, and the Government has along been adopting this practice. However, we understand that the existing procurement list can be further updated and improved, and we will make consideration in this direction. As for unavoidable waste, more advanced and green methods should be adopted to reduce its bulk, so as to reduce the pressure on our landfills which are approaching capacity.

Fifth, sewage treatment also provides business opportunities for our green economy. In order to further improve the water quality of the Victoria Harbour, we are actively implementing Stage 2 of the Harbour Area Treatment Scheme

(HATS) in two phases, with a view to completing the works of the Stage 2A in 2014. In addition, it is expected that we would be seeking funding approval from the Finance Committee later this year for the construction of the Stage 2A sewage conveyance system. Following the commencement of the project, about 2 000 jobs would be created, which would hopefully help improve the employment situation of the construction industry. While the HATS would produce a large quantity of sludge, we have planned to solve the problem by building sludge treatment facilities to handle the sludge generated with more advanced and greener means. We also hope to seek funding approval from the Finance Committee as soon as possible, so that the project can be completed in 2014, creating 600 job opportunities in the process.

Besides, business opportunities can also be explored in cross-boundary co-operation. Since pollution respects no boundary, to Dr Raymond HO's proposal of building a better quality living area through co-operation between Hong Kong and Guangdong, I can not agree more. As a matter of fact, the two places have achieved remarkable results in environmental co-operation. The Governments of both places are going to work closely to implement the recommendations in the Pearl River Delta Regional Air Quality Management Plan (the Management Plan), endeavouring to achieve the emission reduction targets by 2010, and to launch a five-year Cleaner Production Partnership Programme, facilitating Hong Kong-owned factories in the PRD region to reduce emissions and enhance energy efficiency, with a view to improving the air quality in the region. I am happy to report to Members that, in just one year, we have successfully invited 160 companies to participate in the programme, so the result is encouraging.

On the basis of the existing co-operation platform, Hong Kong and Guangdong have agreed to further strengthen co-operation on the environmental front. In collaboration with Macao and Guangdong Province, we also hope to transform the PRD Region into a green and quality living area (Green PRD Living Area) under the principle of sustainable development, with the objective of developing the PRD Region into a low-carbon, high-technology and low-pollution cluster of cities with quality living. Also, new areas would be explored for enhanced co-operation, including encouraging wider use of and research in clean and renewable energy; promoting the development of circular economy; enhancing cleaner production and green level in the region; and further improving the regional air quality, with a view to mapping out strategies to continuously improve the air quality in the PRD Region. This can enhance the

competitiveness of the entire region, improving further the living conditions of the people.

The mainland authorities are attaching greater importance to environmental protection. In the national plan promulgated by the Central Government, it is proposed to reduce air pollutant emissions by 10% by 2010, taking 2005 as the base year, and to reduce energy consumption per GNP unit by 20%. In the future, there will be huge investment in infrastructure facilities on the Mainland. For example, the Central Government plans to invest RMB 111.5 billion yuan to construct a number of municipal solid waste treatment facilities. In China's 11th Five-Year Plan, it is announced that more than 1 000 new sewage treatment plants would be built, with an investment of over RMB 33,000,000 yuan. Following the enhancement of green policies on the Mainland, enterprises in Hong Kong would find a lot of business opportunities.

Moreover, Hong Kong-owned enterprises open the way for China's Clean Development Mechanism (CDM) projects, which is also a new opportunity. To facilitate Hong Kong-owned enterprises in taking part in CDM projects on the Mainland, the Environmental Bureau has recently secured an agreement with the National Development and Reform Commission in lowering the threshold for Hong Kong-owned enterprises to carry out CDM projects on the Mainland. We understand that one third of the CDM projects worldwide are in fact commissioned on the Mainland. If Hong Kong-owned enterprises can enter the market, the scope of development would be much wider than before.

Over the past few decades, we have installed a number of modern green infrastructure facilities in Hong Kong and attracted many consultancies and contractors with international partners to operate in Hong Kong, bringing in new environmental technologies and expertise in management. As the Mainland is going to invest more and more in environmental technology and infrastructure, our environmental services sector should seize this opportunity, making use of its management experience, expertise and international perspective to gain access to the Mainland market through Hong Kong. To this end, as my colleagues just mentioned, we can make better use of CEPA and the Outline of the Plan for the Reform and Development of the Pearl River Delta. These can enable us to enter the market by means of our relationship with Guangdong Province and the Mainland.

President, the Government is progressively implementing a number of environmental infrastructure projects. In 2009-2010 alone, the total amount of projects applying for funding exceeded \$30 billion, creating probably more than 17 000 jobs. As various areas in the green economy require the involvement of the Government and enterprises, we hope the joint efforts of both the public and private sectors and the commissioning of projects in various areas will enable the strong development of green business opportunities and green economy. This will on the one hand improve our environment, and create business opportunities on the other, thereby achieving a win-win situation.

With these remarks, I hope Members will support the Bill.

PRESIDENT (in Cantonese): I now invite the Financial Secretary to reply.

FINANCIAL SECRETARY (in Cantonese): President, first of all, I would like to thank Honourable Members, various sectors of the community, the media and the public for the views they have expressed on the 2009-10 Budget. As always, we have received many views on the Budget, some expressing support and others levelling criticism. A prominent point this year has been the suggestion of additional relief measures. I will discuss this issue later. I will begin by giving you an account of the three major areas where Members have reached consensus during the Budget debate.

First, we all agree that the economic crisis we face is highly volatile and that the Government must maintain its flexibility to cope with changes in the situation. This is why in the past year we introduced various targeted measures in response to changes in the global economic environment after the announcement of the 2008-09 Budget. These were chiefly in July and December, breaking free from the normal Budget timetable. We will continue to monitor the situation and consider introducing further measures where necessary. We will maintain this flexibility until the current financial turmoil has eased.

Second, we agree that it is appropriate to take short-term exceptional fiscal measures in the present circumstances. However, we should also ensure a return to the principles of prudent management of public finances in the long run, namely keeping expenditure within the limits of revenue, striving to achieve a

fiscal balance, and keeping the budget commensurate with the growth rate of Gross Domestic Product (GDP). On the surface, some of the proposed measures are one-off in nature. However, in formulating these measures, we should consider carefully whether they would have any long-term, recurrent implications for public finances.

Third, in preserving jobs, the Government should provide short-term posts, temporary jobs and internship opportunities for those who are most in need. This will help some people change jobs, and better equip others to return to the labour market when economic conditions improve. However, we all agree that the Government cannot, and should not, take on everything and that the market must continue to play the most important role in providing employment.

In the Budget debate, I noted that Members agreed with the direction in addressing the financial crisis but there were two different views among them on the intensity of the economic stimulus measures. One view was that we should introduce additional measures immediately. The other view was that we should take stock of the latest situation first and introduce the most appropriate measures at a suitable time. In view of the uncertainties of the financial crisis, I share the view that in deciding on any policies, we should pay due regard to the rationale behind and the timing of introducing relevant measures.

I understand that the suggestion of additional measures is based on concerns that our already weak economy will deteriorate further. I share these concerns, and will continue to closely monitor the changes in the global economy as well as the local economy. Nevertheless, some Members insist that the current situation warrants immediate additional measures because they believe that the fiscal stimulus measures proposed in the Budget are inadequate and not counter-cyclical. I disagree.

We must be clear that the measures announced in last year's Budget and by the Chief Executive last July, as well as the fiscal stimulus measures that I proposed in this year's Budget, compare favourably in intensity with those of other economies. The total expenditure on all these economic stimulus measures exceeds \$70 billion, representing 4.2% of our GDP, the largest ever in Hong Kong. According to the report published by the International Monetary Fund (IMF) in March, the average cumulative expenditure of the G-20 nations on economic stimulus measures for countering the financial crisis in 2008 and 2009

accounts for just 2.3% of their GDP. The figure for Hong Kong that I have just mentioned has not even included the \$100-billion-plus loan guarantees, the over \$10 billion additional expenditure on capital works and the increase in other spending. It is evident that the intensity of our fiscal measures are stronger than those of many other economies.

Some Members queried why we have not adopted counter-cyclical measures in this year's Budget. The Secretary for Financial Services and the Treasury has provided detailed explanations for this in a newspaper article earlier. We can elucidate the counter-cyclical fiscal strategy in three aspects.

First, public expenditure is estimated to be \$320 billion for this year, equivalent to 19.4% of our GDP. In comparing this figure with that of 2008-09, we should note that some items of public expenditure for that year involved fund transfers and had no immediate effect on our economy or GDP. These include the endowment to the West Kowloon Cultural District Authority, the establishment of a Research Endowment Fund, injections into the Mandatory Provident Fund and the fund for Sichuan Reconstruction, which total more than \$54 billion. As such, we should not take these items into account in considering the effects of government expenditure on the economy. Excluding these special items, public expenditure last year represented about 16.7% of our GDP, 2.7% less than the share of GDP this year. This illustrates that this year's Budget has an expansionary effect on the economy.

Second, with respect to government revenue, the total estimated revenue for 2009-10 is \$260 billion, which is \$51 billion and \$97 billion less than that for 2008-09 and 2007-08 respectively. This partly reflects the concessions to be provided by the Government this year.

As a result of a decrease in government revenue and an increase in expenditure, the fiscal deficit for 2009-10 is estimated to be \$39.9 billion, equivalent to 2.4% of our GDP. The revised estimate for 2008-09 shows that it has more or less achieved a balance. The significant increase in the fiscal deficit shows that the effect of this year's Budget is basically expansionary in nature and will help stimulate the economy and counter the recession.

Third, as I have just mentioned, the fiscal stimulus measures that we have proposed since last year are stronger than those of many other economies. This

reflects our determination to combat the financial crisis as well as the cushioning effect that our measures can produce on our economy.

Members have also made a number of comments on our measures to preserve jobs. In tackling the problem of unemployment, we must address the needs of different people in light of their different situations. For example, we have created about 67 000 jobs for the construction and renovation industries because the unemployment rate in the construction industry has surged from 6.3% to 11.2% and that in the renovation industry has even reached 17.2%. It is also more difficult for construction and renovation workers to change fields.

The unemployment situation in the youth group is the most serious of all age groups, with unemployment rate hitting 10.5%. The 35 000 training and internship places that we will provide will benefit our young people, especially those who are new entrants to the job market, by enhancing their employability. When the economy returns to normal, they will be better equipped to find themselves a job with their training, internship and working experience.

To help those in need to change fields, the Employees Retraining Board has reserved resources to provide an additional 20 000 training places in 2009-10, taking the total provision to 143 000 for that year, so as to meet the increasing training demand following the outbreak of the financial crises.

Providing job opportunities will benefit people in need and help them through the present difficulties, regardless of whether the jobs are full-time or part-time and whether they are high or low in position or salary. However, the Government should not and cannot provide jobs for all sectors by itself; enterprises have an indispensable role here. Therefore, we have also introduced measures to support enterprises with a view to achieving the goal of preserving their jobs. For example, we have set up the Special Loan Guarantee Scheme, which has so far benefited 4 800 small and medium enterprises employing more than 92 000 people. Therefore, the measure has had a positive effect on preserving jobs.

Some people think that with its huge fiscal reserves, the Government should increase the budget deficit substantially. The fact that the deficit for 2009-10 is estimated to grow to \$39.9 billion reflects my determination to

propose drawing on the fiscal reserves to assist our citizens in overcoming the current problems. I will not hesitate to draw on the reserves to cope with difficulties we face, and I will only do so when fully justified.

In the Medium Range Forecast, I have estimated an accumulated deficit of about \$100 billion for the next few years during which there will still be many uncertainties in the external environment exerting pressure on our public finances. But we must not forget that in the six years from 1998-99 to 2003-04, we recorded deficits for five years, leading to a depletion of our fiscal reserves by approximately \$200 billion, equivalent to 40% of our existing fiscal reserves. As custodian of the citizens' reserves, the Government must be prudent in managing public finances.

President, the external environment now is worse than it was in February when I delivered the Budget. Reflecting this situation, the IMF has made four large downward revisions to global growth projections in the past six months. However, in recent months, stock markets around the world have stabilized, the United States credit market has shown signs of improvement, and the decline in the United States property market has slowed somewhat. Some people believe the United States economy is showing green shoots of recovery. However, it is hard to predict accurately when full recovery of the external economy will come about. A financial official of the United States Government recently said that problems still existed in some banks and the economy would take some time to recover. It is clear that the external environment is ever changing and requires close monitoring. Regarding the local economic situation, I have special concern for the following areas.

First, the performance of the external sector. Sharp falls in exports is a widespread phenomenon in Asia. As far as Hong Kong is concerned, exports fell in the first two months of 2009 by 22% compared with the same period last year. The situation is very bad indeed.

The second area is consumer spending. Total retail sales in the first two months of this year posted a year-on-year decrease of 3.6%, which is considered relatively mild. This shows that consumers still have some confidence. In view of this, I will definitely pay particular attention to any future changes in the consumer market.

The third area is the unemployment rate. In the first quarter of this year, the rate reached 5.2%, up from 4.1% in the fourth quarter of last year. I will be particularly watchful for any further sharp rise in the unemployment rate.

Fourthly, the credit market. The introduction of a series of financial measures last year has effectively ensured the stability of Hong Kong's financial system. Local interest rates stay low recently. Nevertheless, I will continue to closely monitor the credit situation.

The fifth area is our GDP. Our economy registered a year-on-year contraction of 2.5% in the fourth quarter of last year. The situation warrants attention.

As a host of uncertainties in the external environment remain, I believe that a more prudent approach is to review the measures in the middle of this year. At that time, we will be able to assess Hong Kong's situation more accurately by analysing the updated data on areas I have just mentioned. We will then be able to devise appropriate plans at the most opportune moment. During the process, I will continue to discuss and exchange views on formulating appropriate measures with Members who are concerned about these matters as well as with other interested parties.

If the situation deteriorates rapidly, I will introduce further appropriate measures immediately in response to the needs during such exceptional times. Such measures may include those designed to assist the small and medium enterprises, relieve unemployment, and help members of our community, including the middle class and those in need, to tide over the present difficulties. I will try my best to ensure that these measures are appropriate, timely and effective to prepare for our economic recovery.

I would like to emphasize two points. First, if we need the Finance Committee's approval for new measures as soon as possible, we will endeavour to obtain the approval before the summer recess of this Council. Secondly, I will evaluate the fiscal measures in a pragmatic manner and use resources where needed, and increase the share of public expenditure to over 20% of GDP at exceptional times.

I consider it appropriate to use an enormous amount of financial resources to counter the financial turmoil as exceptional means employed at exceptional times. Still, we must adhere to fiscal discipline. Otherwise, with our limited fiscal reserves and under our low and simple tax regime, we will eventually face the problem of where to get the money for implementing the relief measures. If we make any decision with long-term financial implications, we need to consider whether we have to raise government revenue in the future to meet the cost, or whether our next generation will have to pay for it. We should not make any hasty decisions on proposals with long-term financial implications before the community has thoroughly discussed them and we are fully prepared for them.

President, in preparing this year's Budget, I have taken into account future anticipated developments and past experience. I firmly believe that it has struck the proper balance. The Appropriation Bill serves to support funding for expenditure on government services for the 2009-10 financial year, including various measures introduced in response to the financial crisis. Since the majority of Members agree with the direction of this Budget and are concerned about our future development, they should support this Budget. We should also have confidence in our sound economic foundation. We have healthy fiscal reserves. Overall, our economy has a high savings rate and a low level of liabilities. Besides, the Mainland has demonstrated a strong ability to withstand the financial crisis and is commonly believed to be among the first economies to recover from it. This would be very advantageous to Hong Kong.

Furthermore, the Government is making every effort to prepare for economic recovery and pave the way for the long-term development of Hong Kong. We will deepen our integration with the Mainland, consolidate our strategic position in the Pearl River Delta, promote pillar industries, tap emerging markets and develop new growth areas such as the green economy, which is of special concern for many Members. Recently, the Task Force on Economic Challenges identified six economic areas with high potential for further study. This is also an important step forward.

President, the current global financial crisis remains a serious threat. We will require a concerted effort from the entire community in the months ahead. With confidence, perseverance and understanding, I firmly believe that we can overcome the present difficulties and that Hong Kong will achieve an early economic recovery.

Once again, I extend my heartfelt thanks to various sectors of the community for contributing valuable suggestions and ideas on ways to counter the financial crisis. We will take quick and decisive action to deal with the current volatile economic circumstances. I encourage Members to support this Budget that is in the interests of the community, and support the Appropriation Bill 2009.

Thank you, President.

PRESIDENT (in Cantonese): Mr Albert HO has requested me to suspend the meeting before the Council votes on the resumed Second Reading of the Bill to enable Members to discuss their voting stance.

MR ALBERT HO (in Cantonese): President, having heard the responses from the Financial Secretary just now, I think that there is no need to suspend the meeting and we could proceed to vote at once.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Appropriation Bill 2009 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Dr Raymond HO, Dr David LI, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Kong-wah, Mr LAU Wong-fat, Ms Miriam LAU, Mr TAM Yiu-chung, Mr Abraham SHEK, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHEUNG Hok-ming, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Prof Patrick LAU, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Dr Priscilla LEUNG, Dr LEUNG Ka-lau, Mr WONG Kwok-kin, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the motion.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Dr Margaret NG, Mr James TO, Mr CHEUNG Man-kwong, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr CHEUNG Kwok-che, Mr WONG Sing-chi and Mr WONG Yuk-man voted against the motion.

Dr Joseph LEE abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 57 Members present, 33 were in favour of the motion, 22 against it and one abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Appropriation Bill 2009.

Council went into Committee.

Committee Stage

CHAIRMAN (in Cantonese): Committee stage. Council is now in Committee.

APPROPRIATION BILL 2009

CHAIRMAN (in Cantonese): We are to consider the schedule first, in accordance with Rule 68 of the Rules of Procedure.

I now propose the question to you and that is: That the sums for the following heads stand part of the schedule.

CLERK (in Cantonese): Heads 21 to 28, 30, 31, 33, 37, 39, 42, 44 to 49, 51, 53, 55, 59, 60, 62, 63, 70, 72, 74, 76, 78, 79, 80, 82, 90, 91, 92, 94, 95, 96, 100, 106, 112, 114, 116, 118, 120, 121, 136, 137, 139, 140, 143, 147, 148, 155, 156, 159, 160, 162, 163, 166, 168, 169, 170, 173, 174, 180, 181, 184, 186, 188, 190 and 194.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the sums for the heads stated stand part of the schedule. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Head 122.

MR JAMES TO (in Cantonese): Chairman, I move that head 122 be reduced by \$50,410,000 in respect of subhead 000. Chairman, the said \$50,410,000 represents all the funding allocated to the Complaints Against Police Office (CAPO) of the Hong Kong Police Force. Chairman, this is the 10th year that I have moved the motion on cutting the fund allocated to the CAPO. Since this is the 10th year, and many Members are new to the Council, in order to facilitate their learning about the issues of the police investigating their own numbers and whether or not the CAPO should become independent of the Police Force, I have to recap some history.

First, in 1992, which was still the British Hong Kong Administration era, a motion that moved by me was passed in the Council. At that time, there were many appointed Members and they voted for my motion, that is, for the CAPO to be independent of the Police Force, similar to the case of the Independent Commission Against Corruption (ICAC), in order that the public confidence be assured against the notion of having one's own mates to investigate their peers. I have been striving for this every year and raising this issue in the Panel on Security. In 1997, the Independent Police Complaints Council (IPCC) Bill was introduced by the Government. It goes without saying that in the process, I hoped that the IPCC could be given the power of investigation which we had long discussed. Finally, in 1997, at the Committee stage of the Bill, just like the current examination of the amendment to the Appropriation Bill 2009, my amendment was passed to give the IPCC the power of second investigation.

What is the power of second investigation? It means that if the IPCC is not convinced of the result of investigation by the CAPO (which is operated on the basis of one's own mates investigating their peers), it could invoke the power of investigation vested in it. Certainly, this is a kind of compromise. My amendment was passed and the IPCC was given the power of second investigation. However, I definitely hope that the IPCC could be given the power of first investigation. However, after the passage of the amendment, the Government was so shameless as to withdraw the Bill in totality and even chose to perish together, rendering it impossible for the IPCC to become a statutory body. In fact, the Government did not want the IPCC to be vested with the power of investigation.

The issue had dragged on from 1997 to 1999, with the Government mentioning the IPCC becoming a statutory body every year and that since the Bill was withdrawn in 1997, it would be reintroduced. However, 1999, 2000, 2001, 2002 had passed Certainly, there had been various Secretaries for Security in the interim, including our current Member, Mrs Regina IP, who was the Secretary for Security then but a Member now. During this period, the Government adopted a procrastinating tactic in dealing with the issue. Why was there protracted procrastination till the reintroduction in 2007? It was because during this interim, the Government was extremely concerned that the composition of this Council would again support giving the power of second investigation to the IPCC, for which the Bill might have to be withdrawn for a second time. Therefore, in 2007, perhaps the Government was more confident by then after several rounds of consultation, the Bill was reintroduced again. Other Members and I raised dozens of amendment to the Bill, hoping that the IPCC could be vested with more power in its otherwise hollow body. Initially, the IPCC is a "three no" organization: no power of sanction, no power of decision, and no power of sanction. I hope that it could be given a little power, which would be better than having no power at all. However, due to the objection of the royalist Members, all the amendments were negatived, with none being passed.

Chairman, it has been the 10th year this year (2009) which I have requested cutting the provision in the Budget for the system of one's own mates investigating their peers as practiced by the CAPO, one that cannot command the confidence of the public. Chairman, what are the problems with this system of

one's own mates investigating their peers? There are several problems. First, no justice is done and seen to be done. Regarding the practice of one's own mates investigating their peers, the Government has been saying that decades ago, when corruption was wide-spread in Hong Kong, the anti-corruption department was set up within the Police Force. The argument of the Government is that departments other than the police would not have the know-how to investigate corruption in the Police Force and that only personnel of the Force would know how to investigate. Of course, now, all of us do not believe in this, especially Mr Ambrose LEE, the incumbent Secretary for Security who used to be the Commissioner of the ICAC, should know better about the history and the necessity for an anti-corruption organization to be independent of the Police Force. The reason is of course significant, since justice could not be seen to be done; and justice that could not be seen to be done is justice not done.

We have to know that within the Police Force, there are a lot of transfers. While today you may be investigating me, tomorrow I may be the one to investigate you. Further, there is a very strong centripetal force among them — they should have a very strong centripetal force. If mutual concern, mutual understanding and mutual support in moments of life and death could not be effected among colleagues, it would be extremely dangerous to a force. However, great obstacles would arise if sentiments of empathy, sympathy, and ready understanding are embedded in the CAPO. They would be too readily prompted to understand the encounters of their own colleagues in times of difficulties. However, difficulties are issues different from the impartial investigations required by us.

I have been proposing this for 10 to 20 years, and I know many colleagues in the police have strong views that this could not be done and that once the department for investigating the police is made independent, they would be in a very dangerous position. They are worried that they would easily be complained of for no good reasons and would be wrongly accused of by the public. However, I have not heard the police say that they are worried about the ICAC. Certainly, previously, there had been incidents of conflicts between the ICAC and the police, and unpleasant encounters had also occurred in the last couple of years. Nevertheless, on the whole, the police believe that colleagues in the ICAC would conduct investigations impartially. Further, since the ICAC is an independent body which needs not favour anyone, if police officers were indeed framed up, the one who initiated the frame-up would be prosecuted as well. Because of its independent status, the ICAC could act more determinedly

to prosecute the one who frames others up — who often teases others and who often complains about the police. However, one may probably be more afraid of the CAPO which has the inherent image problem of having one's own mates investigating their peers. Besides, upon completion of investigation, if the policeman concerned is found to have done nothing improper, nor is he found to have abused his power, frankly speaking, the report submitted by the CAPO would itself not be too convincing. However, if the policeman concerned is found by the ICAC not to have been corrupted in a certain case and that no prosecution should be made after consulting legal opinion, the policeman concerned could then be claimed to be truly innocent.

I have noticed a phenomenon which is rather interesting. I have been discussing with some colleagues in the police and have noticed certain changes which I would like to share with the Secretary. Now, more and more policemen hold this line of thought: colleagues among the police find that the image of their own mates in the CAPO investigating their peers is, in any event, not a good one, and is a burden for them. In view of the frequent criticism of having private dealings and mutual cover-ups in their investigations, it would be all the better for the CAPO be made independent; at the least they could get a totally innocent image.

However, colleagues in the police are concerned that according to the current system under the CAPO, statement taking from the policeman who is being complained of has to be conducted by an officer of one rank higher than him, such as a sergeant. As far as discipline is concerned, since the former is more junior and the one who takes the statement from him is his senior, he has to give the statement and relate the facts. Even if they come from different sections, since the statement taker is a senior, the policeman being complained of must give the statement. However, if a policeman is in the ICAC, he could remain silent for he would be presumed innocent under common law. So, many colleagues in the police have asked me whether they could remain silent if the CAPO is made independent of the Police Force. If that were the case, they would probably remain silent. They said, "The voice of our opposition would be lower, at the most we would remain silent; but if we remain silent, they probably could not obtain any outcome from the investigation." I have contemplated the issue. In fact, anyone being complained of (be him a policeman, member of other disciplined forces, or an ordinary citizen) has the right to remain silent if the ICAC really has to investigate cases of corruption — he is entitled to the right.

We should not deprive anyone of his right just because he is a policeman. From a recent case of the Court of Final Appeal, it could be seen that no one should be deprived of his right to engage a defence lawyer in disciplinary proceedings just because he is a policeman — not an ordinary policeman, but a sergeant. That was finally adjudicated to be unconstitutional and had to be amended. Hence, since he is a policeman, he should have the right to which he is entitled.

Hence, I propose that the system of complaint against the police be made independent of the Police Force, and that policemen should be entitled to right of this kind. The fact that they have the right to remain silent does not mean that facts could not be revealed from investigations by this organization. The ICAC could also succeed in investigating cases of corruption, is that true? Further, a judgment could similarly be made even for one-to-one cases (such as a complainant complaining a policeman of power abuse, but the later says that he has not abused any power). This is just like the case of the police having arrested a criminal; the case would not end up unresolved and classified as unsubstantiated just because it is a one-to-one setting with no supporting evidence from either party. Hence, under this situation, I reckon the public would not be convinced if the unjust issue of one's own mates investigating their peers is not resolved.

The second crucial issue is that if, just like the ICAC, the CAPO could be made independent of the Police Force, all the processing work and investigations of cases in which immediate investigation is not possible (probably because the complainant who is an ordinary citizen is involved in another legal case or civil case) could in fact proceed as usual. Under the current situation, if a complainant is involved in some other case(s), even if the CAPO wishes to have a statement taken from him, from the legal point of view, he may not be willing to give the statement. Hence, the CAPO would say, "Investigation would begin upon conclusion of the complainant's case(s)." If the complainant has initiated civil proceedings against the police, the CAPO has to suspend its investigation again. This would be the handicap inherent in having one's mates investigating their peers. It would not be possible for any immediate investigation to be conducted even when some important evidence is found. This is an inherent handicap.

In his reply in due course, the Secretary would probably say, "After much detailed deliberation, the IPCC would probably become a statutory body on 1 June. At the least, we should let it go for a trial operation." However, I could tell all of you that if we look at it clearly, even if the IPCC becomes a statutory

body, it would still be a "three no" body — no power of investigation, no power of decision, and no power of sanction. What does it have then? It only has the power of "grumbling and grumbling" — the power of "grumbling" till the CAPO agrees to the conclusion it made. This is the only power it got. You may say, "The CAPO could interview the witnesses." However, after interviewing the witnesses, the CAPO would but only continue with their "grumbling" and state, "We do not agree with the analysis and the decisions you made. Could you have them amended?" It is rather saddening that this is the only power it got.

Finally, let me quote the words of the former Chairman of the IPCC who had been in the post for six years and who had been the former Chairman of the Bar Association. In scrutinizing the IPCC Bill, he once said on a public occasion, "Having been in the post for six years, I could inform you that in the entire system of complaint against the police, the CAPO functions only for protecting the policemen and enabling all complaint cases to be swept under the blanket. Cases could not be established; committee members are then tested if they could find some cases. Till the matter has reached a disastrous stage, the case would then be transferred from the status of 'not being able to be established' to 'being established'. This is the current system." This is the conclusion drawn by the former Chairman of the IPCC (who was appointed by the Government) after holding the post for six years. Hence, it is totally not worthwhile for the current system to be continued and for the funding to be allocated.

Mr James TO moved the following motion:

"RESOLVED that head 122 be reduced by \$50,410,000 in respect of subhead 000."

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

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, Mr James TO has given a historical account of the issue. What does this historical account tell us? It tells us that the "dynasty change" has not made any difference, because the Government of the Special Administrative Region (SAR) is simply like the

British Hong Kong Administration, in the sense that it will not easily allow the public to monitor the police.

Regarding the practice of police officers investigating their peers, many people hold the view that since "Long Hair" and James TO are from the opposition camp, their objection to this practice must be aimed at causing trouble and underpinned by their hostility towards the police. This viewpoint is incorrect because it is based on an utterly erroneous assumption. Another corollary of peer investigation is that the whole mechanism may be reduced to a means of persecution within the police. Let me give an example. Suppose three police officers are at the same time under investigation in separate complaint cases. When the police are given the authority of peer investigation, the officers who are favoured by their superiors or by certain important personalities in the CAPO may well be given some kind of shielding. This involves conflicts of interests within the police.

Many people in the police often ask me, "Long Hair, you must have a strong grudge against us, right?" For the reason explained above, I will invariably tell them that it is not a question of any grudges. I think the whole thing is actually about a very simple concept in political science: checks and balances. Internal checks and balances are naturally useful, but Members must understand that in modern political science, the police, the military and the penal institution are clearly defined as the component parts constituting a whole entity called the state apparatus. This is different from the kind of defective separation of powers in Hong Kong. They are part of the state apparatus, and as such, they must, first, take orders unconditionally; and second, they must follow strict discipline. They must function as a co-ordinated whole, in very much the same way as the fingers must be curled up tightly to form the fist when one wants to punch another person. This gives rise to one feature of the state apparatus — bureaucratic hierarchy.

If any police officers are listening to the debate today, I must tell them if the police are given the authority of peer investigation We can actually imagine that if the senior ranks or top echelons of the police have the power to assign personnel to the CAPO, it will be possible for them to harbour their subordinates. If a person is at loggerheads with you, he can always make sure that you are forever doomed, right? What we have in mind is that if there is an

independent investigation mechanism, the Commissioner of Police or whoever must at least approach this independent mechanism for discussions. But this will be very dangerous, as it is tantamount to perverting the course of justice. If there is really a commission on monitoring the police, and if the Commissioner of Police really approaches this commission, the matter will be very serious. This is a point which all Members can understand. This also explains why when university students took to the streets many years ago and demanded the "combating of corruption and nabbing of GODBER", the British Hong Kong Administration had to take drastic actions and recruited a former head of the secret service to set up the Independent Commission Against Corruption (ICAC), in order to remove the malignant tumour that it had condoned for so long. Members all know this already, right? Another point is that in the initial days of the ICAC, all the Commissioners would leave Hong Kong upon the completion of their contracts. Of course, we now know that many of them did not actually leave Hong Kong, but simply stayed behind to serve the British Hong Kong Administration or even joined the government bureaucracy. But their immediate departure was still the original intent.

Honourable Members, honestly, we must realize that the campaign of "combating corruption and nabbing GODBER" took place in the mid-1970s. At that time, Chairman, you were still such a fine young man. I do not know whether you also took part in the protests and chanted the slogan "combating corruption and nabbing GODBER". How many years have passed since then? It was 1973, or 1974. It is now 2009, buddy. It was a whole generation ago, in the past century. But people still want to defend a system that is rotten to the very core — the system of peer investigation. And, people even argue that such a system is more desirable. Please do not put forward such an argument anymore. Do they mean to insult the Communist Party of China (CPC)? Even the CPC has established the Central Discipline Inspection Commission. Rather than relying on the Party Central Committee and the Politburo Standing Committee, it has given the task to the Central Discipline Inspection Commission. Although appointments to the Central Discipline Inspection Commission still rest in the hands of the Party Central Committee and the Politburo Standing Committee, the whole thing still looks a bit more impartial, right? And, it was only with this mechanism that it was possible to arrest CHEN Liang-yu, right? Buddy, this legislature I am often criticized for using foul language here, for being irrational. But this simple principle of checks and

balances designed by the British is not recognized by this legislature, and there are even enough votes against its acceptance. It is really shameful, isn't it?

When I used a colloquial expression, I was accused of bringing the Legislative Council into disrepute. But as an organization responsible for monitoring the Government, the Legislative Council supports peer investigation within the Government. This is indeed unthinkable. But this Council has really done so. In this legislature, the "royalists" have illustrated a very simple fact with their own deeds, a fact which can be summed up by an expression I am forbidden to use: the present system is really "bu gai" (不該). This system is really "bu gai".

I wish to ask the Secretary one question. What justifications can he advance to support his claim that the present practice of the CAPO is proven? When even a person they appointed to the IPCC, a barrister, testified solemnly before this Council that the IPCC must be independent of the CAPO, how can they still turn a deaf ear to our demand? Unlike people like us who always engage in empty talks here, he was their appointee and served in the capacity concerned for six years. What can one say about the present system when they even refuse to listen to the person they appointed? The system is even worse than the one in the Tang Dynasty, isn't it? Even LI Shi-min of the Tang Dynasty introduced separation of powers after establishing his control over the country. Actually, many civil service systems of foreign countries are copied from ours. By insisting on self-monitoring, do they want to turn the clock back to the Tang Dynasty? The system of the Tang Dynasty, that is, a prototype separation of powers, has been copied by foreign countries, right? That fellow called WEI Zheng liked to criticize the Emperor very much. But in Hong Kong, one who rebukes the emperor will surely be reprimanded. Every Bureau Director in the Government, who each earns more than a hundred thousand dollars a month, is employed to chide the League of Social Democrats. And, how about the Government? Whenever it hears any dissenting views, all officials, including the Chief Executive, will immediately jump out in rebuttal.

Honourable Members, what we discuss today is no ordinary and simple matter. Rather, it is about the principles of governance. Our governmental system is inherently rotten. The Central Government has made the SAR Government a government of the minority, a very small minority. After receiving its powers, has the SAR Government tried to devolve the powers?

The Central Government may not want to interfere with such devolution of powers, but is the SAR Government courageous enough to do so? If it is not, how can it still say anything more? How can it still talk about serving the people of Hong Kong? It is unwilling to accept even such a simple principle, so it is useless for us to ask it to accept monitoring by the public.

The desire for giving the police the power of peer investigation is actually part of the Government's instincts, a significant manifestation of its corrupt nature. Such an instinct is also evident in many other areas. In the LEUNG Chin-man incident, even before the Legislative Council launched its investigation, the Government had already announced its intention of pre-empting the Legislative Council by setting up an independent investigation committee. The same thing also happened in another government department. Fanny LAW was suspected of interfering with academic freedom, and the Government again established an investigation committee. Why? The reason must be its fear. Although the present system is so ineffective, the Government is still afraid that the Legislative Council, as a platform of monitoring its performance, may somehow manage to do something, however insignificant that something may be.

The Independent Police Complaints Council Ordinance was discussed and passed by the Legislative Council, and the Chinese name of this body has been changed to "監警會". Many people have told me, "Long Hair, you're right. This is really a shameless police complaints council." Buddy, why does Mr James TO propose the deletion of the expenditure head? Because there is really nothing to write home about, in respect of the CAPO. Several decades have passed already. And, in 1997, the Government even resorted to the most shameless tactic — smashing anything passed by the Legislative Council that is not to its liking. Am I correct? Even though a Bill is passed by the Legislative Council, the Government will still withdraw it and start from scratch again if the Bill is not to its liking. Does the Government have any sense of shame? We can all see its shamelessness. Under the very system designed by it, an organization is empowered to carry out monitoring, but when the outcome is not to its liking, it will discuss the outcome. This is just like match-rigging in soccer. As a former employee of the Hong Kong Jockey Club, Kenneth CHEN should know best, should know that people engaged in match-rigging will be arrested. Buddy, they want to rig the result when the scores are not as they desire. This reminds me of one actual case. In Malaysia, there was one big banker who accepted bets on an English League Championship match. At a certain point in the match, the scores were three to nil, with the punters' team in

the lead. Seeing this, the banker smashed the stadium lights. It was thus necessary to start the match all over again. And, he even hired a person to admit the guilt. The person of course owned up to smashing the lights. Since he had already been given tens of thousand pounds, he confessed that he loved to smash the lights. Is the Government any different from the banker in this case? Once the result is not to its liking, it will smash all the lights, so to speak. It will continue to behave like this in the future. Suppose there are sufficient votes against the Government after we have pressed the voting buttons, the Government will smash the switches. I am sure that it will do so.

Chairman, have you dozed off? I can see the drowsiness in your eyes. We are in fact discussing a very significant issue which should also strike a chord in you. You opposed the minority rule under the British Hong Kong Administration. Chairman, please allow me to remind you that your dream has already come true, for Hong Kong has been reunited with China since 1997. What ill has resulted from the reunification, which you have succeeded in bringing about? The answer is that the noxious legacies of colonialism and paternalism have bred a freakish government that seeks to prevent society from checking its performance under what is itself a ramshackle monitoring institution. It behaves in exactly the same manner every time when something goes wrong. Every time when we exercise our modest power of moving CSAs, none of them, none of them, will be passed.

Honourable Members, please note how rotten this system is. Honourable Members, have you all dozed off? Has this rotten system made you doze off? This system is all about acting as a rubber-stamp all the time. If the civil servants outside this Chamber today can spend time in the communities, they will surely collect plenty of useful information which can help the Hong Kong Government improve its governance. A walkabout in Tin Shui Wai will enable them to know why there are no hospitals and libraries in this district. But they do not do anything like this. Rather, they are all here to "mark" Members to ensure their votes. Had I not asked Jasper TSANG to provide some chairs to them, they would have to keep standing on one side or walking around. Buddy, please do not do something so disgraceful. Please let the game play to its natural result. Please do not remind Members belonging to "royalist" parties not to go out for dinner and drinks, will you? Please do so just for once, will you? Please do not be so "bu gai", will you? Please do the right things, will you?

Honourable Members, the topic of discussion today seems to be insignificant. But let me remind Members that the police can be both a menace and a service provider to the public. The problem is that if we are to rein in the bull, there must be a mechanism. But the Government wants to destroy the mechanism and insists on self-monitoring instead. I have actually questioned the Government whether any bank will put the same person in charge of its cashier and accounting departments. Will Members also adopt such a practice? Why is it necessary to establish the Audit Commission for conducting audits? The answer is about a basic concept in political science. Sadly, the Government has failed to adhere to this principle, and it has even rebuked us for stirring up trouble.

Honourable Members, all the principal government officials are here now. But the highest official is out for lunch, and John TSANG is nowhere to be seen. Is he very busy? Can he just eat something upstairs? Can he just have a hamburger? When we held the hearings on the LEUNG Chin-man case, the only food we had were simple sandwiches. Today, he has once again refused to listen to my remarks. Why does the Government adopt such an attitude? It has blatantly claimed that peer investigation, inbreeding and the freakish system are all correct. But I cannot agree with it.

Secretary, the Thailand incident can already prove that monitoring is indispensable. When he gives his reply today, he must first answer questions on the Thailand incident. All such questions have so far remained unanswered. Chairman, I so submit. I think this Secretary is also rather shameless. He has never offered any explanation on the Thailand incident.

MS CYD HO (in Cantonese): I rise to speak in support of Mr James TO's amendment on deleting the expenditure head for the CAPO.

Sometime ago, an actor remarked in the Boao Forum for Asia that the Chinese need disciplinary control. I agree to this remark to a certain extent. But I think that the Chinese who need disciplinary control should be all those government officials who hold power. The common masses are faced with far too many instances of power abuse, but the monitoring and supervision of government officials is seriously inadequate. Therefore, speaking of control, what the Chinese need is in fact the control of government powers because such

control is inadequate at the moment. An effective complaints mechanism is therefore indispensable.

I can remember that in the 1950s and 1960s, the conduct of front-line police officers was extremely outrageous. For example, they would not pay after eating in restaurants or getting things from hawkers' stall. Or, they would not leave unless they saw money in their caps. Instances of corruption and power abuses among rank-and-file officers were very common. This can also tell us that the outbreak of the 1967 Riots was actually the result of people's mounting grievances. The 1967 Riots were not purely the result of political instigation and labour disputes. It was also caused by people's perennial grievances against and discontent with the Government. I therefore urge the SAR Government to note one point. The ordinary masses must somehow come into contact with the police in their daily lives. They live in the same place as police officers, and they must depend on them for the maintenance of law and order. If there is not an effective complaints mechanism for them to redress their grievances, their discontent will only increase as time passes. If there is not an effective mechanism, people will wisely look for their own solutions. If everyone attempts to seek solutions outside of the mechanism, society will turn very chaotic.

If I am asked whether Hong Kong is very chaotic, I will answer that it is very much so. I see that the Secretary is in the Chamber now. Some civil servants have given away their name cards indiscriminately. If civil servants look for jobs indiscriminately after resignation or retirement — sorry, the one who gave away his name card indiscriminately is a Bureau Director — and if the Bureau Director concerned does not play the gate-keeping role properly, there will be chaos in the public administration of Hong Kong. Therefore, to effect monitoring, there must be an independent complaints mechanism. If the complaints mechanism is not independent, it will only waste public money and command very little credibility. Surely, another reason, another reason for our passive move to delete the relevant expenditure head despite our wish to improve the complaints mechanism, is related to the power of the Legislative Council. We cannot propose any additional expenditure under any heads, and the improvement proposals we put forward to the executive are usually of no avail. As a result, we have no alternative but to adopt this means to alert the executive and the public that the present complaints mechanism is grossly unsatisfactory.

Chairman, many people are reluctant to lodge complaints with the CAPO. Why? The reason is that once a complaint is made, then even when we want to follow up the case in the legislature, government officials will invariably answer that since the CAPO has launched an investigation, they must not make any comment lest this may affect the investigation. The CAPO has gradually been used by the executive as an excuse for evading the legislature's monitoring. I can give some actual examples. At the end of 2007, 15 demonstrators in defence of the "Wedding Card Street" were arrested and all stripped inside the police station for body search. Why did they not lodge a complaint immediately? The reason was that they did not want to render it impossible to pursue their case and make it impossible for the legislature to take follow-up actions. Even the Government itself admitted that the case had been improperly handled. But has it ever occurred to the Government that it should really consider why the people concerned deliberately avoided lodging a complaint with the CAPO? This is the first point.

The second point concerns sex workers. I can remember that in 2004, I asked Secretary Ambrose LEE a question on the relevant complaint figures. He replied that no many complaints, just a total of three cases over the previous two years, had been received from sex workers. As can be expected, sex workers do not want to lodge any complaints, because while their complaints are always of no avail, they will even face ill-treatment afterwards — they will be harassed by the local police much more frequently. For this reason, they are reluctant to lodge any complaints. But society knows what is going on. From the treatment of environmentalists, participants of peaceful assemblies and demonstrations and sex workers who are harassed by the police, we all know the practices of the police more and more clearly. There are truly abuses of police powers. Why do people not turn to the present mechanism? It is obvious that the mechanism warrants a review. If people would rather sue the Government or turn to the mass media, one should realize that the present mechanism is already defunct. What is more, if people would rather let the mass media judge their cases and look for the support of public pressure, it can be concluded that the present mechanism is no longer of any help to society. The police may feel aggrieved because they think that it is unfair to them for people to turn to the mass media for judgements. But they must realize that they are even more unfair to society and all those people aggrieved by their abuses of powers. I therefore ask the Secretary to carry out a prudent review of the present mechanism.

The expenditure estimate for the Independent Police Complaints Council in the coming financial year is \$28 million. When the \$50 million or so for the CAPO is also counted, the total will be \$78 million. I urge the Government to set up an independent investigation body vested with real powers. I believe that if the aforesaid expenditure estimates can be combined, such an investigation body will have a more abundant supply of resources. I hope that the proposed independent investigation body can command the trust of the public, thus doing justice to both society and the police. Thank you, Chairman.

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

MS EMILY LAU (in Cantonese): Chairman, I rise to speak in support of Mr James TO's amendment on deleting the annual expenditure estimate of \$54.41 million for the CAPO.

Chairman, as mentioned by Mr TO just now, this topic is quite like an annual religious ritual. After so many years, why do we still want to raise it for discussion every year? The only reason is that the present mechanism is extremely unsatisfactory. The Secretary is certainly aware of this. Every time we attend a meeting of the United Nations Human Rights Committee, its members will point out that the mechanism for investigating police complaints in Hong Kong is not in line with their recommendations. What are their recommendations? Chairman, their recommendations are that investigations should be carried out under an independent mechanism, and that the suggestions made after the investigation process should be binding. However, the Administration is not at all willing to heed the advice. When the Appropriation Bill was passed last year, the Administration said, "Yes, there is some deviation here." Chairman, he did say, "We know there is some deviation, but we will cling to our present practice all the same." I never speak any foul language. But someone has done so because the situation is indeed outrageous!

In spite of this, the Government still sends delegations to the meetings of the United Nations Human Rights Committee. Chairman, they even submit reports. But time after time, it has expressed its reluctance to implement the Committee's recommendations. Actually, does the SAR Government have any sense of shame? What is more, Chairman, many members of the public have voiced their lack of confidence in the present mechanism. The resolution will

surely be negated after the discussion today, but as long as the Secretary is in office, he must realize that many people are discontented with the present arrangement.

The Administration has indeed made a very small adjustment — the appointment of Observers. Chairman, as we already mentioned in a debate last year, many Observers do not really conduct any observation at all. And, in the case of those who want to do so, they are unable to receive any assistance of the police in facilitating their observation. No Observers can drive into the institutions concerned unless there is prior notice. But if prior notice must be given, all sorts of embellishment can be made before an actual visit. In that case, how can there be any investigation in the true sense of the word? Should there be surprise inspections? I have told the new Chairman of the Independent Police Complaints Council (IPCC) that surprise inspections should be conducted. But there is no one to facilitate their work. Therefore, the whole system is plagued with defects. There are not enough people to serve as Observers, and the IPCC likewise faces a manpower shortage. The attendance rates of Observers can give us the true picture. They are only voluntary workers, but there are numerous complaint cases. And, there is only one legal adviser. I really do not know what is going on. The situation is truly outrageous! This is what the whole system is like. The Secretary may well say, "We won't do anything. We will cling to the present arrangement." This explains why we need to raise this topic for debate every year. The Government is confident that with the support of "royalist" parties, the motion will once again be negated this time around. But will the problem thus vanish? No, of course.

Chairman, two groups of people are especially outraged — actually, there are many more discontented groups. Ms Cyd HO has pointed out that sex workers are very angry, for they think that their rights and interests are completely ignored by the police. Another group of people are the ethnic minorities. Chairman, your political party has provided assistance to many of them. Two weeks ago, some representatives of the ethnic minorities and I held a meeting with the police. They too complained that police officers frequently treated them very impolitely. According to them, since they do not know any Chinese, police officers will insult them whenever any language problems occur in the course of statement-taking. Sometimes, the police will require them to return later for renewing their bails, but when they do so, they are made to wait for four whole hours. Then, they are told that since the officer concerned is very busy, they need to leave and come back later. For all such reasons, many ethnic

minorities have told me that they once longed to become policemen, but having been treated like this, they are now discontented with the police. They even think that the police will not protect them.

Chairman, the United Nations committee on anti-discrimination will convene its meeting in Geneva in August this year to listen to the report of Hong Kong. Since many ethnic minorities have participated in various processions recently, I think many people will attend the meeting. One focus of the meeting will be our law-enforcement agencies. Why has the matter worsened to such a state? Actually, people all know that ethnic minorities are generally very moderate. They will not come forward unless they are really plunged into desperation. This Sunday, when I appeared in the programme hosted by Gary CHENG, an Indian told me that whenever any policemen saw him, they would ask for his Identity Card and require him to put his hands on the wall for body search. He added that as a result, he had by now developed the reflex action of producing his Identity Card at the approach of a police officer. Why must they be treated that way? Chairman, has the Administration put in place a fair mechanism for handling all such complaints? The answer is of course no. Since the IPCC will commence next month, we will conduct yet another debate on this topic.

Chairman, we oppose the Administration's repeated refusal to heed the recommendations of the United Nations Human Rights Committee and its insistence on retaining the CAPO. I am also very disappointed at the police because they have turned a deaf ear to the views expressed by this legislature and the public. This legislature and the public both think that the present mechanism is marked by unfairness and insufficient transparency. The present mechanism therefore lacks any credibility.

Chairman, I strongly hope that after this meeting, the Secretary can seriously consider the idea of putting forward some fundamental reform proposals that can enhance the credibility of the whole system and command public support, rather than simply feeling "not quite so comfortable" (But I guess that this time around, he may not even feel "not quite so comfortable" at all).

With these remarks, I support the amendment.

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

MR ALBERT HO (in Cantonese): Chairman, I intend to add a few points only. Some Honourable colleagues have already pointed out that the CAPO is marked by serious inadequacies. And, neither the present IPCC nor the future IPCC can, as claimed by the Government, play the role of monitoring the CAPO. Speaking of the set-up of the present mechanism, Members all know that if there is no structural independence and adequate monitoring of this organization, which is vested with the important power of carrying out disciplinary investigations into abuses of police powers, it will simply fail to play the desired role. This is a point beyond any doubt.

The greatest problem is that the present IPCC is nothing but an embellishment. Honestly speaking, the last Chairman of the present IPCC, Mr Ronny WONG, is quite a moderate person. For this reason, the sentimental comments he made in the Legislative Council, I believe, should all be very candid. He must be utterly disappointed and totally disillusioned. He must feel that he had been misled. What modest ideal and vision he might cherish when joining the IPCC must have been completely shattered. What did he say? He said, "The present IPCC and the IPCC in the future will only serve to protect the police in continuing to abuse their powers and eliminate allegations of power abuses. In practical terms, the rights and interests of the public cannot be safeguarded."

We were saddened and infuriated at hearing his comments. Like the offices of other Members, my office also receives many frequent complaints against the police. But the outcomes of referring such complaints to the CAPO are utterly disappointing and infuriating. Another absurdity is that there have not yet been any investigation outcomes for quite a number of complaints which we referred to the CAPO several years ago. Why? As far as my understanding goes, it is highly probable (and I do believe) that the CAPO should have reached its conclusions already, but the IPCC disagreed to them when they were submitted to it, and it wanted the CAPO to conduct further investigations. But the CAPO submitted the same conclusions to the IPCC after further investigations. That was why the cases were passed between the two

organizations several times during the past few years, but no final decisions can be made. In this way, complainants must keep waiting, very much disgruntled.

I have recently received a case which is about an incident that happened almost six years ago. The incident happened at the complainant's home. The complainant had a quarrel with some police officers, and the officers asked the complainant to produce his Identity Card (He should be called the person concerned, as he had not lodged a complaint at that time). The person concerned thought that since he was in his own home and he was the one who called the police for assistance, there was no reason for the officers to ask for his Identity Card. The officers told him that they had the power to ask for his Identity Card, and that they had reasons to doubt his resident status. A dispute ensued as a result. In the end, the person concerned was handcuffed and taken to the police station, where he was detained overnight. I must of course admit that my suspicion of abuse of police power is based on a one-sided story. But, Chairman, the investigation into such a simple case has taken as long as six years. I have prepared a summons for the complainant because the deadline is approaching. When I met with the IPCC Chairman recently, I told him that he had the duty to tell me what actually happened in this case. Secretary, this is only one of the many similar cases. If you still support the present mechanism, will you have a guilty conscience? If the present mechanism is completely unable to achieve the desired result, if it cannot give a complainant an answer even after several years, how should we look upon it? This is no isolated case. There are other cases which have dragged on for two or three years without any answer whatsoever. What a mechanism! This is the first point.

The second point is that many complainants have told me that only a very small portion of the thousands of complaints received every year are classified as substantiated. And, even if a complaint is classified as substantiated or partially substantiated, the complainant will never know what follow-up actions, or sanctions, the police will take. As Members know, verbal warning is one form of sanction, and warning is further divided into two types: warning with entry and warning without entry. Another form of sanction involves criminal penalties — no, not criminal penalties, but this will be the case if the complaint is about something of a very serious nature. The second type of sanction involves disciplinary actions. But even if a complaint is really substantiated, the complainant will never know how the police officer concerned is dealt with. This contravenes I can remember that in 1993 or 1994, at the request of many Members — maybe, it was 1994 or 1995 — Chris PATTEN formulated the

Victims' Charter. Under the Victims' Charter, people who have received any unfair treatment, especially crime victims, are entitled to know their rights and whether their grievances can be redressed impartially and justly. I can remember that under the Victims' Charter, the police are clearly required to inform the victim accordingly if they decide to press a charge after processing a complaint. Even if the victim does not need to testify in Court, he must still be notified of the outcome of prosecution.

In case no prosecution is instituted, the complainant must still be told the reasons, or whether any alternative actions will be taken. I fail to see how the CAPO has upheld the spirit and principles of the Victims' Charter. It will only inform the complainant that his complaint is being processed, send him a letter of confirmation or notify him whether his complaint is substantiated. Apart from all this, it will not give any details or specific account on how a police officer will be dealt with for contravening the law or police discipline. This is completely unfair. Why is such a practice adopted? I think this is attributable to the internal culture of the police. The police hold the view that once complainants are informed that their complaints are being processed, they should all trust them. The police think that by doing so, they are actually doing the greatest possible justice to complainants. And, the complainant should be even more elated in case his complaint is classified as substantiated. Therefore, they should be very satisfied.

But the thinking of the police is not correct. How can they claim that their approach and attitude are fair? There are just too many CAPO practices that warrant our criticisms. One example is the treatment received by Observers responsible for monitoring CAPO investigations, as mentioned by some colleagues just now. Consequently, given such a culture and attitude, how can the CAPO be expected to handle complaints impartially? How can it be expected to do justice to complainants? This explains precisely why I think the CAPO has always existed in name only.

Chairman, I know that some in the IPCC really have the very good intention of doing justice to complainants and monitoring the work of the CAPO. But owing to all the constraints under the mechanism, they are unable to do many things. They cannot conduct any investigation, nor can they ask for any additional information they need. And, they cannot even ask the police to clarify or confirm some facts clearly. Many people hold that their improvement

suggestions on the classification of complaints or investigation outcomes are simply ignored, as there have not been any satisfactory responses. Hence, I believe that although the present IPCC or the IPCC in the future may not really exist in name only as I have described, what they can achieve will be extremely limited. This means that in practice, this organization is more an embellishment than a body that can truly do justice to complainants.

The situation as such, Chairman, we have no alternative but to continue to adopt this approach as a means of voicing our extreme discontent with the present mechanism. We want a fresh review and an overhaul of the present mechanism in its entirety. And, we maintain that the CAPO must be made independent before the problem can be solved once and for all. Thank you, Chairman.

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

(No Members indicated a wish to speak)

SECRETARY FOR SECURITY (in Cantonese): Mr James TO's amendment to the Appropriation Bill 2009 proposes that head 122 be reduced by \$50,410,000 in respect of subhead 000. This in effect means the deletion of the funding for the Complaints Against the Police Office (CAPO). The Administration holds the view that this amendment will lead to very serious consequences. I therefore call upon Members to vote against it.

During the Legislative Council's scrutiny of the Appropriation Bill in the past few years, Mr James TO invariably put forward a similar amendment. The passage of such an amendment will not improve the existing police complaints mechanism. Quite the contrary, the resultant lack of funding will render it impossible for the CAPO to continue to handle the police complaints made by the public. Besides, investigations now underway must also come to a halt.

Under the present mechanism, the CAPO is vested with the sole responsibility of handling and investigating complaints against members of the Police Force lodged by the public. Operationally, the CAPO is independent of the rest of the Police Force. This is to ensure that all investigations can be conducted objectively and impartially. The outcomes of investigations are

referred to the Independent Police Complaints Council (IPCC) for monitoring and examination.

Some Members have discussed what Mr James TO refers to as "peer-investigation". It is maintained that owing to the team spirit of the police, the officers under complaint will surely be protected. I cannot agree to this viewpoint. Honestly speaking, we do think that the present mechanism has been working very effectively over all these years. Some Members, however, maintain that the present mechanism is marked by defects, and that this is precisely the reason for the abundance of complaints against abuses of power. I cannot agree to this viewpoint, too. If members of the public can look at this issue with a fair and impartial attitude, they will agree that the service rendered by our Police Force has been improving over the past 10 years. They have also been able to command a high credibility.

In July 2008, the Legislative Council passed and enacted the Independent Police Complaints Council Ordinance (the IPCC Ordinance), which provides the present two-tier police complaints mechanism with a legal basis. The IPCC is turned into a statutory body, with a new name in Chinese, "獨立監察警方處理投訴委員會".

The IPCC Ordinance provides that the IPCC shall perform the function and exercise the power of monitoring the investigations into reportable police complaints handled by the CAPO. If, in the course of examining a complaint, the IPCC has any doubts about the CAPO's investigation, it may request the CAPO to provide more information or conduct further investigation. And, it may even refer the complaint and its recommendations to the Chief Executive for consideration. Under the IPCC Ordinance, the police have the statutory duty to comply with the IPCC's requests. In addition, the IPCC Ordinance also empowers IPCC members and Observers to attend all interviews conducted by the police in relation to reportable complaints, with or without any prior arrangements at their own choices. IPCC members and Observers are also empowered to observe the collection of evidence by the police during their investigation into reportable complaints. All this can tell us that the IPCC Ordinance can help enhance the checks and balances under the present mechanism, thus enabling the IPCC to monitor the handling of reportable complaints by the police in a more effective manner.

Under the existing police complaints mechanism, the CAPO is responsible for complaint investigation and submitting reports to the present IPCC or the statutory IPCC in future. The IPCC in turn plays a monitoring role. This arrangement is fair and appropriate. The present mechanism can capitalize on police officers' professional expertise and their in-depth understanding of police operation, thus ensuring that all complaints can be looked into professionally and thoroughly. The Administration has issued a notice, specifying 1 June this year as the commencement date of the IPCC Ordinance. Henceforth, the IPCC shall operate as a statutory body. A subcommittee established under the Legislative Council has completed its scrutiny of the notice. We are confident that the statutory IPCC shall be able to better ensure that all public complaints against members of the Police Force can be handled impartially.

The Administration undertakes that it will continue to ensure an appropriate supply of resources to the statutory IPCC, so that it can discharge its functions effectively. We must at the same time ensure that the CAPO of the Hong Kong Police Force can continue to receive the funding required for its smooth operation. If Mr James TO's amendment is passed, the CAPO will be rendered unable to operate due to the lack of funding. This is tantamount to abolishing the entire police complaints mechanism. This is highly irresponsible and obviously runs counter to the public interest.

I implore Members to support the Government and oppose Mr James TO's amendment. Thank you, Chairman.

MR JAMES TO (in Cantonese): Chairman, perhaps, I should first respond to the last point made by the Secretary. As a matter of fact, not many members of the public still harbour any hope about the CAPO. But it should be noted that when people decide not to lodge complaints, there will be fewer complaints on the record. When many Members come across such cases, they often say that these cases should not be referred to the CAPO and ask whether independent investigations should be carried out. But I invariably reply that independent investigations cannot be possible, and I can only request them to refer the complaints to the CAPO. Why? The reason is that if they do not do so, there will be fewer complaints on the record. In that case, the Secretary will argue, for example, that since the number of police complaints has gone down by 10%,

the police must have improved its performance by 10% in quantitative terms, thus leading to fewer complaints.

Cases of such nature were not uncommon in the past. The most extreme example was a case in which a Customs officer was beaten up by police officers. The staff union of the Customs and Excise Department requested me to carry out an independent investigation. I replied, "I am sorry. I cannot conduct an independent investigation into your allegation of being assaulted by police officers simply because you are a Customs officer. I am therefore sorry that I cannot do anything. Your case will similarly be referred to the CAPO." There was another case, in which a dentist was assaulted by a police officer. One of his hall-mates in Ricci Hall was a Police Superintendent. So, he sought assistance from this old hall-mate of his. But even this old hall-mate said that there was nothing he could do, and that lodging a complaint with the CAPO would be of no use. He said, "If you do not make a complaint, I may ask the officer concerned to come out and offer you a cup of tea in apology. What happened already happened, so even if he did assault you, what can you do anyway?" That Superintendent was the dentist's old hall-mate in Ricci Hall, and they often had fun together. But even so, he still told the dentist, "I tell you this only because you are my friend. You are just a common dentist, so what can you do? All policemen will surely harbour their peers. There is nothing you can do."

Such a situation has also occurred recently. For example, a South Asian man was shot to death by a police constable — Chairman, I am not going to discuss this case in detail. For the time being, let us not discuss whether it was correct for the police constable to open fire. But just two or three days after the incident, some information that could only come from the police was already widely reported — the South Asian man had a criminal record; he knew Cantonese; and he was known to have records of various misconduct in the past. When the Commissioner of Police answered questions in this Council, we asked him to conduct a criminal investigation, so as to find out who had leaked all such confidential information. But he just evaded answering the question, only saying that he would consider the suggestion. Up to this moment, he has not replied whether an investigation into this incident will be carried out.

In contrast, in the name card case involving Under Secretary Gregory SO, the Immigration Department lost no time in trying to find out who leaked the

confidential information. Why did this disciplined force behave like that? The reason was that the leakage of the information made them lose face. That was why they wanted to conduct an investigation. But if the leakage of information could help the police, could justify the police constable's action of killing a person and could make the public think that the man was killed for good reasons, then there would be no need for any investigation.

They all have the instinct of protecting their peers. Buddy, there is nothing you can do. The investigation should not have been requested by Under Secretary Gregory SO. I certainly do not believe that he made any complaint. He would not do anything like that because it would not do him any good. The problem is that this is the mentality of the Immigration Department and disciplined services. They all think that it was wrong to expose this incident. Therefore, they do not think that there were any problems with the past instances of investigating their own peers.

I may cite one more actual example. When we summoned Joseph YAM in the investigation into the Lehman Brothers incident I am not going to talk about this in detail because I am a member of the Subcommittee concerned. But what I am going to say is a fact. He did say something like this. In the past, when the Hong Kong Monetary Authority (HKMA) wanted to test whether there was any mis-selling on the part of banks, it would ask the banks concerned to assign their own "undercover agents" to do the testing. It was subsequently found out that only nine out of the several dozen banks really did so. Please note that only nine banks, not all the banks, actually did so. For this reason, I asked Joseph YAM why the HKMA did not send its own men to do the testing. He replied, "Actually, you are right. This is a very good suggestion. We have already included this suggestion in the report of the Review of the HKMA's Work on Banking Stability as one of the improvement recommendations. Thank you for your advice."

Members should realize that there is some kind of universality here. The HKMA likewise used to think that banks could be entrusted with the task of conducting investigations on their own. But it now also agrees that things cannot work out that way. So, even the HKMA must send its own men to play various "tricks" in order to test the banks. Therefore, I am talking not only about the police but also all trades and industries. My point is that as long as people are permitted to investigate cases involving their peers, it will never be possible to

find out the truth. This is the point we are driving at, and we are not just talking about the topic under discussion.

Chairman, another trend is that more and more people have turned to civil proceedings due to their inability to seek justice through the present police complaints channel. The damages obtained from the Government through civil proceedings are commonly called "hush money". Why? Because if there is *prima facie* evidence from complainants, and since the odds are just fifty-fifty, the police often think that it is alright to compromise with complainants. After all, the compensation they need to pay to complainants just ranges from several thousand dollars to several hundred thousand dollars. And, it must be noted that as a condition of settlement, the complainant is forbidden to disclose anything to anyone, as the whole thing is a civil case. In case of violation, the Government may sue the complainant to recover the compensation paid to him. Therefore, what else can it be if the compensation is not "hush money".

The most ridiculous thing is that the Secretary kept talking about the IPCC. The IPCC works on the front line; it needs to know a complaint well enough to ascertain whether any "hush money" has indeed been paid. Seeing that James TO kept talking about this matter in the Legislative Council, the IPCC naturally wanted to have access to more information. But the Commissioner of Police replied that the request could not be entertained. The request was refused for several years. It was not until we scrutinized the Independent Police Complaints Council Bill, not until the relevant Bills Committee made a request, that the Commissioner of Police agreed to provide such information. It was not until then that IPCC members managed to get the information. But even so, they could only get the information because of us. What a mechanism! The only reason is that they want to protect the policemen. They would rather make frequent compensations at taxpayers' expense. Whenever a police officer is accused of assault, they will pay "hush money", asking the victim to remain silent and preventing the conduct of any independent investigation.

What is more, the IPCC is denied access to all the deliberations, legal viewpoints and analyses pertaining to complaint cases. The IPCC is appointed by the Government with the responsibility of front-line monitoring. Why is it treated that way? The situation has turned even worse, as all problems are simply swept under the carpet by the payment of compensation. But, well, if

there is any leakage of information, they will sure carry out thorough investigations to find out who have let the cat out of the bag.

Chairman, I want to point out the problems with the IPCC, so as to enable the Secretary to know why it is unable to play the monitoring role. I do not know whether Members are aware that while the IPCC will meet the CAPO at regular intervals of one or two months, the IPCC is never allowed to set any agenda unilaterally. Several Members are the Vice-Chairmen of the IPCC. Mr LAM and other Members are all here. They must really put forward a strong request. As an organization responsible for monitoring the CAPO, the IPCC is even required to set the agenda jointly with the CAPO. Surely, the CAPO will make sure that the agenda of every meeting will include a case which attracts criticisms, so that IPCC members can play their monitoring role before the public, pointing out the inadequacies and demanding improvements. But the case will always be a minor one. There will be one such case every time. But how about serious cases? Sorry, they cannot be discussed publicly. They simply do not want to discuss with the IPCC publicly. What then can be done? No open discussions can be possible. What will happen if anyone asks for open discussions? They will simply refuse. In that case, how can there be any discussions? IPCC members can only discuss among themselves.

I once requested the IPCC Chairman and other members to place an empty chair in their conference room. The message was that we wanted to hold an open meeting to discuss a certain case, and even though the CAPO refused to take part, we would continue to make our voices heard, so as to find out how the public would react. What has gone wrong? The organization responsible for front-line monitoring is even required to listen to the CAPO in the drawing up of meeting agendas.

Chairman, this is actually nothing new at all. I was once a member of the Central Fight Crime Committee (CFCC) for some 10 years. I was often at loggerheads with Mrs Regina IP, then the Secretary for Security, but she still asked the Chief Executive to renew my appointment because I could offer good advice. I can remember that once in the 1990s, when I was an unofficial member of the CFCC, I requested to add a certain item to the agenda of a meeting. The secretary was very worried because no unofficial member had ever asked for a role in drawing up meeting agendas. She replied that she must first consult the Chairman. I then realized that to discuss the setting of agendas with government officials was just like asking for a favour from the Emperor.

But I told myself that I was appointed by the Chief Executive to offer advice on improving the law and order of our city. However, I also realized that when I wanted to get something done, my request was treated just like a request for alms. This is therefore nothing new at all. I, however, hope that IPCC members, especially those who are also Members of this Council — the Vice-Chairmen and other members — can fight for more.

Chairman, lastly, I wish to say a few words on the attitude problem. Any Members who have had dealings with both the Independent Commission Against Corruption (ICAC) and the CAPO must be able to observe the very vast difference between them. The ICAC always treats a complainant as a VIP because he is there to make a report on who are involved in corruption. The ICAC will press a charge against a complainant if it is subsequently found out that he made a false report. But at the time of complaint, they will always listen to a complainant seriously and carefully. They will not take him for a thug, nor will they treat him with disbelief, thinking that there must be a mistake or some kind of misunderstanding. They will not assume that the complainant did not realize that there was an undercover operation going on, treating him like a person who does not understand how the police operate. The ICAC personnel will never adopt any such attitude when taking a statement of a complainant.

But one will observe a very great difference when lodging a complaint with the CAPO. I once threw down the gauntlet to the CAPO and the top echelons of the IPCC, asking them to follow the operational practice of the ICAC, that is, to assign an undercover agent equipped with a tape-recorder to pose as a complainant. That way, I told them, they would be able to hear how the CAPO would treat a complainant. The people in the CAPO will question whether a complaint is justified, whether there is any misunderstanding, whether the complainant is too demanding, and whether the problem is caused by a lack of understanding of police operation. Yes, the Secretary has been saying such things. He says that only policemen know how to investigate police complaints, and only they can conduct such investigations professionally. As a result, they are obsessed with professionalism, always thinking that the acts of the police officer concerned are nothing but professional practices which we as ordinary citizens cannot understand. What I am saying is that the ways in which complainants are treated by the CAPO and the ICAC are entirely different.

I am not saying that the CAPO must be as "hospitable" as the ICAC, always asking complainants whether they want coffee or tea. This is not what I

mean. What I mean is that by treating complainants in this way, the ICAC actually wants complaints to point out the black sheep for eradication. I likewise hope that the CAPO can tell me that it is also very concerned, for it wants to remove the black sheep. But one who lodges a complaint with the CAPO will find that this is not the case. They will do some small tricks before doing any video recording. Very often, they will see a complainant before the video recording. If a person who has been assaulted is in hospital after lodging a complaint, they will visit the complainant and speak to him patiently at his bedside. We call this a small trick. And, they will formally acknowledge the receipt of his complaint before the camera only after the complainant has been discharged from hospital. By doing so, they can often succeed in nipping a police complaint in the bud. This is just like applying some lubricant. The complainant's anger will have subsided, and he will start to wonder whether he has got the officer wrong, whether it is correct for him lodge a complaint and whether he has misunderstood the officer's acts. This is not the role that the CAPO is supposed to play. No matter how angry or how calm the complainant is, the CAPO must, in general, try to gather the essential information as quickly as possible. The only thing we need is the essential information of the case, not judgments of any kind. It is only after gathering the essential information that an investigation should be conducted to verify the truth of such information.

Another point is that soon after taking a statement from the complainant, the CAPO will forward the statement to the unit of the police officer under complaint. What else can this be if it is not "tipping off"? I once requested that "tipping off" should be made a criminal offence under the Independent Police Complaints Council Ordinance and the Police Force Ordinance. But my proposal was rejected by the Government and many Members.

Chairman, the only conclusion I can draw is that the present mechanism, as mentioned by the Secretary, can never be improved. He was quite fair in his comment. He said that the abolition of the CAPO would not result in any improvement to the present mechanism. But my opinion is that even so, the situation just cannot be worse because we have not been able to get our money's worth. For this reason, if we can abolish the CAPO New Members, in particular, must understand that the Government cannot possibly allow the absence of any police complaints mechanism. Consequently, if we can abolish the CAPO and new Members can impart a strong message (Appointed Members were similarly forced to impart a strong message to the Government back in 1992), we can tell them that since we are strongly dissatisfied with the present

mechanism for handling police complaints, we would rather go without any complaints mechanism if the Government refuses to make any improvements. The implied message is not so much that we would rather go without any complaints mechanism. Rather, it is all about our hope of having a truly independent mechanism. If we cannot impart this message to the Government, it will never make any improvement and changes due to the pressure from the other side.

My words are especially targeted on the new colleagues in this Council. Their votes can all serve to impart a very significant message. No matter what kind of mechanism is adopted, we hope that the Government can continue to make improvements and fundamental changes. If not, we will not get our money's worth.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr James TO be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr James TO rose to claim a division.

CHAIRMAN (in Cantonese): Mr James TO has claimed a division. The division bell will ring for three minutes.

CHAIRMAN (in Cantonese): Please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Dr Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Prof Patrick LAU, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted against the amendment.

Mr Paul CHAN and Dr LEUNG Ka-lau abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr LEE Wing-tat, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 25 were present, three were in favour of the amendment, 20 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 25 were present, 15 were in favour of the

amendment and nine against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): Chairman, I move that in the event of further divisions being claimed in respect of other provisions of the Bill or any amendments thereto, the Committee of the whole Council do proceed to each of such divisions immediately after the bell has been rung for one minute.

CHAIRMAN (in Cantonese): I now propose the question you, and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of other provisions of the Bill or any amendments thereto, the Committee of the

whole Council do proceed to each of such divisions immediately after the bell has been rung for one minute.

MR JAMES TO (in Cantonese): Chairman, I move that head 122 be reduced by \$16,998,570 in respect of subhead 000. This reduction is equivalent to the expenditure on the additional 100 counter-terrorism headcounts proposed by the Government (Hong Kong Police Force).

Some Members may ask, "At this very time when others are asking for additional counter-terrorism manpower, why do you propose a cut instead? What's wrong with you? We are talking about anti-terrorism!" Chairman, as the Vice-Chairman of the Panel on Security, I have been Ever since I joined the former Legislative Council in 1991 and also since I became a Member of the existing Legislative Council, I have been very concerned about the issue of security. I have visited many foreign countries, establishing contacts with their major institutions and getting in touch with my counterparts and the government officials there. I can say that I am no less determined to combat terrorism than any government officials. The point is that although I have raised many questions this time around, I have received no information whatsoever which can allay my anxieties and help me see the need for increasing the expenditure concerned. Chairman, let us look at some objective statistics.

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

In his lobbying letter to Members, the Secretary argues that we must increase our anti-terrorism expenditure in the wake of the 11 September incident. When did the 11 September incident happen? It happened many years ago. Have we ever increased our anti-terrorism manpower since the 11 September incident? Other countries have done so, but we have never. I have been asking why we have never increased our manpower. The answer I get is that the level of manpower is already high enough, so there is no need for any additional manpower. We may look at a government department which is mainly responsible for anti-terrorism — the Security Wing. The headcounts of this department in 2001 stood at 411. Even in 2005-2006, the number of headcounts was only 413. There was no significant increase. Basically, there was only an

increase of one to two, or three to four, headcounts. And, both junior and senior ranks were involved. However, in 2007-2008, the number of headcounts suddenly rose to 466. In 2008-2009, it even jumped to 566. And, in 2009 to 2010, it will rise further to 631.

Deputy Chairman, the United States has actually started to retract its anti-terrorism policy. It has started to withdraw its troops from some areas. And, Some time ago, President OBAMA announced that actions would be taken to ascertain the culpability of those government officials who inflicted indiscriminate torture on prisoners of war or arrested persons in a clandestine manner, adding that the culpability of certain officials in the Central Intelligence Agency and other related anti-terrorism units would also be investigated. I once asked the Commissioner of Police, "Has our assessment in recently years revealed any increase in risk exposure? Do we face very high risks? Is our situation getting more dangerous?" The Commissioner replied, "No, there has not been any increase."

We can observe that in the past few years, even during the Sixth World Trade Organization Ministerial Conference and the Olympic Equestrian events, Hong Kong did not make any special efforts to step up its anti-terrorism work. Officially, the Security Wing is supposed to perform three functions. The first function is the protection of VIPs. This means that if the number of international VIPs coming to Hong Kong increases, we must step up our protection work accordingly. In that case, it can be quantified for analysis. The second function is anti-terrorism. In this regard, if there are more targets and more anti-terrorism alerts from the international community, we must also step up our efforts accordingly. The third function is of a more sensitive nature, referred to as internal security by the Administration. This is the continuation of the dirty jobs undertaken by the Special Branch under the British Hong Kong Administration. After the reunification, there has been a substantial curtailment of internal security work.

The 400 or so headcounts are mainly deployed to perform the first two functions. We have been asking the Government, "Can you give us a quantitative analysis? It does not matter even if the information is provided in the form of a confidential paper. Is there a need for us to protect a greater number of VIPs? Have there been more terrorist alerts? Can you tell us whether there has been any headcount increases in quantitative terms? It is a

great pity that whenever we ask the Government these questions, it will refuse to give any answers and comments. I have been asking, "How are the 400 or so headcounts in the Security Wing deployed?" I want to know, for example, the distribution of headcounts among VIP protection, anti-terrorism and internal security. I have told them that the relevant information can be given to us on a confidential basis. But the Administration has all the time evaded these questions. What is the dangerous result of such evasion? Deputy Chairman, all the danger stems from the fact that the definition of internal security is very loose. What I mean is that we can never know what is going on. In marked contrast, in other democracies, some committees or bodies are established under the legislatures to directly monitor such quasi-intelligence agencies (We know this because the Legislative Council Secretariat has conducted a study on the issue). We do understand that intelligence gathering is no secret in other countries, but such work is still subject to the monitoring of democratically elected legislatures.

However, if we are completely denied access to any information, and if we cannot even know what the authorities are doing, the sudden manpower increase for the Security Wing can be rather dangerous, because they can do away with any fixed delineation of duties on the establishment and deploy the manpower in whatever ways they like. This means that the authorities can all of a sudden assign all the several hundred people to perform internal security duties. What I mean is that if the objective of the authorities is changed to political surveillance, society will be plunged into white terror.

Deputy Chairman, apart from the expenditure relating to the several hundred people of this department, I will also mention one more expenditure subhead, "rewards and special services". The two are connected, closely connected. I shall explain to Members later on. The expenditure on "rewards and special services" has increased from something between \$40 million and \$50 million to \$80 million. This used to be the expenditure of the Special Branch. Members must note that these two expenditure items are not the only expenditure items. There are many others relating to equipment, and so on. They are all found under separate expenditure subheads. This means that all these expenditure subheads can encompass all the required dirty work.

Deputy Chairman, I have given the Administration sufficient time. I have given them several whole weeks for consideration. I have even alerted the

Secretary and the Commissioner of Police that they can actually conduct a confidential briefing to explain to Members why it is necessary to increase anti-terrorism manpower. But they have not done so. I do not know why. I have reminded them sufficiently well that I will be very worried if they propose such a drastic manpower increase at this very sensitive time. This reminds me of the situation back in 2003. We were then handling the enactment of legislation to implement Article 23 of the Basic Law. I kept asking, "How many headcounts are there in the Security Wing? Will there be any increase? Will the Special Branch be reinstated?" We observed that the number of headcounts had all the time remained at some 400, and there was also no change to the level of expenditure. Why? The reason was that it was a very sensitive period. I once asked, "What steps will be taken to tie in with the enactment of legislation to implement Article 23 of the Basic Law?" They answered, "The present level of manpower will be maintained. There will not be any substantial increase." The Administration is now adopting the opposite policy. In the past, the Administration wanted to enact legislation on Article 23 first, because it feared that manpower increases might lead to public anxieties. What is the case now? The policy is completely reversed. It wants to increase manpower first and set up a framework. Then, when it proceeds to the enactment of legislation, it can claim, "No, there is no manpower increase. The number of headcounts in the Security Wing will remain at 1 000. There will be no increase." Such a dangerous possibility cannot be ruled out, because there are no quantitative analysis, confidential briefing and objective justifications. Besides, the Administration's approach is not in line with the world trend either. At the most critical moment, when anti-terrorism manpower should be increased, it did not do so. What this means is that we do not have any such need really. In that case, how can we be satisfied that there is no possibility of any political surveillance and feints?

Therefore, Deputy Chairman, in the absence of any information, briefing and sufficient justifications to make us satisfied that the proposed expenditure items are absolutely required for anti-terrorism, I cannot support the funding proposal. I must therefore delete the expenditure subheads unless the Government can provide sound justifications and a detailed briefing that can make us satisfied that there is a need to increase anti-terrorism manpower. I shall be more than happy to support genuine anti-terrorism work, but I will not support any feint that is intended to cover up the deployment of manpower for political surveillance and all the dirty work relating to the enactment of legislation to implement Article 23 of the Basic Law.

Mr James TO moved the following motion:

"RESOLVED that head 122 be reduced by \$16,998,570 in respect of subhead 000."

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

MS EMILY LAU (in Cantonese): I rise to speak in support of Mr James TO's amendment.

I want to raise one issue only. Mr James TO has already mentioned this issue, and it has in fact been discussed in this legislature many times. The Legislative Council Secretariat was even requested to conduct a study on the issue, a study on whether there are any mechanisms in other countries for monitoring the gathering of intelligence by the government and other related matters. As Members all know, this type of work is very sensitive, and full disclosure in legislatures is not possible. Therefore, as Members are also aware, in some places, local legislation is enacted to set up committees under their legislatures. These committees, supplemented by some security arrangements, are responsible for monitoring intelligence collection and other sensitive matters. In other words, there is control and supervision, Deputy Chairman.

However, the Administration has replied that it is not necessary to do so in Hong Kong. What kind of mechanism do we have now? It is a mechanism comprising the Complaints Against Police Office (CAPO) and the Independent Police Complaints Council (IPCC). This mechanism is very absurd. Members want to know the details and backgrounds of certain expenditure items. But they are not allowed to know anything. This is not to speak of our suspicion that part of the expenditure concerned may be used for putting the political rivals of the Government under surveillance. I think many such issues do need monitoring. But the Administration has said no all the time. It has refused to disclose anything. Why? Deputy Chairman, although the Government is protected by those of you belonging to "royalist" parties, it still does not trust this legislature and the people. Although half of the Members of this legislature are returned by democratic elections, the Government is not prepared to discuss anything with it. The Administration still wants to make all the decisions. Such a situation is attributable to the support of the "royalist" parties. With such

support, the Administration can do anything it wants under the guise of various excuses. I am very angry. How can In other places, civilized mechanisms have been put in place to monitor the use of money and check whether there are any acts of impropriety. But the Government has time and again raised its objection in this legislature. Therefore, I support Mr James TO's amendment.

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

MR ALBERT HO (in Cantonese): I hope the Secretary will not just give a brief reply and then count on all those "machines" to overwhelm dissenting views. He is duty-bound to disclose some basic information. Have our risks of terrorist attacks increased? If yes, by how much? What information has the Secretary used as the basis of the relevant adjustment and the proposed expenditure increase? This is the first point.

The second point. With regard to counter-terrorism expenditure, how are they going to deploy the additional manpower and what is the coverage? Although Mr James TO has discussed this point, I still hope that the Secretary can give a reply again. Or, maybe, I should say that he has never really tried to answer these questions. I now give him a chance to give a formal reply. Will the additional manpower be deployed to perform internal security duties? Will such security work be directed at local people, including local political parties? All these questions must be answered.

DEPUTY CHAIRMAN (in Cantonese): Does any other Members wish to speak?

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): Secretary for Security, do you wish to speak?

SECRETARY FOR SECURITY (in Cantonese): Deputy Chairman, Mr James TO's amendment to the Appropriation Bill 2009 proposes that head 122 be reduced by \$16,998,570 in respect of subhead 000 (that is, subhead "Operations" for the Hong Kong Police Force). This in effect means the deletion of the provision pertaining to the 100 additional posts to be created by the police for counter-terrorism work.

The police have been striving to maintain the stability and internal security of Hong Kong and attaching very great importance to counter-terrorism work. Currently, the counter-terrorism work of the police covers the formulation of counter-terrorism contingency plans, co-operation with governments and law-enforcement agencies outside Hong Kong, monitoring of international trends, intelligence exchanges, timely assessments of terrorist threats, counter-terrorism drills, upgrading of counter-terrorism training and various security operations on land and sea. In a bid to enhance the public awareness of counter-terrorism, the various police regions have been making promotional efforts through their community networks.

Since the 11 September incident, terrorist activities have been occurring all over the world rather frequently. As a matter of fact, the terrorism threat faced by Hong Kong is currently assessed to be medium, that is, level 2 under the three-level alert system. This means that Hong Kong may become a target of terrorist attacks. Faced with the volatile international security situation, Hong Kong should make preparations for possible dangers and enhance its counter-terrorism resources and capability. It must follow international trends closely and make good preparations for any emergencies.

(THE CHAIRMAN resumed the Chair)

Just now, Mr James TO questioned why we did not increase our manpower immediately after the 11 September incident. It must be admitted that since the 11 September incident, terrorist activities have been occurring all over the world rather frequently, and terrorist attacks have taken many different forms. But in the past few years, we had to wait because the Government had frozen the recruitment of civil servants. It was not until April 2007 that full-scale recruitment was resumed. Now, after reviewing the counter-terrorism strategy of the police and taking stock of existing counter-terrorism resources, we have

concluded that it is both reasonable and necessary to create 100 new posts to enable the units concerned to combat terrorism more effectively.

There is also the issue of international obligation. In a bid to combat terrorism and target on countries supportive of terrorist activities, the Security Council of the United Nations earlier passed a resolution on combating terrorism and imposing sanctions on a number of countries. In accordance with this resolution, Hong Kong enacted the United Nations (Anti-Terrorism Measures) Ordinance in 2002. Besides, the Asia-Pacific Economic Cooperation (APEC) has also confirmed terrorist activities as one of the threats faced by its members in the course of economic development. As a member of APEC, Hong Kong has the duty to work with other members and adopt joint measures to combat terrorist activities. In order to discharge our counter-terrorism obligation towards the international community, the police must set up an effective operational framework for counter-terrorism.

For this reason, the police propose the creation of 100 posts in the 2009-2010 financial year for the purpose of implementing a number of counter-terrorism measures. The new posts created will be responsible for formulating counter-terrorism strategies, co-ordinating the liaison with international law-enforcement agencies regarding counter-terrorism, analysing and assessing counter-terrorism intelligence, providing support to the specialized operational units (such as the Special Duties Unit and the Airport Security Unit), strengthening the responsiveness towards incidents of disposal of explosive devices or threats, and conducting researches and training.

At present, police officers of various units are engaged in different degrees of counter-terrorism duties. The creation of the 100 posts for counter-terrorism duties will enhance the ability and efficiency of the police in responding to terrorism incidents, thus giving stronger protection to all strata of society.

In his speech, Mr James TO expressed the worry that the manpower increase proposal of the Administration might be meant for establishing an organization similar to the former Special Branch, which undertook the duty of political surveillance. He was also worried that the proposal was at the same time meant to pave the way for resuming the enactment of legislation to implement Article 23 of the Basic Law. I do not know much about the work of the former Special Branch. I cannot comment on whether it was truly responsible for political surveillance as pointed by Mr James TO. However, I

must clarify that the Security Wing is only responsible for matters relating to Hong Kong's internal security, including VIP protection, the prevention and handling of terrorist activities and the co-ordination of risk assessments for large-scale events. The proposed manpower increase for the Security Wing aims only to enhance the counter-terrorism capability of the police. This is of vital importance to the protection of public security and the maintenance of law and order. There are no other intentions.

As the global security situation gets more and more complex, the upgrading of the ability of the police to maintain social order and public security is of very great importance. If Mr James TO's amendment is passed, the ability of the police to deal with the threat of terrorist activities will be seriously affected, thus endangering public security. Therefore, I implore Members to support the Government and oppose Mr James TO's amendment.

Thank you, Chairman.

MR JAMES TO (in Cantonese): Chairman, the Secretary claimed that he had no knowledge of the work of the former Special Branch. This is a rather funny claim. Around the 4 June Incident (Incidentally, this year marks its 20th anniversary), he was a Principal Immigration Officer responsible for debriefing political prisoners in Sun Uk Ling. In this capacity, he must liaise with the personnel of the British Consulate and the Deputy Commissioner of Police in charge of the Special Branch. This is a fact. If the Secretary thinks that this is not true I have checked the information very clearly and chosen to mention it on the 20th anniversary of the 4 June Incident. Chairman, if the Secretary claims that he knows nothing at all, he must be speaking against his conscience. But that was what happened in the past, and I do not mean that he will do that again now. I hope that under the Secretary's leadership, no such dirty things will be done.

Chairman, I wish to respond to the Secretary's remarks. According to him, the risk level is just medium. In that case, why is it necessary to increase manpower? Chairman, he explained that there was no increase in manpower after the 11 September incident only because all expenditure items were frozen at that time. Chairman, I was also a Member at that time. I too took part in formulating the Budget. I know that no expenditure items of an urgent nature were frozen. Increases could still be possible, and the only important

consideration was the type of expenditure concerned. Had there really been a need for increasing manpower after the 11 September incident, priority treatment would certainly have been possible because it was a matter of life and death. If Hong Kong really comes under attack, there will be no escape because it is such a densely populated city. Therefore, if the Secretary argues that this is not the truth, and that they must tighten expenditure at the most critical moment and then ask for increases only after the situation has improved, I must say that he must either be locking the gate after the horse has gone or confounding right and wrong.

Chairman, the Secretary has referred to many treaties and laws relating to the United Nations' counter-terrorism measures. I took part in the formulation of all these laws. I know what they are about. I know that these laws only touch upon some peripheral issues. Powers are increased, but the scope is not substantially expanded. Even in the absence of any legal basis, the Administration has always been monitoring those people and activities that it wants to guard against. If the Secretary denies this and claims that no such measures were ever taken before the enactment of the laws concerned, we will certainly be startled, because such a claim cannot be farther away from the truth.

Chairman, so far, we have not heard of any quantitative analysis from the Secretary. Have we received more alerts or information from our counter-terrorism partners? He should at least disclose the percentage of any such increase. He cannot simply tell us that there has been no increase. I am not asking the Secretary to tell us the actual number of cases because I know that he may well argue that this will expose the actual number. But then, he even refuses to say whether there has been a 5% increase, a 10% increase or a 300% increase. This means that there has been no increase at all. If there has been any increase, there is no point for him to remain silent, right? Why all this reticence? It is only normal to raise alert levels and step up the efforts that our counter-terrorism partners ask of us. The reason is that ministers of different countries have also disclosed such information in the formal hearings of other countries' democratically elected legislatures. The head of the CIA has delivered speeches in many national defence universities, and in a recent speech on national threats, he also made a quantitative analysis. It is up to people to decide whether he should be believed, but at least, he is willing to talk about the matter. But our Secretary simply refuses to say anything altogether. This actually means that there has actually been no increase. What is he going to do then? Should he tell lies? No. But if he is specific, he may be held

responsible for the consequences. Or, he simply does not want to speak against his conscience.

Chairman, in his letter to Members, the Secretary explains that the new posts will further improve the counter-terrorism strategy, and he goes on to point out that such work has all along been undertaken actually. It will be downright startling if no efforts were made in the past to "co-ordinate the liaison with international law-enforcement agencies regarding counter-terrorism". And, they have always been "analysing and assessing counter-terrorism intelligence" and "providing support to the specialized operational units, such as the Special Duties Unit and the Airport Security Unit". If their performance in these respects has been unsatisfactory, how could we manage to hold the Olympic Equestrian events? If their performance in these respects has been unsatisfactory, how could we manage to hold the Sixth World Trade Organization Ministerial Conference? The level of manpower has remained at that level all along. Therefore, it is grossly exaggerating for the Secretary to argue that without the additional manpower, the capability of the police to deal with the threat of terrorism activities will be seriously affected. I also think that such a claim is unfair to Members because the claim is in a way a terrorist threat. Members will tell themselves, "God! If I support James TO's motion on rejecting the funding request, the capability of the police to deal with the threat of terrorist activities will be seriously affected." No joking please! They have been doing such work, and they have been doing that very well. But then, they still ask for more manpower. The truth is that they only want to deploy manpower in any way they like. The reason is that there is an internal delineation of duties. The manpower devoted to the protection of VIPs is clearly set down. And, it is always possible to quantify the number of G4 teams required for protecting any specified number of targets. But can they argue that since there is a 20% increase in the number of targets, the police are going to fall apart? No. Frankly speaking, the reason for their refusal to disclose even a rough deployment of manpower is in fact very simple: to enable themselves to deploy manpower in any way they like.

I can tell Members a true story to illustrate my point. A team of police criminal intelligence officers were following a drug case. But they suddenly received an order to follow a target. The target turned out to be TSANG Kin-shing, so they felt very dejected. But they could do nothing because it was an order. They had to give up following the drug peddler because following TSANG Kin-shing was considered more important at that moment. But can one

associate former Legislative Council Member TSANG Kin-shing with terrorism? Such deployment was made even in the case of criminal intelligence officers. The Security Wing is much more clandestine, so it will be even easier to make such deployment. The chances of intelligence leakage will be even smaller. So, they can do any dirty jobs they like.

Chairman, I must make a sincere appeal to all Members, especially new Members. I hope that they can carefully examine and contrast my speech and the Secretary's remarks, so as to find out whether there are any objective justifications and doubts. Has the Secretary given Members, especially new Members, any confidential briefing? Has he put forward any objective arguments to convince Members? Has he done any quantitative analysis? If the answers are no, I ask Members to abstain from voting at least, so as to deliver a message to the Government, telling it that it must provide more information if it wants to persuade Members. And, Members must not render their support without even casting a single glance at the funding request.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, Mr Ambrose LEE, Secretary for Security, is now present. I once asked him whether he had done that during the pro-democracy movement of 1989, but he did not reply. This "rubbish Council" it is extremely sad for the current Legislative Council. If not for the necessity to speak the truth according to the Legislative Council (Powers and Privileges) Ordinance, government officials could indeed not answer the questions posed to them. If he does not speak, would we strangle him to death? Debates have become meaningless. Someone spoke right in his face that he had done something and he was queried why he would have no knowledge of the Special Branch, which certainly are serious accusations as it means that he has no integrity. Is he prepared to answer? Is it the case that "P and P" would be invoked every time and he would tell the truth only when his hand is placed on the *Bible*? Is this the way that the Secretary should behave? I would have sufficient reasons to believe that you have no integrity at all if you are indeed like this — not daring to admit what you have done. How shameless is this Government when a Bureau Director, being so chided frequently, can remain so very indifferent. Why does he not rise and raise a point of order, and deny having examined the pro-democrats at San Uk Ling? At that time, I had received and assisted a good many pro-democrats who told me that with the changes in attitude of the British Government, the work performed by people at

San Uk Ling had become increasingly worse. Had you done that at that time, had you done anything sinful? Had you treated them with measures that smack of being cruel tortures? Had you put them in a difficult position? Had you indirectly been stained with blood splashes? Is it the case that you could be in the current position today after having been stained with blood splashes? The Secretary has to reply, right? Mr James TO has to apologize if the Secretary had not done that; but I do not have to apologize since what I said was just hearsay. Apologies should come from the Secretary or Mr James TO.

I heard that some time ago in the British Parliament, there was a line separating Members of the two parties. They had to go out for a duel when their views differed, and accused the other party of being dishonest. The situation was rather saddening in that the opposition party and the ruling party could be "paying their lives off" at any time on the issue of integrity. Issues that could not be resolved in Parliament would be resolved behind the scene. How about the current situation of our Council? When being accused of having no integrity, being cursed or being wrongly accused, it would be "no answering back" if we term it nicely, and "could not care less" if we do not polish our terminology, right? It is the same with the Thailand incident. As usual, the Secretary refused to answer and went on with his own style, ignoring comments and remarks about him. I feel extremely sorry about his behaviour, and I am among those who pay for his salary.

I could not sleep last night and I happened to watch President OBAMA eloquently making his speech, saying that former President BUSH was wrong in his doings at that time and that those water tortures were certainly wrong. How is he going to admit his wrongdoings? He said that since front-line enforcement officers were vested with administrative and enforcement power, there was no reason to penalize them. But those legal advisers who told the White House that it could be done should be prosecuted. Similarly, the Secretary is not a lawyer but an administrator who enforces orders, right? He would indeed have committed a crime if he had done those or had cheated the Council for obtaining a sum to be used for something which could not be revealed openly to the public, right? This Council of ours is to have minor matters discussed in the open. There are sayings that Members are not clean, but now it is the Secretary who was not clean in his behavior — he has no integrity, but dares not go for a duel with others.

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, please face the Chair when you speak.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, please tell the Secretary it is not right for him not to duel, for this is meant to be done to uphold his integrity. The duel to be conducted now needs not involve any firearms or swords; it only requires an account of the truth.

Chairman, please tell the Secretary that it is not right for him to act like that. During his reign of power, the former President BUSH initiated anti-terrorist acts just as he pleased, resulting in sufferings and disasters everywhere at the present. Even he could have another person elected through democracy to review the whole incident for him. Yesterday, Cheney, who is shameless like the Secretary, stated that it was not sufficient for merely torture measures used by the CIA to be publicized, and that the merits of intelligence gathered through the use of torture measures should be publicized as well. Cheney and the Secretary are indeed "twins".

Thereafter, I saw an interview of an American specialist on human rights. He held that no intelligence could be obtained even if water torture or other torture measures were employed, and that intelligence obtained before the use of torture measures would indeed be that much — the person concerned in fact did not have any information to relate.

Another example is a report which I read in *Apple Daily*. It stated that no torture would be needed for a lady who eavesdropped on Al Qaeda while pushing her hand-cart. In any event, Al Qaeda is number one killer; I saw how the lady sitting besides the hand-cart eavesdrop while knitting her woollen clothing. Are the MI5 and MI6 Security Service of the United Kingdom fools? Does the Secretary intend to place our Security Wing on a par with MI5 and MI6? In London, I had passed by the big building of MI5 and MI6, which was very beautiful in that snowy scene. The Secretary was only "chit chatting", what could he do in fact?

Let me tell the Secretary the purpose of the manpower increase. I had talked with Mr James TO and learnt that save for dealing with the increasing liaison work with the National Security Bureau, there is nothing much they have

to do. Though the Communist Party does not believe in the intelligence they gathered, they have to send it in any event. Sealed documents from Mr Ambrose LEE got to be delivered. It would be easy to encounter "hackers" and got "hacked" if electronic mail is used. I could only make a wild guess when he did not disclose the matter, right? Since the riddle came from the Secretary, there are reasons for me to make the wild guess. He often said that they were attacked on all pretexts, but all he has to do is to disclose the answer to the riddle. Just as whether the Communist Party had the tanks running over the people during the 4 June incident; there was also Mr MA Lik joining in the conversation. In fact, all he needs to do is to publicize the information and to tell the truth to silence all public criticisms.

What did the Secretary say in his speech today? I have been listening to his speech with attention, to the extent that I left my homework aside. Are the formulation of strategies, liaison, analysis and support which he talked about work that has been going on all along? Is he telling me that such work has never been done before? If it has been done before, please tell us the reason for the increase of manpower required now and in which area the increase is going to be made. Does it have any bearing with the Middle East, Mr BUSH or the Mainland? In fact, no harm would be done if he tells it; but he would not. Is it that those regions are secrets, too? Is he sick? He is obviously sick, beyond cure. Does he know the meaning of being sick to the extent of beyond cure? That is, being sick to the point of beyond saving, "being sick up to the brain" as Cantonese colloquialism. That is in fact looking down upon the Council's monitoring work — thinking that a few casual words could send us, the "Monkey Members", away and fool us around like "monkeys". The Secretary has been in the post for too long; today, I do not want to use strong languages but would change to reason with him slowly. Would the Secretary please tell me what direction he has? Are there anti-terrorist activities in Latin America which render liaison work necessary? This is absolutely not the case.

Several large-scale events had been held after the reunification. In 1997, during the time when the annual meeting of the World Bank was held in Hong Kong, I went to share the celebration and was nearly arrested. What was the next large-scale operation? I was even immediately arrested during the "WT". However, there was no need for manpower increase at that time. In fact, it was still the Bush doctrine which was the trend of the time; and it happened that the attack on Iraq had just begun. Al Qaeda insisted that resistance must last till the

end. In 2005, even in the midst of petitioners gathering at the scene and terrorist attacks from the back, there was no need for the Government to increase manpower. Many people had definitely been contacted at the time. Perhaps Secretary TSANG also took the opportunity to go to the Convention Centre to shake hands with the people. A group of South Koreans nearly raided the Convention Centre. Why was there no need for manpower increase at that time? Or had he, just like the sort of magic he is working now, transferred money from elsewhere to deal with it? Please be reasonable. Please tell me what big occasions would we have afterwards and whether confidentiality is required. Is China to hold the Olympics again? I think that should not be the case, nor would that be feasible. So, what other large-scale events are there? Is it the East Asian Games? Please do not fool us anymore, please be reasonable. Is there such a need? Has he asked President OBAMA and learnt that he would implement the Bush doctrine once again? Or has he asked President HU Jintao? Not only is he unreasonable, he is also reluctant to quantify his case. In applying for funding with the Council, he was like a naughty child who was caught with tooth pain after eating too much candies, but still went on cheating his father for money to buy more of the same. Certainly, I would not approve, would you give him the money? Though he has got a mouthful of decayed teeth, the child still cheats money for buying candies, rendering his kidney and teeth damaged. However, the Council has to respect his choice.

Today, questions raised by Mr James TO were not given any reply. Does the Secretary know that there is something called quantifying in this world? Nowadays, a chart would pop up just at the press of a computer key. I have bought this software. Would you want it? I may as well let him press the key himself. An answer would be available just with a press; even charts could be made for us. What is he doing? He is indeed relying on a rubber-stamp, carried to the Council by over 30 people — Chairman, I hope you could remind him not to fall asleep — the matter would be considered done and over with once stamped. Honestly speaking, the pan-democrats have earned glory for the Council, for today, we could just press the button at once for the items to be quantified, right? We speak in order to ease the boredom of the Council meeting. Members could press the button at any time to end the thing; the only means is to invoke "P and P". Even Joseph YAM has to lower his honorable head to explain why documents had not been provided. It would have no binding effect at all if we do not invoke "P and P". Initially, we could veto the proposal of the Government today; but due to the existence of the royalists, what

has it to be afraid of us? I am here chiding the Government, but it regards "Long Hair" as a fool, and it would perhaps be better for him to have a cup of coffee or watch a ball match earlier. What is to be said when all of them think this way?

Public discontent is boiling with the absence of reasoning in this Council. When I visited the districts, I was requested not to accuse him with that comment next time, for that would only benefit him. And there is another sentence which goes like "laying the corpse on the road". Chairman, do you know what it is? Its meaning is that corpses of dead people are used for road building, to be stepped on by others. Is this language not to be used in Council meeting, too? A kai fong taught me this.

We have to understand that in the mist of the boiling discontent among the public, the Secretary has clearly stated that — I had read over that document carefully. All it said was the consequences of not approving the appropriation, but with no data given. The only indication was that the funding was not supported due to future uncertainties. While I understand that appropriation is to be made at times of certainty about the future, he has to tell us in what way the future is uncertain and why we would not have enough funding to be used if funding is granted now. The amount in question is \$100 billion, but how much reserves and foreign exchange do we have? Please tell me which countries are free of debts and military expenditure like us, having the Central Government to pay for the military expenses when we have no money? Why do we not compare with countries overseas in this aspect? Are they cheating the people of Hong Kong? The Government is indeed a messy government, with stories told in half but not in totality. Honourable Members, it could be seen from these last two debates that the Government either puts on smiling faces or begs us to vote in its favour; otherwise, Hong Kong would sink. What were they saying in fact? I may as well support the increase of funding if this is so important. Increase 200 headcounts, fine? There is only one thing that I want — for a mere pivot point suffices for the earth to revolve — that I be provided with the data, and I would grant the funding for the recruitment of 200 staff.

I have been told that many people want to kill me; only that I have not reported to the Secretary. Would he send someone to protect me if I told him so? He would certainly not. The police only sent a policeman to tell me, "Mr LEUNG, here is a blade, do you feel threatened?" I told him that I did not feel

threatened, and he left. What is meant by internal security? Am I not one of those within the constitutional framework? Though it had been indicated by the Mainland that I was not directly appointed, it has to protect me even though it did not respect the election result of Hong Kong people. May I ask what kind of protection do I get? Has the Secretary granted me any protection while my computer was being "hacked"?

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, time is up.

MR LEUNG KWOK-HUNG (in Cantonese): Thank you, Chairman. You are in fine fettle today. You did not fall asleep.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): Secretary for Security, do you wish to speak again?

SECRETARY FOR SECURITY (in Cantonese): Chairman, I have to clarify that Mr James TO's remark about me meeting with people from the pro-democracy movement in San Uk Ling in 1989 when I was a Principal Immigration Officer did not match up with the fact.

MR JAMES TO (in Cantonese): Chairman, in fact, his reply was only technical. Even though the Secretary insisted on what he said, his colleagues are still alive; many of those who were with the Special Branch and had been to San Uk Ling for execution of duties are still alive. Certainly, most of them had retired and are now living in the two villages in the United Kingdom. Therefore, I hope that the Secretary could be prudent with his speech.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr James TO be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr James TO rose to claim a division.

CHAIRMAN (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Dr Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted against the amendment.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, and Mr WONG Sing-chi voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, and Mrs Regina IP voted against amendment.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 25 were present, three were in favour of the amendment and 22 against it; while among the Members returned by geographical constituencies through direct elections, 26 were present, 15 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR JAMES TO (in Cantonese): Chairman, I move that head 122 be reduced by \$80 million in respect of subhead 103. Chairman, though this is the 10th year I have proposed amendments to this item named "Rewards and Special Services", termed in abbreviation as "informer's fees" by many in the mass media, I still have to explain what this is since we have many new colleagues.

I can tell Members that "informer's fees" indeed constitute part of this item, but only a very small proportion. Though the Government has all along refused to disclose its content, to my understanding, this annual expenditure of \$80 million or tens of million dollars is indeed for the purchase of information such as information on narcotics and black market firearms from informers. Nevertheless, this accounts for only a small part of the said expenditure. What

then is the rest for? According to the Government, certain expenditures and equipment purchases are sensitive in nature. I hope Members will understand that, as indicated in our past scrutiny of some expenditure items, a staff cut of 100 people would involve \$160 million, so if \$800 million were used as manpower expenditure, it could in fact recruit hundreds of staff.

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

In fact, if we look up the items of expenditure in the past, we could see that this item, that is, subhead 103 under head 122, was indeed the item of expenditure of the Special Branch before 1997. The amount involved at that time was several hundred million dollars. Now the sum for this item of expenditure has been reduced to merely tens of million dollars. Certainly, the current situation is no match for the heyday of the Special Branch with its establishment of several thousand people.

Nevertheless, we have to ask if there is some basic information that could be disclosed, even in confidence. The answer is in the affirmative. It had been indicated by the Government that upon the completion of the enactment of the Interception of Communications and Surveillance Ordinance, ways of accounting to us certain items under the principle of confidentiality and mutual agreement would be looked into. However, nothing has happened to date.

In our so called confidential and sensitive closed-door briefings, when asked about the activities of the triads, the police would reveal to us such information as the parties, number of people and the areas of activity involved. However, we would of course not disclose the districts and the streets concerned. Detailed briefings in confidentiality would in general be conducted at the Police Headquarters.

As for the parliaments overseas, just now Ms Emily LAU has mentioned that a study conducted by the Legislative Council Secretariat has found that for certain confidential briefings and hearings, evidence has to be given under oath. It is clear that even secrets concerning operations have to be accounted to the parliament. This is very clear. Certainly, measures ensuring confidentiality

such as selecting special premises, adopting special safeguards and Members taking extra oaths, have to be taken.

All we can do is to have trust for this \$80 million. Any briefings or accounts in confidentiality, any detailed I hope Members will understand that I have been asking for 10 years, only one question, that is, how much of the \$80 million was used on manpower and equipment. However, it was indicated by the Administration that even the ratio of manpower to equipment, whether it was \$30 million to \$50 million, or \$20 million to \$60 million, was not to be disclosed. What confidentiality was there? There could be problems when a ratio could not even be disclosed. Why? When we all know that the \$80 million is the expenditure for "informers", it would then be used as "rewards" or "covert rewards", such as \$2 million or \$3 million would be offered in the absence of any clues. Whether the offer is claimed in the end or whether the facts to the case are successfully cracked will indeed be easy to account for. It would perhaps be more difficult with the "covert rewards", but estimation could be made within the Force. Nevertheless, the Administration still has not accounted for anything, not even disclosing the ratio. In other words, the \$80 million could be used for political surveillance such as sending someone into political parties, labor unions, or any so-called "real brother" expenditure which could be paid without any monitoring.

Some Members may hold the view that this \$80 million is indeed not much when compared with the hundreds of million dollars of the past. However, I could tell Members that this \$80 million does not include the expenditure of the Security Wing, the staff establishment of which has been increased to over 600. If calculated by the number of disciplined staff, there has been an increase of 70% since 2005-2006. In 2005-2006, the number of disciplined staff in the Security Wing was 333, and in 2009-2010, that is, the current year, the number is 547. Hence, please do not take it that there is only an increase of over 60 staff in this year; the fact is that there has been an annual increase over these past few years, rendering a total increase of 70%. It is extremely terrible for the Security Wing to have an increase of 70% operational not clerical staff within four years.

I have to reflect this to the Financial Secretary I am not sure whether he knows, perhaps he could make some enquiries — since he had the experience of leading the disciplined forces — which is for criminal intelligence that have a bearing on our safety, and which is intended for work that is not so honourable.

Since he would perhaps be promoted to a higher position in future and he himself is such a senior official, I hope the Financial Secretary himself could join hands with the Director of Census and Statistics to conduct an internal investigation, and then make a pledge to the public. The public may have greater confidence if the disclosure is made by the Financial Secretary. In case he finds something improper, I hope he could have that rectified as soon as possible.

Just think about it, the number of 333 disciplined staff in the Security Wing has been increased by 70% since 2005-2006. The expenditure on this has been increased from \$50 million to \$60 million in 2005-2006 to \$80 million, which is not a small amount. Besides, those equipment purchased in one go (such as certain security communications equipment) very often cost \$100 million or 200 million. The cost of equipment for the Special Duties Unit is also of \$100 million. The cost of real-time communications equipment used by the several hundred people of the Criminal Intelligence Unit (commonly known as the "paparazzi") in surveillance work is of \$100 million to \$200 million. Hundreds of million dollars are needed for their specially designed computer system which facilitates the checking of intelligence records or which enables record-checking by certain words or sounds. But, this is not included in the \$80 million. Hence, the \$80 million is entirely expenditure in the dark which is not being supervised at all. We do not know what that is. There is zero supervision from the elected Council. None of the questions on issues of manpower or equipment would be answered.

Deputy Chairman, just now I had talked about the anti-terrorism issue, so I am not going to repeat it. Under this situation, if its secret expenditure I would like to remind Members that there has not been any rise in our crime rates in particular. According to the Commissioner of Police, there has not been any particular increase in the special criminal intelligence received, nor has there been any particular increase in the dignitaries whom we have to protect or anti-terrorism work in quantitative analysis. In view of this, why do we have to spend tens of million dollars to maintain work in this aspect at a certain level?

Deputy Chairman, let me repeat the suggestion I made last year. Last year, Mrs Anson CHAN was still in this Chamber with us — she did not run in the election for the current term — since she had been the Chief Secretary for Administration, her security clearance was particularly high, that is, she was allowed priory to information of a highly confidential nature. At that time, I had

said, "how about" — certainly, one could not have the best of both worlds — assuming that there are two camps at the same time, one is Mrs Regina IP, since she had been the Secretary for Security, there is no reason for us not to believe her, right? The other is Mrs Anson CHAN, if at the same time — though they did not appear here at the same time — she could be appointed by a special committee for monitoring the \$80 million, at least that could enable the public to have more confidence. Though this is a compromise solution, I still find it not satisfactory.

Confidential operations of the Independent Commission Against Corruption (ICAC) are examined by the Operations Review Committee, which comprises of people with different ideologies. In the Council, they represent peoples with different demands for democracy, rule of law, and human rights. They could peruse documents in confidentiality, raise questions and conduct monitoring. At least there should be such a committee. There is such a committee with the ICAC, but there is none with the Police Force, which insist that they are not going to have one. What is the use of this \$80 million then? That is for doing something bad in the future. Since something bad has to be done in the future and this is the last \$80 million which may be used for something that is the dirtiest, they would not trust anyone; otherwise, it is really inconceivable to me why nothing is possible and is to be trusted after I have pursued this issue for 10 years with much persuasion, and I have thought of various compromises for the Secretary. The phenomenon so far has been that this Council is deemed not to exist.

I do not know why compromise arrangements could not be possible. To quote the words of the Secretary — at least something could be done step by step, such as providing certain breakdowns to show how much the increase has been. However, it is not possible even for some quantified figures to be provided or for these quantified figures to be discussed in confidentiality. That is to say, nothing would be possible. It means that the Government could do something bad and dirty, but there could not be any monitoring or queries. If such a system does exist, in view of the large sum of secret expenditure involved, I find it extremely dangerous for it to be retained.

Hence, I hope that Members, especially the new Members — excuse me, I am not underestimating Members' abilities — but I hope to persuade Members with the arguments which I have been raising in the past 10 years within a short time so that Members could at least abstain at the vote. Only by this could we

tell the Government we should not allow this secret expenditure. If confidentiality is indeed necessary, the Government should be thinking step by step how the Council could monitor as much as possible in a confidential manner that is acceptable to all. We could not endorse an expenditure that could not be monitored, nor could we grant an expenditure for which accountability could not be required of.

Mr James TO moved the following motion:

"RESOLVED that head 122 be reduced by \$80,000,000 in respect of subhead 103."

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

MR LEUNG KWOK-HUNG (in Cantonese): Deputy Chairman, I suggest Mr James TO have a DVD produced on his speeches made in these 10 years (I do not know whether video tapes are available), such that the record of his speeches over the last 10 years can be distributed to young people for viewing in one go. This is because 10 years ago, the nowadays youngsters were only a few years of age just as someone now saying they have no idea about the 4 June incident.

It would be most important for a person to be reasonable. People nowadays emphasize rhetoric more than arguments, which is a phenomenon well-known to us. Today, I want to talk about rhetoric as well, from which problems arose. It has been said that the quality of discussions would be affected if the rhetoric used is not good. We now have a term called "confidential" is this a "plastic wrap government" that is to be wrapped intact? Secretary TSANG is the yellow plastic stripe of the ziplock bag, the Secretary is the green stripe, zipped together to become blue, keeping the "confidentiality". Today, they are two swords combined to keep the "confidentiality".

It is certainly necessary for confidentiality to be kept, but are there official secrets act and information act in Hong Kong? Both Hong Kong and Australia are countries which practise common law. Though I have no particular favour of the British, since you belong to the previous era of governance and had been taught a lot by the British during your term of office in Sha Tin, why did we not

have this established in legislation? Mr Justice MASON, Judge of the Court of Final Appeal who is always at the Court of Final Appeal, is doing this kind of work; you had better let him work on the said legislation rather than hearing court cases.

On what basis is confidentiality imposed and according to which particular law is information sought. There should be clear differentiation. It should not be conducted as in the present practice — imposing confidentiality as it pleases. It would not work if any organization is to have a 70% increase in expenditure suddenly. In the examples cited by Financial Secretary John TSANG to explain of why expenditure could not be increased for rescue purposes, I saw that the amount involved was around more than 10%. However, there is now a sudden increase of 70% in the expenditure of a certain department. Frankly speaking, if you run a business, would you first examine why there is a sudden 70% increase for that department? That is, while manpower remains the same, the consumption of rice suddenly increases, with 70% more quantity of rice purchased for their consumption. This certainly will not work, right? Please be reasonable.

What is the expenditure of yours? In fact, it is what is commonly known as buying information, which is indeed a correct practice. If I was told that information is bought from the National Security Bureau and the Public Security Bureau of the Mainland (such as why ketamine would stream continuously into Hong Kong), I would definitely vote for the appropriation, and would even find a 700% increase acceptable. We all know that because ketamine streams into Hong Kong through the Mainland, the combating work is rendered all the more difficult. Mr WONG Yan-lung, our Secretary for Justice who is not here today, has been appointed as the Commissioner of Narcotics, right? In a bid to combat narcotics, he proposed that the hairs of youngsters be cut for testing, and devised various measures. However, what he has to do is to combat the narcotics at source, which calls for going to the Mainland to buy information as early as possible. In that case, we would vote for the appropriation. Is the narcotics issue not affecting Hong Kong's internal safety? It is about the drugs problem! While measures combating smoking are so severe, there is no information on narcotics. Given that information is not sufficient, why was it not done? If it is indicated by the Government that 65% of the 70% is used for tracing the source of ketamine but I believe you would not dare to say so, right?

Secretary Stephen LAM said that some people have to be consulted. I have to raise in due course that even if we ask the criminals, we are not paying

due respect to the Central Government. Do you dare to say, "We have found after investigation that all ketamine streams into Hong Kong from the Mainland, please give us a relevant report at once." Or would you collect information by "having tea and buns"? That would of course require funding. A better way is of course to buy information, which you have not adopted. What then do you have? What is currently affecting Hong Kong's internal security? Debt-collection agencies collect debts in an unruly manner — I think Mr LAU Kong-wah has received quite a lot of complaints — there would be paint splashing and telephone harassment even for a small debt. These are people whom you should arrest! Buy information! Are you going to buy that? Are incidents about which the Hong Kong public feel threatened not safety issues?

Some members of the public have been cheated in cases received by Members' offices. For example, in a bid to make money on the pretext of building maintenance, some politicians who have no conscience join hands with the triads to gain control of owners' corporations — one could ask Mr LAU Kong-wah — recently, I had attended an owners' corporation meeting, in which a fight arose even before the meeting was due to start. The police who were at the scene appealed to them not to fight, while staff of the District Office told me, "Mr LEUNG, it is always like this." You could have these people arrested if information is bought, understand? Do you know where the meeting place is? I heard that meetings now take place in the Mainland because you do not have the power of law enforcement in the Mainland. It is really necessary for you to buy information.

These are indeed headaches and painful crimes as far as the Hong Kong public is concerned. Could you put an end to that? Why do you not buy information? The number of such crimes is rising. Have them quantified! Why do you not buy information to combat these crimes but "cover up the feces"? To keep "confidentiality" is to have "feces covered up", right? Being a responsible Member, I would ask you to increase the expenditure for the above issues and have all the bad elements arrested, just as avowed in the statement "(We) must combat the criminals" made by Mr LAU Kong-wah when he negated our CSAs. Have you done that? Even if you have, you have failed. The inadequacy is reflected in the figures you got; otherwise, Mr WONG Yan-lung needs not assume the role of the Commissioner of Narcotics, not attending to his normal duties. I have never heard of a Secretary for Justice wishing to become the Commissioner of Narcotics. That is equivalent to Financial Secretary John TSANG saying that he wants to be a carpenter, which

means he likes carpentry, though it is not without precedent. There was this emperor in the Ming Dynasty who was fond of carpentry in his leisure time. He was not a bad monarch (but the best one indeed), only that he loved carpentry, so much so that he displayed the wood works to the eunuchs when he finished them. His interest had led to the downfall of the Ming Dynasty.

Is it in the same old style that matters are dealt with now? A hobby could erode one's desire for progress, right? In taking up the work on anti-narcotics, the Secretary for Justice is just like a middle-man who gets hold of money that could not be made known to the public. Nor are we, including me, informed of this. Mrs Regina IP has to give him some lessons on this in due course. How are we going to monitor? That item of expenditure could not be disclosed, right? Why has the Lehman Brothers incident come to this pass? Precisely because those accounts were not disclosed. Neither Joseph YAM nor you could see that. It is the same for us who would like to have a look. What kind of government is this? You should not regard the Basic Law as non-existent. You should be subject to our monitoring. It is just normal for us to not to grant the appropriation; only that we failed in our votes. We have failed in the past 10 years. You really failed, James. However, this is not a failure on your part; this is a failure of both this Council and the Government.

Just casually reveal a little if the Government really wants to support its Members and let them feel better. They could, for example, say that \$20 million was spent on information purchase with respect to "ketamine" — I do not know whether that is the case — then, the appropriation would be granted immediately. However, you refuse to say so.

When I was small, I knew an old man who often taught me how to play chess. He said, "My son, if someone borrows money from you and does not give any reason even if you ask him, do not lend him the money in any event." I ask him why and he replied, "He is certainly borrowing the money for the purpose of gambling, that is why he would not tell you the reason; otherwise, the money would be for patronizing prostitutes. How on earth would a person borrow money without reasons? He could make up a reason in any event, such as his mother has just passed away, which could be used twice at the most — he could have two mothers having passed away at the most even if he got a stepmother!" People who borrow money from others would mostly say they could not tell you the reason, and ask you to lend them the money if you are willing. The

Administration is just like them, that is, to borrow \$300 and return \$100, and then to borrow again. This is the way with this Government: once funding has been granted, it has to be made continuously, right? Given that it was approved in the first and second years, there is no reason for it not to be approved this year, right? This is your logic. You then query us if we want Hong Kong to sink if this is not approved now.

Why are tricks being played? Buddy, this damages the wisdom of Hong Kong people, especially when so many students are sitting here. Do not take this as an example and follow it. What should we term this practice as? It is a substitution of concept in a stealthy manner, which is "exaggeration", not telling lies, but just saying something in "exaggeration". Has the Administration told lies? No, it has only exaggerated, that is, "telling something in exaggeration". What is it in English? They are white lies. That is the way in which you put the incidents at San Uk Ling just now. I am now telling the Secretary that I would pay for you to go to the United Kingdom to look for those people. Quickly send them e-mails and tell them not to disclose

DEPUTY CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, please face the Chairman when you speak.

MR LEUNG KWOK-HUNG (in Cantonese): Deputy Chairman, yes, Deputy Chairman.

What I said just now are all reasons, which you could choose to reply or otherwise. In fact, Mr James TO has already thrown down gauntlet to the Secretary in asking the Director of Audit to join with ah, he has left again The Director of Audit, together with Financial Secretary John TSANG, since he used to be the Commissioner of Customs and Exercise, right? There are some issues which he would know about, and would collude with you, brothers of the same gang. Do not put it this way, which is unparliamentary language. *(Laughter)* Right, they should be "speaking the same language". Collusion is not a word to be used in this Council and is not a practice to be adopted. "Speaking the same language", Buddy. You did not reply to questions raised which are specific. What do you intend to do? Just rise often and clarify by saying "I have not done that", or "It seems that I have not done that".

Members, the three arguments could indeed be concluded as — I said that in the beginning, but since those students have now arrived — the state apparatus is highly dangerous. For example, the communists had made a state apparatus but it failed, so MAO Zedong wanted to have a more powerful one made, whereby the central team on cultural revolution was formed — a state apparatus was thus created to counteract itself, digging its own grave. Today, there is no way for us to give him a screw to make a state apparatus that cannot be checked. I have to warn you government officials that the state apparatus is so horrifying that once it is manufactured and put into top gear, even you would be monitored as well. This is not made up by me; it came from Mr HOOVER — an important figure of the FBI in American history. He had to have a part to play even in President KENNEDY's mistress selection affair; he even killed the mistress. In the event of any wrong-doings by the two parties, he would have a file compiled at his leisure, and would remind others that he had a file there. There was no leeway for the people to commit any wrong-doings.

It is the same with democracy. How could those party whips whip Members? Do you think that Members would really put themselves up for the whip? Only that this state apparatus would collect Members' scandals and have them held in the hands of the person who holds the whip, rendering the whip a real one in due course. If you want any Minister to be disturbed by scandals, all you have to do is to betray him, which is what often occurs in the United Kingdom. Do we really want such a state apparatus? Has it been made? I have no idea, but I could assert that, as mentioned by CAO Erbao, they are cognate. According to him, there are two apparatuses — one is the rubbish machine produced by the constitution of Hong Kong, and the other is the omnipotent machine made by them, certainly with the state apparatus in between. The state apparatus is the National Security Bureau. Is that you? All the increase in expenditure that you are asking is merely for meeting up with the stationing of the National Security Bureau in Hong Kong, to have some socializing activities with them. When those in Western invite you to a meal, you have to ask some more persons to meals. If you only got three persons when you are invited to four meals, how are you going to make it? This is the point.

Hence, why do we have to audit your data like playing hide-and-seek today? Because the data could not be revealed to the public, could not be mentioned, and could not be commented, right? Members, being a person, one

should have some passion retained despite the doubts. That is to say, even if I am doubtful about you, I would not treat you as a criminal. But today, since we are trying to check an apparatus, we should stop it immediately when we are in doubt. When the brake of a vehicle is about to fail, we have to stop it immediately. There is no reason for us to keep on pressing the pedal. Deputy Chairman, you know very well that you have to pull the car over at once when the brake is about to fail. It is not possible to continue driving to see if it works. This is what we are going to do today. Dear students, please remember that the Government should be monitored, and monitoring should be done by an elected Council, which would not allow government officials to refuse answering questions like what they did today. Thank you, Deputy Chairman.

MR FREDERICK FUNG (in Cantonese): Deputy Chairman, we have been discussing this topic many years, and for a long time. I remember Mr James TO started proposing this motion when I joined this Council in 2000. At that time, the then Secretary for Security, Mrs Regina IP, sat on the opposite side, and I also spoke on the question. Since it was too simplistic for mere figures to be provided; and being Members of this Council, we were obliged and empowered to clarify how funding was utilized, I asked the then Secretary whether the transparency of the appropriation could be enhanced. It was some eight to nine years ago. At that time, Secretary Regina IP stated that since much information was very sensitive, having the information publicized would mean giving the clues away to people, thus affecting the security work.

At that time, I also mentioned that the so-called "giving away the clues" — in many Western European countries — certainly I am more familiar with Britain since I had studied there — for the benefit of Members of Parliament to monitor expenses of this kind, even the British Government could provide information that is of a rather sensitive nature. The information provided by the British Government is much more than that currently provided in Hong Kong. At that time, I had asked whether, with reference to the British example and the degree of transparency with the information publicized, more information on the requested funding could be provided to this Council. I beg your pardon; I am relating the matter according to my memory. I recall that at that time, Secretary Regina IP said that consideration could be given to the question; but that time would be needed for review (such as which part to be or not to be publicized). Over one

year's time would be required approximately. Because of this suggestion by Secretary Regina IP and the undertaking by the Government to review the issue within the timeframe mentioned and to publicize information in the future, I thought that some time should be given to the Government, especially for defining what was sensitive or related to security and *vice versa*, so I voted against the motion moved by Mr James TO. The main principle underlying my rationale was this. Given that sensitive figures could be made public (that is, how public funding is utilized) by a country like Britain, as far as Hong Kong is concerned, no matter how sensitive the information is, any sensitivity would not involve issues of national security; at the most it would be local security, that is, of law and order in Hong Kong, or even marginal issues at the level of national security, thus, as far as sensitivity is concerned, Hong Kong was no match for Britain on the national security level. Since I reckoned that some time should be given to the Government, I voted against the motion of Mr James TO during those two years.

(THE CHAIRMAN resumed the Chair)

However, two years later, Secretary Regina IP resigned. I pursued the matter with the new Secretary who still stated that more time would be required. Since that was the first time the new Secretary assumed the post, I rendered him my trust one more time and once again voted against the motion of Mr James TO. However, the Government had not publicized the information all along. So, with a view to ascertaining how the Government would react, I started to switch from voting against the motion to abstaining in the following two years. If Mr James TO still recalls, he had criticized me for abstaining and regarded that it was not feasible for one to decline stating one's stance. However, I reckoned and believed that sensitive issues were indeed sensitive.

Nevertheless, in the last two years, I reckoned that I could not keep on giving the Government time for defining what constituted sensitive information and what could be publicized. I reckoned that had been enough. To me, six to seven years had been given to the SAR Government and the Security Bureau to determine whether more information should be released given that I had been waiting since 2000 till two years ago — that is, 2007.

This Council is endowed with real power in its obligation to monitor the Government. Today's meeting is the most important one to show our real power, that is, whether we would approve the appropriation. We all know that no restrictions could be imposed the Government even if we do not find the policy agreeable or even if we vote against the motion. Due weight and prudence should be given in forming a clear picture of the only power which we have.

With regard to this issue, if further figures relating to the \$80 million expenditure could not be disclosed by the Secretary he may not need to disclose the contents of all the items could he tell us certain items (such as items involving \$20 million to \$30 million) which are secrets that definitely could not be mentioned? I could accept that there are some matters which you could not disclose; but I could not accept your not disclosing most of the data. I have indeed looked at the issue from another angle. After so many years of patience, I could no longer vote against the motion of by Mr James TO; I would support him.

I hope that the Secretary can if the Secretary could have the chance to reply later pledge publicizing more relevant information for the Council perhaps after this meeting. I must emphasize that as the Legislative Council, this is the only power we have in monitoring the Government's expenditure. While this sum — \$80 million — could be considered not a large sum, it is not a small sum. This is not a large sum when compared with an expenditure of over \$200 billion; however, the Secretary is indeed duty-bound to inform us how public money is used as far as several basic items of expenditure are concerned. In disclosing expenditures to this Council, I would like to reiterate once again the question of whether we could adopt a level transparency — which is not full transparency — similar to the ratio of expenditure of the Security Service publicized for the British Parliament by the British Government.

MS CYD HO (in Cantonese): All along, means used in the names of national security, internal security, anti-terrorism, eavesdropping, surveillance and case investigation in exchange of power that is beyond monitoring or information which could not be disclosed could indeed be used to suppress internal dissidents. These tools are really most horrible. Right, in 2003, the enactment of legislation on Article 23 of the Basic Law was caused to be suspended; however,

surveillance work in society has not ceased because of this. On the contrary, we could see a trend of increase in resources, and there is even reasonable ground to believe that the scope of work in this area is continuously expanding.

The expenditure suggested to be deleted by Mr James TO has been increased from \$40 million of 10 years ago to the current \$80 million, a figure doubling the original. However, in view of the crime figure, does the element of terrorist attack exist? There is indeed very little that the Secretary could disclose to us. Nevertheless, Chairman, I believe the speed of increase for this item would gradually slow down because part of the expenditure had been placed openly on the table; only that there has not been any disclosure. The part that had been placed openly on the table was the 100 persons and the \$16 million mentioned just now. These resources would slowly be dispersed and added to the Budget through various channels. Hence, Chairman, I really admire Mr James TO for keeping up with raising the questions every year and proposing the several amendments regarding issues of privacy, rights and freedom of the Hong Kong public. However, at the same time, I am very disappointed at the decreasing number of Members who spoke. Perhaps Members do not find this important; hence the number of those who spoke has gradually decreased. I feel very sorry for this, and hope that apart from caring about the people's livelihood and cultural affairs, the newly joined Members (whether they are pro-government or democratic) could be more concerned about basic human rights and freedom of the Hong Kong public.

Just now, it was mentioned by several Members that in places such as Britain and Canada, special committees would be set up within their parliaments to monitor confidential information in a cross-party manner. Their parliaments could peruse relevant information in confidentiality for purposes of monitoring the executive authorities. Since they consist of ruling parties that come into the rule through election on a rotational basis, this could of course be achieved. Even though the party which had lost in the election is currently behind the scene and does not have the opportunity to access sensitive information, one day it would be able to come back on stage again, whereby getting the opportunity to view the information. Hence, countries with democratic elections are of the view that in any event, all parties would have the chance of access, it would be better for all parties to view together. Hence, a special committee is set up for joint monitoring work. However, in Hong Kong, the reign of power could last

forever until there is democracy and universal suffrage, which we have no idea for how long we are going to wait. Hence, the practice of the current executive has been one of "You have your queries and it has its confidentiality". Since there is no democracy, it indeed does not have to disclose the information. Given the absence of a democratic system, neither the political party that has lost in the election nor the opposition party could have the opportunity of privy to the information in question; they could only get to learn some informal information through friends or learn about former practices through former senior officials having become Members of the Legislative Council. Hence, Chairman, today I indeed look very much forward to hearing Mrs Regina IP speak, for she had been sitting on the other side in the past but is now sitting on this side today. Since she is a Member returned by election, I would like to listen to her views on the basic privacy rights of Hong Kong people. However, it is a pity that Mrs IP has just left the Chamber in avoidance. Upon hearing me speak, I hope that she would come back, air her views and fulfill the duty she owes to the public through campaigning for their benefits by monitoring the Government with her knowledge and capability.

In the letters issued to Members, the Secretary mentioned the Interception of Communications and Surveillance Ordinance and that the Commissioner for Interception of Communications and Surveillance (the Commissioner) now has the channel to talk about certain cases and figures on cases in violation of the Ordinance. Upon seeing this paragraph, I immediately wondered why the Secretary would still have the nerve to talk about the issue. In 2006, all the 260 amendments proposed by the democratic Members were negated, whereby creating certain loopholes which even the Commissioner for Surveillance, with the limited manpower and authority available to him, was able to detect. In fact, the power vested in the Commissioner for Surveillance is indeed very limited, which is like peeping through a tiny hole on a large window — the angle of view is indeed very small. Since we have been worried that the issue mentioned by the Commissioner for Surveillance is merely the tip of the iceberg, hence, besides supporting Mr James TO in deleting this item of expenditure, I once again request the Secretary to review the Interception of Communications and Surveillance Ordinance as soon as possible and not to delay the matter for nine months like what occurred in the last couple of years. Thank you, Chairman.

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

(No Member indicated a wish to speak)

SECRETARY FOR SECURITY (in Cantonese): Chairman, Mr James TO has moved an amendment to the Appropriation Bill 2009, proposing that the provision of \$80 million in respect of subhead 103 under head 122, that is, the "Rewards and Special Services" subhead of the Hong Kong Police Force, be deleted. We strongly oppose this amendment.

The provision under the "Rewards and Special Services" subhead involves the special expenses of confidential police operations which are essential for combating terrorist activities, serious crimes and narcotic offences. These expenses are essential for the police to maintain public security and the law and order of society. Just now some Members — they have been talking about this for years — pointed out that these secret expenses must be used for carrying out "dirty" actions or political surveillance and control. This is a totally unfounded accusation as well as an insult to the Police Force which are protecting Hong Kong and maintaining its law and order. I have to reiterate here that the provision under this subhead is definitely not used for political purposes.

While we understand that Members wish to obtain more information on the expenses under the "Rewards and Special Services" subhead, such expenses are of a sensitive nature and include, amongst others, our rewards and "informer's fees" as well as the money required for the acquisition and maintenance of some necessary equipment for law enforcement. Making the information on the expenses under that subhead public will enable criminals to know, through analysing the allocation and trend of expenditure, the action strategies and law-enforcement capabilities of the police, thereby allowing them to elude justice or even jeopardizing the safety of front-line police officers and informers providing information to the police. Therefore, we must continue to keep the relevant information confidential.

However, wherever practicable, the authorities have been striving to strike a proper balance between making such information public to maintain the transparency of police expenditures and protecting the confidential actions of law-enforcement agencies to ensure effective enforcement. At present, a

stringent vetting and approval as well as monitoring system in respect of the "Rewards and Special Services" subhead of the Hong Kong Police Force is in place to ensure the proper use of public money. In this connection, the authorities have formulated a set of detailed vetting and approval as well as monitoring procedures, including vetting and approving every expenditure item by a designated senior police officer and conducting blitz checks from time to time on the details of the expenditures under that subhead. The Internal Audit Division of the Police Force will also conduct annual audit on the expenditures under subhead 103. Besides, subhead 103 is also subject to the independent audit inspections by senior officers of the Audit Commission in accordance with the Audit Ordinance. Such numerous vetting and approval measures can ensure strict compliance by relevant officers with government financial and accounting regulations.

In recent years, the authorities have, wherever possible and without affecting the law-enforcement capabilities of the police, disclosed relevant statistics on the uses of the provision under subhead 103, including the total number of cases and the amount of rewards offered and the total number of reward payments made.

Besides, the Commissioner on Interception of Communications and Surveillance (the Commissioner) appointed under the Interception of Communications and Surveillance Ordinance (the Ordinance) is tasked with overseeing the compliance by the enforcement agencies with the relevant requirements under the Ordinance and submitting an annual report to the Chief Executive. The Commissioner's report has to, in accordance with the requirements under the Ordinance, list many items of statistical data related to covert operations taken by law-enforcement agencies, including the number of authorizations issued for covert operations, the time limit of the authorizations and the types of crimes involved. The Chief Executive will, according to the requirements under the Ordinance, arrange for the submission of the report to the Legislative Council for scrutiny. The annual reports for 2006 and 2007 have been submitted by the Commissioner to the Legislative Council for scrutiny and discussed by the Panel on Security on a number of occasions.

The expenditures under the relevant subhead are essential to the prevention of crimes and the investigation and detection of serious crimes by the police. The police have adopted a number of measures to make the relevant information public, having regard to the need to maintain effective law enforcement. Just

now, a Member asked whether reference has been made to the practice adopted in the United Kingdom. Actually, to my understanding, the Security Service, that is, MI5, of the United Kingdom only announces the percentages on a few broad categories instead of disclosing the estimates and the actual amounts of expenditure. Actually, we disclose more information than they do. Besides, the Intelligence and Security Committee of the Security Service also pointed out in its 2000 annual report that expenditures of individual agencies should not be published annually as this would indicate the funding trends for different agencies, which would not be in the national interest. If the amendment proposed by Mr TO is passed, the capabilities and effectiveness of law enforcement by the police will be seriously impaired, causing serious adverse impact on law and order as well as the public security of Hong Kong. I therefore implore Members to oppose Mr James TO's amendment.

MR JAMES TO (in Cantonese): Chairman, I have to rebuke the Secretary's misleading statement to the public just now. He mentioned that the United Kingdom annual report does not make a lot of disclosure, which is true. However, a Select Committee on Intelligence is established under the Parliament and detailed vetting and approval is conducted by MPs from across parties. Will the Secretary make another speech to confirm this point later? Because he may not be aware that a research report has been prepared by the Legislative Council Secretariat, and that is why he only referred to that annual report. Actually, not only I but also Ms Emily LAU and other Members have mentioned that according to the research report prepared by the Legislative Council Secretariat, the British Parliament has in fact established this Committee and the vetting and approval can be as meticulous as on matters relating to the operations. Besides, a review committee headed by the Lord Chancellor is set up every few years. Hence, the information disclosed is far more extensive than the information provided in the annual report mentioned by the Secretary just now. Therefore, it is simply a lie for the Secretary to say that they disclose far more information than the United Kingdom does. I challenge the Secretary's remark as being a lie. If he has not read the report of the Select Committee on Intelligence, he may refer to the research report prepared by the Legislative Council Secretariat.

Chairman, first of all, I have to respond to the Secretary's accusation of me insulting serving police officers. I am sorry that I have to accuse him of the same in return. Any unreasonable acts causing the lack of transparency and accountability of the existing items are the result of the fact that the Government

has caused reasonable doubt, which has aroused in the public reasonable queries, thereby possibly causing the police to be wronged. We might as well follow the example of the British Parliament and set up a special committee. I have also proposed just now that if the Government thinks not all the 60 Members should become members of the committee, it may choose at least one Member from each camp as members. As the Secretary was once the head of the Independent Commission Against Corruption (ICAC), he should know well enough why the Operation Review Committee was set up under the ICAC and why people of different political affiliations with different ideologies and stances are represented in the committee to supervise secretly the most confidential operations of the ICAC. There is a reason for it all. Such a committee can be set up at different levels. For example, it can be set up in this Council, or a committee comprising members appointed by different political parties and groupings can be formed after consultations between the Government and the President of this Council, as in the case of the United Kingdom or other countries. In other words, the chairman, not necessarily appointed by this Council, can be appointed by the Government, after discussion with different members of the community, among people of different political affiliations, such as a Judge. However, such a committee does not exist in reality. This proposal, though having been put forward by me over the past decade, is still being considered. What I raised just now is a broad principle, why is it infeasible? Secretary, please give a reply and stop dodging like a tortoise retracting its head and stop being unreasonable. Every sentence I said just now is reasonable.

My question is why the amount of \$80 million cannot be divided into different categories according to the staff and equipment. Will the Secretary provide a reply as to why such categorization is infeasible? We are all reasonable people, but why is such a categorization infeasible? He said thousands of people have received rewards, but I am not asking who those people are. The Secretary said that detailed vetting and approval is conducted, but the vetting and approval is only meant to ensure that payments are properly signed and received. That being the case, will the people responsible for vetting and approval consider issues of value for money of the expenditures? Do they have a thorough understanding of the effectiveness of existing policies and whether their purposes warrant review? The answers to all these questions are in the negative.

Chairman, I have to tell Members that actually there is a reason why the situation can be concealed even to date, and I have to say that the British started it all because the existing Hong Kong Special Administrative Region (SAR)

Government just follows the established practice. Take the staff responsible for wire tapping as an example. While the authorities will not give a promotion to police officers patrolling the streets and "fighting hard at the front line" to the rank of sergeant after they have worked for more than a decade, they will give a promotion to those who have done "dirty" jobs to the rank of sergeant after they have worked for only a few years in order to hush them up and ensure that they will keep confidence. These people will also be promoted to the rank of inspector shortly afterwards. If they are deployed on beat patrols after having engaged in wire tapping for more than a decade, they will really be scared to death. How can they manage? I will be surprised if they are not scared stiff when they are required to patrol carrying a pistol because they are used to taking up relaxing tasks of just intercepting communications, and that is why they are commonly known as "big ears". May I ask how they can take up the task of beat patrols? Similar disputes in the ICAC in recent years have caused a big row in society, and there were a large number of letters accusing relevant individuals of failing to observe the discipline. A simple case in point is the incident "exposed" by Mr Justice WOO Kwok-hing. The existing system ensures that they will no longer be able to take up front-line duties because they only know how to intercept communications. Under the existing system, the authorities use high positions and attractive remuneration packages to stop these people from being "big-mouths" and making indiscreet remarks. In the past, positions of the so-called confidential assistants were all undertaken by the Chinese wives or spouses of the consulates of different countries, which were just like a big family. I do not know whether they have other special means to identify people they can trust, but as the entire system is based on winning people over with money, there would definitely not be breaches of confidentiality. Therefore, there is a reason for such a situation to exist.

Concerning the interception of communications, the Secretary mentioned many surveillance efforts. I have suddenly come up with a fancy idea. Regarding the many proposals put forward by me in the past, if the Secretary considers them infeasible, will he give a response as to why they are so? This is not the first time I am saying this, but the following proposal is put forward for the first time. If Mr Justice WOO Kwok-hing is allowed to listen to confidential communications tapped, can we ask him to monitor the use of the \$80 million as well and take it as the first step of compromise? Will the Secretary respond to this? It is an indisputable fact that Mr Justice WOO Kwok-hing has already got "security clearance". Then we can simply let Mr Justice WOO Kwok-hing

monitor the use of the \$80 million next year and submit a report on it. After all we are compelled to trust that there is currently no serious problems relating to the interception of communications. However, first of all, we have to clarify what is meant by internal security. There is only a subtle difference among internal security, political surveillance and matters which pose a genuine threat to Hong Kong. For instance, regarding the tapping of communications relating to the preparation of a rally by victims of the Lehman Brothers incident to find out whether they will conduct a sit-in along the Queens Road Central, how many people will participate in this rally and which organizers are more radical, I do not know whether or not the Secretary considers this internal security. If he does, then just admit it. We would like to know whether the tapping of communications relating to which candidates are chosen by different political parties to run in elections or how "Ah Ngau" — he was still in the public gallery just now he is still in the public gallery now — former Legislative Council Member TSANG Kin-shing organized activities and conducted a peaceful demonstration during the ceremony to receive the then General Secretary JIANG Zemin would require the paparazzi to stop following drug traffickers at once and go after this Mr TSANG instead? What is public interest? What is public security? What is internal security?

Chairman, although detailed discussions were conducted on these issues during our scrutiny of the Interception of Communications and Surveillance Ordinance, the Government was reluctant to participate in any of them. The amount of money in question is to be spent on these loosely-defined operations, the definitions of which are based entirely on administrative explanations. Chairman, please bear in mind that our discussion now is on funding provision, which calls for the consideration of its purposes. As mentioned by the Government in its paper, internal security is not defined at all if it is defined administratively, and neither could other reference material be obtained on the relevant definition. As this is the situation we are now in, how can we trust that this \$80 million will not be used on actions that cannot be revealed?

Chairman, so far I have proposed many different options. I believe if Honourable colleagues present were in the Secretary's place and to undertake his position as the Secretary for Security or even in the position of the Chief Executive or the Financial Secretary, they would definitely give these options some thoughts and consideration. If the Secretary is not so quick-witted as to be able to give a response right away, I will continue to propose this amendment next year so that he will have one year's time to consider it. However, he has

not given a response this year to my question raised last year. Actually, the Government is willing neither to make improvement nor to enhance the level of accountability. It is such a closed Government with centralization of power. Even if we try our utmost to put forward many reasonable proposals, compromises and options to enable both parties to take a step forward, there is no room for negotiation in the end. Why? Because everyone knows that legislation has to be enacted to implement Article 23 of the Basic Law and those undesirable actions will have to be taken in the end. This is the bottomline, and there is no room for compromise. As Mr LAU Kong-wah said, no concession should be made at all. Why? Because this is not something that can be decided by Secretary Ambrose LEE alone, and this is exactly our situation now.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr James TO be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr James TO rose to claim a division.

CHAIRMAN (in Cantonese): Mr James TO has claimed a division. The division bell will ring for one minute.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendment.

Dr LEUNG Ka-lau, Mr Paul TSE and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 25 were present, three were in favour of the amendment, 19

against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 19 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the sum for head 122 stand part of the schedule.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the sum for head 122 stand part of the schedule. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Heads 138, 141, 142, 144, 151, 152 and 158.

MS EMILY LAU (in Cantonese): Chairman, I move that heads 138, 141 and 151 be reduced by \$2,680,000 respectively and that heads 142, 144, 152 and 158 be

reduced by \$1,970,000 respectively in respect of subhead 000. This amendment seeks to reduce a total amount of \$15,920,000.

(Some Members whispered among themselves)

CHAIRMAN (in Cantonese): Ms Emily LAU, please pause for a while. Will Members please observe the order of this Council.

Ms Emily LAU, you may continue.

MS EMILY LAU (in Cantonese): Chairman, this amendment of mine is directed at the accountability system. Chairman, as you are aware, the accountability system was proposed and implemented by TUNG Chee-wah in July 2002. Chairman, let me read out Secretary Stephen LAM's letter to Members dated 20 April, that is, his letter to lobby Members against my amendment. Regarding his rhetorical question about the purpose of establishing the accountability system, he said it seeks to establish a political tier at the top underpinned by the Civil Service as the backbone of the Government. These officials have to assume political responsibility with regard to matters under their own purview to enable the Government to formulate its policies and measures having closer regard to community aspirations and to respond to the modern demands of governance. He said that it has also strengthened the foundation of a professional and politically neutral Civil Service. This was put forward in 2002.

What happened one year after this? Chairman, what happened was that 700 000 to 800 000 people took to the streets and participated in the rally to "topple TUNG". Shortly afterwards, Secretary Regina IP and Secretary Antony LEUNG stepped down. This was what we get from the accountability system. Then, Chairman, in March 2005, even TUNG Chee-wah had to step down. Donald TSANG was lucky enough to be able to take up the office and there were three Secretaries of Departments and 12 Directors of Bureaux under him. In October 2007, however, he even took a further step — it was a further step — to launch the political appointment system. Do you consider this reasonable? If ever a further step is taken, it should only be towards democratization, how can it be a further step towards a political appointment system? As the Secretary said in the letter, the purpose of this system is to create two additional tiers of politically appointed officials to strengthen the support for Secretaries of

Departments and Directors of Bureaux, to assist them in handling political matters and — Members really have to listen carefully, Chairman — he said it seeks to complement political development and pave the way for universal suffrage. Chairman, while the way forward is not in sight, what can be seen instead is the postponement of the consultation on universal suffrage until the end of this year, which is indeed outrageous.

However, what was the amount of provision approved by the Finance Committee on 14 December 2007? Chairman, it was over \$50 million, and you were one of those who voted for the provision to create 11 positions of Under Secretary and 13 positions of Political Assistant. Eight Under Secretaries and nine Political Assistants were appointed when the appointment exercise commenced in May last year, and some of them are present today. Now, there are still three vacancies of Under Secretaries and four vacancies of Political Assistants pending appointment. My present amendment seeks to reduce the provision so as to prevent the Government from proceeding further with the appointment exercise. Chairman, why? Because we think the implementation of the accountability system in 2002 and the further development of it into this appointment system are not helpful to the effective administration of Hong Kong and have even given rise to numerous problems. Although these problems might have arisen anyway, the fact that they have arisen even with the establishment of these systems has made the public feel very bitter and furious.

With such a huge amount of money spent, what do we get in return? What we get is not a Government with enhanced credibility and recognition, not to mention representation. Then what should we do? Regarding this accountability system, let us forget about incidents which took place further back in time, just last year, there was the controversy over the Lehman Brothers incident which involves 40 000 victims demanding repayment of over \$20 billion. Chairman, a weird subcommittee has been set up for investigation. Last year, there was also the LEUNG Chin-man incident, and Secretary Denise YUE tendered her apology on several occasions at the meetings of the select committee, admitting her mistake and neglect in failing to recognize the linkage between LEUNG Chin-man and Hunghom Peninsula. These are accountable officials as they are. Now, will accountable officials be beheaded, as Ms LI Fung-ying, Chairman of the select committee, said the other day? I hope our select committee can make a fair judgment. However, as we can see, this is what we get from the accountability system.

Chairman, you said Members of the opposition always make criticisms, but who else have you seen making criticisms recently? It is the immediate past Ombudsman. What did she say? She said ever since the establishment of this accountability system, there was a lack of co-ordination in the higher echelons of the Government, which only attempted to respond to urgent circumstances when they arose and focused on efforts like this, to the neglect of the day-to-day work and preventive measures, thereby failing to prevent minor problems from evolving into serious ones. She also said that under the existing system, individual government departments just "mind their own business". Chairman, what did Alice TAI say? She said that, compared with the present system, the previous civil service system was sound. Why? She said that in the past all the people were in the same boat, shared the same values and background, and were able to make considerations of a more long-term nature in whatever they did, and there was also very clear division of responsibilities among departments. Of course, I believe Ms Alice TAI also has to understand that with the progress of the times, the public aspire for an elected government. However, she is right in saying that civil servants in the past were in the same boat and shared the same background. Chairman, what should we do? What Hong Kong needs is an elected government, and we need a ruling party or a ruling coalition. This group of people should be in the same boat and share the same beliefs and election platform. After being elected, the most experienced people can become Secretaries, while the others can become officers in the second or third tier.

Secretary Stephen LAM put it in a very grand way. However, as he has copied others' "top" and removed others' "base", a foundation is completely lacking. To put it in a meaner way, this group of people is just a motley crowd, who probably did not know each other before they got together. Chairman, how can they be in the same boat? How can they share the same beliefs? Therefore, we oppose further implementing this policy because it will not benefit Hong Kong at all.

You may say that I have only cited a few examples just now and ask whether other examples are available, especially when so many new officials have assumed office. In that case, let me just casually talk about a few of them because there are too many of them and I do not have enough time to talk about them one by one. I remember in August last year, the incident in which a student of the University of Hong Kong was killed by a fallen tree in Stanley had aroused strong reactions. After discussing it for a long time, this Council

proposed that the authorities formulate a policy on tree preservation. However, this proposal has been left not heeded. As we all know, the handling of a tree involves four to five departments. While trees along the streets are handled by one department, trees along highways are handled by another department, and trees in parks are handled by a different department. As the policies of these departments are different, it is indeed a situation in which too many departments are responsible for policymaking. As such, after the return of the verdict by the Coroner's Court last month, the Government took a swift action in which the Chief Executive appointed the Chief Secretary for Administration to take charge of an inter-departmental task force to handle matters relating to trees. For the incident mentioned by Mr James TO just now, the handling process took a decade. I do not know whether I will still be here a decade later, but I am afraid there will not be any progress relating to this incident when it is revisited in a decade's time.

It all happened in August last year, and in December — the Secretary has left the Chamber, he spent a long time waiting on James TO just now — the incident of chartered flights to Thailand happened in December when Secretary Ambrose LEE was on a duty visit. Because of the political instability in Thailand, chartered flight arrangements were made by places such as Macao but not Hong Kong. When we asked the Secretary what had happened upon his return, he said the decision was made by civil servants. His Political Assistant, though being in Hong Kong at that time, failed to play any part in handling the incident. Besides, Secretary Stephen LAM, who was supposed to act for Secretary Ambrose LEE under the accountability system, also failed to play a part in handling the incident, and the decision was left to the civil servants. No one would have guessed that after a few days, Chief Secretary for Administration Henry TANG said in this Council that it was a collective decision. Chairman, what does this collective decision mean? It means holding no one responsible; and collective responsibility means having no one to take up the responsibility. It shows that this system is only nominal in nature.

Then, lots of incidents happened in December indeed. I am very glad that Under Secretary YAU Shing-mu is here. He may remember — Chairman Leung Yiu-chung is also here — the airport incident in which drivers of "green taxis" opposed the mechanism of "raising short-haul fares and lowering long-haul fares", saying that this measure was unable to cater for their needs. As the Under Secretary had turned down Members' requests made over the telephone to

discuss this issue, the airport was thrown into chaos. Then there was the name card incident, and Under Secretary Gregory SO is also here. I do not have to dwell on this incident, Chairman, as it is the business of your political party.

In all these incidents, those Under Secretaries and Political Assistance failed to help the public. Chairman, do you still remember that when they were appointed, their nationality and passports aroused considerable repercussions? Besides, how much are they paid? I have read out their salaries just now. Back then, we requested the Government to provide us and the public with accurate information on their salaries, but the Government had all along been reluctant to make such disclosure. Chairman, let me reiterate the amount of provision we are asked to endorse by the Government: the annual salary for Under Secretaries is \$2,680,000, while that for Political Assistants is \$1,970,000. Chairman, while we have paid such a huge amount, the salary for you and me is only a tiny fraction of theirs. I consider that the Government has total disregard for elected representatives, but it has rallied a large motley crowd to receive such high salaries. Very often, we have to ask whether their salaries are commensurate with their performance.

Recently, the University of Hong Kong completed a survey in April to find out whether the public know these Under Secretaries and Political Assistants. Chairman, the findings show that two Under Secretaries among the eight of them and three Political Assistants among the nine of them were known by 0% of the public. As for other officials, they were known by less than 2% of the public. This may be the result of their over-protection by the authorities, which disallow their getting much exposure. However, as so many incidents surrounding them have happened, they had better not get any limelight at all.

Chairman, in proposing these amendments today, I wish to send a very clear message to the authorities, that this so-called "crap" accountability system, which can neither bring about improvement to Hong Kong nor enhance its administration, is a total failure. Chairman, regarding 1 July this year, you should have heard from victims of the Lehman Brothers incident that they have already applied with the police for conducting a "great march on 1 July". How many people will be there? Chairman, 100 000 people — 40 000 victims and their families — will participate in it. Besides, it is believed that members of the public who fight for democracy, human rights and freedom will amount to multiples of 100 000. Frankly speaking, with such marches going on every year,

the public is running out of patience, and all we are asking for is an accountable government. If you officials consider yourselves so remarkable and capable, you may come forward and run in elections. The citizens of Hong Kong would also like to elect capable people to govern Hong Kong for them, in contrast to Jackie CHAN's comment that Chinese people need to be controlled, which is indeed infuriating. Even after electing a government to govern Hong Kong, we have to subject that government to monitoring instead of allowing it to be totally free from monitoring, contrary to the few amendments proposed by James TO just now concerning the Security Bureau and the police.

Therefore, I hope Honourable colleagues Frankly speaking, I have heard numerous colleagues who voted for the previous relevant funding requests express dissatisfaction in private, especially about the authorities' offering of an annual salary of over a million dollars to people with only two to three years' experience. I hope that those people who are dissatisfied can come forth and say something about it. As for those who did not vote for the funding requests, they are even in a better position to speak on the issue. Instead of being obliged to support me, Emily LAU, or the Democratic Party, you should genuinely ponder and ask yourselves what benefits this system, the accountable officials, Under Secretaries and Political Assistants have brought to Hong Kong. Therefore, Chairman, it does not matter even if this system will come to an end, and Alice TAI also said that the situation in the past was more desirable. I always address practical issues instead of targeting at any individuals. Officials, as all of you are sitting here, I hope you can also address the Council, and the Chairman has already given approval for you to do so. We hope to fight for a sound system with credibility, representation and recognition for Hong Kong, which is different from the one you are under now. While the public consider that the money has been wasted, you are unable to bring about a sound system for Hong Kong.

Secretary Stephen LAM, who is the responsible Secretary, failed to play any part even in the incident in which Secretary Ambrose LEE was involved, and his Political Assistant had also gone invisible. I cannot help but ask what we need this system for. Chairman, although the Secretary said the provision was approved by the Finance Committee, we have been opposing it all along. Today, Chairman, you have given me approval to move these amendments for passage by Members. I hope Members can think about whether the existing system is really so sound. If it is not, I urge Members to support me in sending a message to the authorities, that we have to start afresh. With these remarks, I beg to move.

Ms Emily LAU moved the following motions:

"RESOLVED that head 138 be reduced by \$2,680,000 in respect of subhead 000."

"RESOLVED that head 141 be reduced by \$2,680,000 in respect of subhead 000."

"RESOLVED that head 142 be reduced by \$1,970,000 in respect of subhead 000."

"RESOLVED that head 144 be reduced by \$1,970,000 in respect of subhead 000."

"RESOLVED that head 151 be reduced by \$2,680,000 in respect of subhead 000."

"RESOLVED that head 152 be reduced by \$1,970,000 in respect of subhead 000."

"RESOLVED that head 158 be reduced by \$1,970,000 in respect of subhead 000."

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

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, this illegal political structure was erected in 2002 by Mr TUNG, who considered it necessary to enhance the political accountability in general but not that of himself, or else he would have reminded the Central Authorities we would not ask for too much, only allowing a few hundred thousand people to vote in the election would suffice to enhance his political accountability. If a few hundred thousand people were allowed to vote, they could even have asked him to step down at any time. The situation might have already been better if only the 800 or 400 electors, not to mention 6 million people, were allowed to vote directly in his election. He had always been like this. By claiming that he would advise his son to purchase a property, he had caused all the people to rush to purchase properties and suffer

as a result. He had always been like this, advocating actions that he would not take. He is notorious for this, that he would preach actions he would not take, right? The "85 000" policy is a case in point. Notwithstanding the existence of such an accountable official, no one has made any protest against him for lying.

All civil and disciplined officials serving the Government present, I would also like to give you my name card. Chairman, while a member of your political party produced his name card, my name card is: "lacking enthusiasm and passion for alleviating poverty and driveling despicably about salvaging people", can you see that? This is my name card. It is different for Mr SO, frankly speaking, for his situation is like one in which "an official's horse, claiming the power of its owner, defecates wherever it wishes", you see? You should know what it means. Who would dare to clear the dung after the horse of a high-ranking official has moved its bowel here? People even have to say it smells nice. Honestly, if the horse really moves its bowel here, with the power of the official concerned, what can the very, very low-ranking official do? I would say that it is just very simple. If what the official has done is right, he should be in a high rank, if what he has done is wrong, he should be in a low rank, right? This is how to approach the issue. But what he has done is wrong, and his act is one of lowly officials.

This illegal structure is really very corrupted. Just after having tasted a small measure of power, he already behaved in this way. Nevertheless, Members of the pan-democratic camp, you have taken it wrong. This is not a matter of money, nor is it a matter of varying quality of individuals. Actually, the establishment of this system is in line with the approach adopted by TUNG Chee-wah back then, both seeking to dismantle the civil service system and include in it some individuals to establish a monitoring system. I have already mentioned this at the meeting of the Panel on Constitutional Affairs. The Government would not consider it a problem to provide funding in respect of these people as it considers itself entitled to using public money. However, what it is trying to do is to establish a system to monitor the Chief Executive and various Secretaries returned through a sham universal suffrage, if it is implemented at all. This is what Under Secretaries are supposed to do.

Chairman, you may also be aware that there is a committee member monitoring system in the Mainland, right? What is a committee member monitoring system? It is a system in which the "No. 2" man supervises the "No. 1" man, and the committee member of a provincial government supervises

the governor of the provincial government. The last time, while I spent seven minutes to put a question to Mr ZHANG Dejiang, he spent 30 minutes to reprimand me in return. Then, Governor HUANG Huahua immediately remarked in public that ZHANG Dejiang was highly honoured and respected and had made a lot of contribution to Guangdong Province. Normally, the secretary has to "shine the shoes" for the governor, but now it is just the other way round. A governor elected by the National People's Congress has to listen to a committee member of the provincial government and even "shine his shoes", right? If he fails to "shine" his shoes well, he even has to spit on them and shine them again so that they will be more glossy. I saw shoe-shine boys doing this. With so much saliva on them, no wonder the shoes stink.

Members, what are we talking about now? All of you are accountable officials. Chairman, I received so many petitions outside the Legislative Council Building today that I found it really unbearable. Among these petitions which were addressed to the Financial Secretary, one of them was jointly signed by 500 citizens requesting the flexible use of the injection into the relevant mandatory provident fund accounts. However, the Financial Secretary simply walked away with his nose sticking up in the air. Another petition, which was also addressed to the Financial Secretary, was made by the Joint Alliance for Universal Retirement Protection, demanding the expeditious establishment of a universal retirement protection system. The Chinese Grey Power, which also made a petition to the Financial Secretary, even handed him a photograph, asking for the establishment of a universal old age pension scheme. In response to the petitions made by all these organizations, the Financial Secretary simply walked away with his nose sticking up in the air. He should have told one of his aides to receive the petitions anyhow instead of hurting the feeling of the elderly. Directors of Bureaux, what do you think you are doing? Nevertheless, the most serious mistake was to take actions as Gregory SO did. He walked up to the people, handed them his name cards with all arrogance and left after saying that their message had been received.

Such petitions abound, the number of which is so plentiful that this petition is just the same, asking whether he has the "guts" to fight for a universal old age pension scheme. In the petition, there is this question: "While I have the "guts" to do so, do you?" However, there was no one to receive these petitions. I saw LAU Kong-wah walk up to his supporters and shake hands with them. Sometimes, he was so gentleman-like that he even shook hands with the supporters of his adversaries. However, what were you doing? Although he

only gets a salary of some \$60,000, Buddy, he did everything he should. Why? Because he is an elected Member, Buddy. Were he not, he would not have to do so, but he has to do so as he is an elected Member. Do you think this is the utmost corruption, Buddy?

All of you are officials serving the Government and receiving pay from the sovereign. In the face of such an avalanche of public complaints involving various bureaux, all of you just walked away as if nothing had happened. You just considered this the Financial Secretary's business without attempting to share his burden. Financial Secretary, you have to co-ordinate and guide them. Instead of walking away because the Financial Secretary was not free or because of their fear, they should have walked up to receive the petitions, shaken hands with the people and told the organizations that they would convey the petitions to the Financial Secretary. However, they did not do so, Buddy. Why is work so tough for our colleagues from the Security Office? It is because while a continuous stream of organizations keep submitting their petitions, you always refuse to receive them, thereby giving rise to such a situation. Do you not think it is a bit "crazy", with so many illegally-erected structures built? In the past, Secretaries and Directors of Bureaux walked away with their noses sticking up, but as each of them have two aides now, one of them can shake hands with the people while the other can receive the petitions, or they can even sing the people a karaoke song. After all, it is just a performance. In this way, public aspirations can be addressed.

Members, regarding the Secretary for Home Affairs, Mr TSANG Tak-sing, there was plenty of work to be done by the Home Affairs Bureau. For example, a magnate by the surname of TANG had organized a seminar in Kowloon West at his own expenses. However, not being aware of this, the Secretary took a trip to Taiwan, acting as if he were a Buddhist, and only gave his full support to this seminar after returning from the trip. I have never ever seen such an ungainly scene before. He said he would give his full support to it when he appeared on television, but what did he support? I really cannot bear with him, Buddy. If he really supported the seminar, he should have organized it because this is within the scope of his portfolio and he should make efforts to address public sentiments, right? This is what should be done. What qualifies him to be here? What empowers him to do this?

Insofar as the creation of these positions is concerned, the general public of Hong Kong would think that this is a waste of money as they are money-minded

and have their eyes set on money. However, this is actually not the case. What kind of system is established with the extra money spent? It is a system which seeks to induce the public to join a particular political party by creating some "committee members" here for the future. If Mr David LIE-A-CHEONG of the Liberal Party can persist until the end, he will be appointed. David LIE-A-CHEONG, who speaks two languages and three dialects and whose "shoe-shining" skill is entirely agreeable, is really remarkable. Therefore, the Government could preordain him as an Under Secretary to spy on Secretary Stephen LAM. Secretary Stephen LAM, you would be in great trouble in future as he would make "secretive reports" on you, and you might be removed as a result.

Kenneth CHEN, you surely are not among such kind of people. That is why they offered you a position, and after all you are conversant with PR work. We have wasted such a huge amount of money on this tier of officials. Actually, we have created an unprecedented system, which is an expansion of the committee member monitoring system in the Mainland, to oversee this Government just in case a situation arises in the future, and this is the crux of the entire issue. As Ms Emily LAU has not mentioned this point, I am obliged to raise it today.

All of your positions are transitional in nature. You will need to vacate your offices when a situation arises and another monitoring official is required, and this is when you may receive a telephone call. Just like the case of Frederick MA who claimed to have a brain condition. Who would believe that Frederick MA really has a brain condition? If we believe in him, it is us who have a brain condition. He is smooth and suave in business dealings and always knows where to get good food, and he is very filthy as well. But this is how things go. You have to be prepared because a contract termination gratuity is offered. When a situation arises, for example, when some major incidents happen on 1 July, the one assisting Secretary Stephen LAM will have to find someone who can really handle the situation from the West or the North — the Northwestern company, that is, the company of Beijing and Western — as replacement. We can think of a very touching excuse to ask the incumbent to leave. For example, it can be an excuse that he has to look after his wife who has been diagnosed with cancer, so that he can leave at once to allow another person to take his place. Secretary John TSANG, actually this may also happen to you, right? All of you in the TSANG's Corps are also only transitional, right?

Therefore, what are we talking about now? It is the fact that even though you have put on very high quality make-up, make-up is make-up after all, and there is a time for it to come off. Only a healthy person who bathes in the sun and works out will have a genuine, natural glow of a healthy complexion. What we are doing today is like putting make-up, in the most unnatural way, on a person who is fraught with ailments and seriously ill. Just as what DU Fu said, it is like "drawing the eyebrows too thick by rashly shaping them", which denotes a situation in which a concubine in the imperial palace became very unsightly as she drew her eyebrows so rashly, when the enemies had already taken control, that they became too thick. This is what you are doing, forcing things to happen. How could she draw her eyebrows, right? I do not understand why CHAN Hak-kan, who is young and capable, did not receive the same treatment as Gregory SO. Why was he not appointed? As he had the experience of working in the Office of the Chief Executive, he should have been appointed. Buddy, based on either seniority or work experience, he should have been appointed, right? The Government simply does not observe the rules of the game.

Regarding this unreasonable system, you still have to embellish it with decorations, how could you have done so, Buddy? Financial Secretary John TSANG, if you have bought a flat the saleable area of which has been "inflated", or which is "unfinished" with exposed steel reinforcements, will you continue to make the outstanding mortgage payments? I will definitely not do so. When the Government houses me in this illegally-erected structure, in which I will be crushed to death at any time when it collapses, why should I continue to make mortgage payments? These are bad sub-prime mortgages and bad assets, yet you are trying to make the people of Hong Kong continue to make mortgage payments. Are you sick?

Therefore, in order to tackle the problem and fix it at root, we in the pan-democratic camp could only employ the strategy of not granting approval to the funding request. Ms Emily LAU was already very kind because even the existing funding should not have been approved, Buddy. Let us just settle the issue by paying them the gratuity because retaining his system, which is jerry-built, will only do harm to society. So we had better dismantle it in order to be kind to the others. However, I know that trying to be kind is not the way out because in order to be kind, one has to provide a "kind" refuge. However, it is different with being wicked to the others. To deal with those scoundrels, we can simply use wicked means.

I remember a British writer once said something like this: Patriotism is the last refuge of a scoundrel. Are you patriotic? If you are, you have to accept what is imposed on you by the Central Authorities, and this is exactly our situation now.

Financial Secretary John TSANG, you have criticized me on numerous occasions for being childish and attempting to gain popularity through sensational appeals. However, it is this illegally-erected structure which is a sensational appeal to gain popularity. Have you ever seen such an illegally-erected structure? Have you ever seen such a "weird" system which resembles nothing at all? I have only seen a "weird" creature in the zoo, and never have I imagined that I would have the experience of seeing a "weirdo" in the Legislative Council of Hong Kong. Alas, it is an amalgamation of a zoo and an animal farm, in both of which are animals. It reminds me of the last part of a book by George ORWELL, which reads: Celebrating their victory, all the animals hailed the pig king and condemned human beings as scoundrels, and everyone was singing. Today, if we give another approval for you to establish such an illegally-erected structure and such an animal farm, there will be dire consequences. I am trying to reason with you, but are you doing the same? Are you being reasonable? Do you apologize for your wrongdoings? Or will you just act like the Japanese?

This is the best opportunity for us to examine the funding request by the Government, which has brought our trees to such a dreadful state and caused one more person to be killed. Under Secretary Gregory SO should apologize as his way of handing out name cards was not the way it should be, Buddy. As I always hand out my name cards, let me teach you how to do it. I would say: "Suggestions and proposals are welcome. I am a Member of the Legislative Council, and handing out name cards is something I should do, please feel free to contact me". The way he did it was not the proper way of giving out name cards, Buddy. Why did he not deeply repent what he did? Why did he not apologize? I apologized earlier for failing to criticize the Government. When some members of the public told me during my visit to a district that my criticisms did not suffice, I apologized and admitted that I should have made more severe criticisms, and so I did apologize.

Members, what is the choice today? The choice is that we should refrain from making another mistake as autocracy can never be disguised as democracy. Just as the Chinese Communist Government has, in respect of the 4 June incident,

taken human blood casually as if it was rouge, we would be taking human blood as rouge if we approved of the funding request today.

MR ALBERT CHAN (in Cantonese): Chairman, "Long Hair" talked about handing out name cards earlier. I did ask the Under Secretary for his name card just now, but he refused to give me one.*(Laughter)*

MS EMILY LAU (in Cantonese): Because you are not an officer from the Immigration Department.

MR ALBERT CHAN (in Cantonese): You are right. His family members might bring his name card to the Immigration Department, but I was turned down when I asked him for one.*(Laughter)*

I had better put on the microphone before I continue with my speech; otherwise, you may not hear me.

Chairman, when a person has become an Under Secretary but refuses to give his name card to a Member, this indeed poses a serious problem. This reason alone justifies the abolition of the system of Under Secretaries or the accountability system of political appointment. When a Member met the Under Secretary in the Ante-Chamber and humbly asked him for his name card, the Member's request was ignored. It is evident that this Government is not only feeble but also terribly shameless.

Chairman, regarding the accountability system, "Long Hair" said earlier that he had seen an animal which resembled four different animals but was really none of them, a "weirdo", so to speak. However, I think that the "weirdo" is only found in the administrative departments in the Hong Kong Government. All along, they say that they are adopting the accountability system, but suddenly, they say that it is a collective responsibility system. Take the chartered flight incident that occurred earlier as an example. Secretary Ambrose LEE and Chief Secretary for Administration Henry TANG both tried to shift the blame, but when they could not do so, they said it was collective responsibility. It is evident that the conflicts in logic and the confused theory underlying the system have been carried to the extreme. Accountability means being accountable, anyone who

has a sense of responsibility and prepared to bear political responsibility should come forward to be accountable. If they try to shift the blame, they should do so skillfully. Chairman, you should teach them some political skills and teach them how to shift their responsibility. Chairman, when you were the leader of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), and you were fearless in bearing responsibility. When the DAB was defeated in the District Council elections, you took the blame and resigned. This is the spirit of accountability. Directors of Bureaux, please learn from the good example of certain political parties. However, one of the Directors of Bureaux used to be the vice-chairman of the DAB, so he should have learnt from you, Chairman, that under the accountability system, one should take the blame and resign for the blunders and mistakes he made. How can he hide himself like a tortoise, not even dare to give me his name card?

How ineffectual the entire accountability system is at present? The chartered flight incident speaks volumes about this. There was a problem between the Secretary for Security and the Chief Secretary for Administration. The Chief Secretary for Administration obviously had made a mistake, for during the leave period of the Secretary for Security, he failed to handle the incident properly. Perhaps the Under Secretary had failed to undertake certain responsibility and handled the incident. It is obvious that there was a communication breakdown and some problems with the decision-making involved. If such was the case, the person concerned should be identified and held accountable. Who made the mistake? He should have the courage to come forward to take the blame. However, to the top echelon of the Government as a whole, what should I say? Back then, the Government said that the accountability system was based on two principles; first, political neutrality, and second, professionalism. The political neutrality of the system has been completely wiped out. The appointment of members of political parties as Secretaries and Under Secretaries is definitely not a politically neutral move. Am I right? Therefore, the so-called political neutrality is complete nonsense. It is only cheating the public, confusing them by calling a stag horse. "Zhen de bu-gai", (*in Putonghua*) which means: it really should not be that way.

Therefore, Chairman, "bu-gai ya, bu-gai, zhen de bu-gai" (*in Putonghua*), which means: it should not be that way. My articulation in Putonghua is not quite accurate.

CHAIRMAN (in Cantonese): Mr Albert CHAN, please do not speak in mixed-languages.

MR ALBERT CHAN (in Cantonese): Chairman, Chinese, Hong Kong people the criticism made by Jacky CHAN is wrong. The biggest problem with the people of Hong Kong is that they like to add some English terms when they speak Cantonese. Now that we have begun to be more and more patriotic, we like to add some Mandarin, that is, Putonghua, phrases when we speak Cantonese. However, we fail to speak the Beijing accent. The people of Hong Kong must visit Beijing a number of times to learn the Beijing accent, which will be much better. They may perhaps learn the Sichuan accent spoken by DENG Xiaoping.

Chairman, concerning the accountability system, at the time of TUNG Chee-hwa, the system was somehow in shape and founded on certain basic principles, and different Secretaries The car purchase incident of Antony LEUNG is a case in point. His mistake was indeed not serious, which might be negligence on his part, a human error or his failure to adapt to the bureaucratic structure promptly. As an official fresh in office — though he had been the Financial Secretary for quite some time back then, he might not have adapted to the political culture of the bureaucratic structure, and he thus made a wrong judgment. At the time, I said that I did not believe he had done so deliberately to evade tax for, given his income and status, he had no reason to blight his political prospect merely for the meagre monetary difference. He had only made a small mistake.

In comparison with the mistakes made by Directors of Bureaux and Secretaries of Departments in recent years, the mistake made by Antony LEUNG is ten to a hundred times less serious. The chartered flight incident is related to the life of the people of Hong Kong, but it is only mentioned lightly. There are innumerable problems with the Policy Bureau headed by Secretary Dr York CHOW. Dr YEOH Eng-kiong had to take the blame of the SARS incident and resigned. Let us look at the various problems occurred recently. In addition to vegetables and chickens, drugs were also found to be problematic. Moreover, the problems have occurred repeatedly. When the pharmaceuticals company was found to be problematic, it was only required to suspend the production of one type of drugs, while the production of other drugs could be continued, and it was only suspended later. We saw that the series of mistakes were caused by wrong judgment. Since those incidents were not properly handled, the interest of the

public, as well as the life of the people of Hong Kong, was affected. The drug problem has threatened the life of not only one but various members of the public, and has even caused death. However, the status of the Secretary and the Under Secretary remains intact. What kind of accountability system is it? It has deteriorated to a system that no one has to be accountable or everyone can refuse to be accountable. This is a system that allows people to shirk responsibility shamelessly. The system is so ineffectual, so unreasonable and so shameless. Should it not be abolished?

So, Chief Secretary for Administration Henry TANG is perhaps right. It may be better if the accountability system is abolished and replaced by a collective responsibility system, as in the days of the colonial era under the British Hong Kong Administration. If the clock was turned back to the time of TUNG Chee-hwa, things might be much simpler. Who is actually responsible for the formulation of policies? In future, officials may say that they are not responsible for this and will ask the public to ask the Chief Executive in Council. The ball is thus lobbed back to the top echelon. If resignation is required, they will have to resign together. It may again provoke 500 000 people of Hong Kong to take to the streets.

Nonetheless, the present system is really ineffectual and beset with problems. Its design and operation are extremely ridiculous. Throughout the history of China, particularly its modern history, the present system in Hong Kong is as ridiculous as the reign of the Beiyang Warlords in the 1920s and 1930s. They are quite similar, are they not? The Beiyang Warlords with military power would establish their status and enforce dictatorship in their regions, but after all, there was some kind of system. Parliaments were set up by Beiyang Warlords in certain regions and monitoring was put in place, though anyone who got hold of military power would be in command.

The present situation is just the same. Anyone with the backing of Grandpa may act arbitrarily at will, and he may anoint anyone as Under Secretaries or Secretaries. This is primarily a kind of political deal, or transfer of benefit. Though it is said that appointments were made primarily on merits, when we look at the name list of Under Secretaries — not to mention the Directors of Bureaux, some of them are quite incapable — and Political Assistants, we wonder what talents they have. Which aspects are they specialized in? Some of them rang me up not long after they had assumed office

and said they would explain certain policies to me. I thought: you were nowhere when I learnt about those policies, but you now said boldly that you would explain those policies to me. Most of the Under Secretaries and Political Assistants joined the political scene halfway, and they are now being trained as apprentices. They are rookies in politics. But how much are they paid per annum? The monthly salary for Under Secretaries is some \$200,000. They are working as apprentices for some \$200,000 monthly. Should not the public feel angry about this? Worse still, they may use their name card as income proof. Chairman, this incident is really a classic. I think those dealing with credit card applications will soon receive a lot of name cards.

Therefore, Chairman, regarding the development of the entire accountability system so far, I think the proposal put forth by Ms Emily LAU is the best solution to the ridiculous political system for the time being. If Members condone the continued existence of such a ridiculous system, Members themselves are indeed ridiculous. Many Members are veteran Members of the Legislative Council. They have been Members since the era of the British Hong Kong Administration. They witnessed the transformation of the system. They witnessed how the so-called accountability system run out of control. The entire accountability system is simply out of control. I wonder whether Donald TSANG, being the Chief Executive, can really put the entire accountability system under control. The present situation reflects how stupid the system is. The Chief Executive now has to order the Chief Secretary for Administration to handle the trees. It is evident that the Chief Secretary for Administration is utterly incapable.

Why can he fail to handle such a simple problem? The Chief Secretary for Administration may indeed convene a meeting with a number of Policy Bureaux to discuss the issue and give orders for immediate execution. The problem will be solved then. It is after all a negligence of duty on the part of the Chief Secretary for Administration. He is incapable. Perhaps he is just hanging around and doing nothing. He may not even know what he is doing. He may be savouring red wine. Since the duty on red wine has been lifted, the price of red wine is lowered, and he may now consume a few more bottles of expensive red wine. While he is enjoying life, the Chief Executive suddenly orders him to carry out his duty, and that he should stop hanging around and stop drinking red wine. This order again illustrates that the accountability system is extremely ineffectual. Under such an undesirable situation, if the Chief

Secretary for Administration and the Secretary do not reflect on themselves If they fail to perform satisfactorily, if they have made mistakes, they should resign of their own accord. This is the primary spirit of the accountability system.

Take the series of train accidents occurred on the Mainland, which had caused casualties, as an example — I have cited this example a number of times. Though the train was not driven by the Director of the Railway Bureaux, nor was he responsible for controlling the railways, he took the blame and resigned. What is the case for officials in Hong Kong? Though they have made wrong decisions and caused a series of blunders under their portfolios, they continue to sit here shamelessly and irresponsibly. When such shameless phenomena are found under a certain system, should the system that condones such shameless behaviour not be abolished? I will come back to the problems on the Mainland later. "Long Hair" will propose another amendment later, which is related to another kind of shameless behaviour. He requests that some \$100 million funding for the Bureau concerned should be cancelled to prevent the Bureau from opening an office on the Mainland.

Chairman, on the issue of the accountability system, with the strong support of the pro-government party, the amendment proposed by Emily LAU today will very likely be negated. It will once again prove how ineffectual this legislature is. Some academics said that the drop in the popularity rating of the Legislative Council should be attributed to the three Members from the League of Social Democrats (LSD) who raided this Council and use violent language. Actually, the drop in the popularity rating of this Council is caused about by a group of shameless Members who support a shameless administrative structure and ignore the interest of the public. When they vote for the Budget, it is another kind of shameless behaviour. They turn a blind eye to the plight of the 7 million people in Hong Kong to vote for a Budget that can in no way alleviate the plight of the public. Such behaviour of them puts this Council in a shameful position where it cannot face the public upright. The voting result this time around will make the public feel disappointed, and they will give a vote of no confidence in this Council. If a referendum is held on whether the Budget should be approved, I bet with my head that the Budget will definitely be voted down by the people of Hong Kong.

Hence, Chairman, a shameless legislature will surely be spurned by the public. You said that a 14% drop in popularity rating was not an issue, but the

grievance of the public will drive them to take to the streets sooner or later. By then, the Government will loss its face.

Chairman, I can only make a call here. Do not rely on the pro-government party and the functional constituencies, who have the control of more than half of the seats in the legislature, to represent the views of the public, for the realization of such a target is next to impossible. For this reason, the public can only express their views through mass movements. The trios of the LSD will continue to charge against this shameless Government and those shameless officials, even at the cost of being ordered by the President of the Legislative Council to withdraw from Council meetings. We do not mind being arrested and put in jail, not to mention the mere order of withdrawal from Council meetings. Chairman, we will surely insist on staging civil disobedience, hoping that those shameless Members will reflect on their shameless behaviour. Those shameless officials should also reflect on their shameless behaviour and do justice to the public. They should stop receiving public money on the one hand and taking advantage of their positions on the other.

MR FREDERICK FUNG (in Cantonese): Chairman, anyone who has followed the work of the Hong Kong Association for Democracy and People's Livelihood (ADPL) or my work, both within or without this Council, should know that the ADPL proposed the implementation of the ministerial system or the quasi-ministerial system as early as before 1997. Under the so-called quasi-ministerial system, the same spirit underlying the ministerial system will be upheld. Though the system may not necessarily be called the ministerial system, the nature of the operation is the same, where the ministers will be responsible for making political decisions and civil servants will be responsible for the execution of those decisions. Be such a system called the ministerial system or Accountability System for Principal Officials, I think they share the same principles and spirit. We are fearless in admitting that we have supported this system through and through, even before the Government gave its consent to the implementation of such a system. Upon the reunification in 1997, we met with TUNG Chee-hwa three times in 18 months to put forth to him three proposals on the governance of Hong Kong. Since the focus of today's discussion is on the Accountability System for Principal Officials, I will only highlight the salient points of certain proposals.

Under the first proposal, we proposed that for the prosperous development of Hong Kong, first things first, the Chief Executive must promote democracy in parallel with people's livelihood, as the self-explanatory name of the ADPL, the Association of Democracy and People's Livelihood. Not until the issue on dual universal suffrage is properly dealt with, universal suffrage will remain a curse to the Chief Executive or the SAR Government. This issue will not only tie up the Government, but may even disrupt the entire SAR. Hence, insofar as the governance problem of Hong Kong is concerned, it is essential that the issue on dual universal suffrage is first dealt with, and the problems of people's livelihood should then be settled. At that time, the ADPL listed the six major policy areas the Government must deal with, namely, education, housing, medical and health care, social welfare, labour and tax regime, which was an approach adopted by Western countries in general.

The second proposal was on the operation of the executive in Hong Kong. We proposed that the ministerial system be adopted, for the civil service system would no longer be practicable and should not be continued. If an approach better than the ministerial system was thought up, the ADPL would be willing to discuss and accept it. However, before a third system was available, the ADPL proposed that the ministerial system be adopted. Under the so-called ministerial system, the Chief Executive would appoint certain persons to take charge of different areas. They will be responsible for the formulation of policies, while civil servants will be responsible for the implementation of policies. By doing so, civil servants could withdraw from the political scene since 1997, which the governance of Hong Kong were dominated by Administrative Officers. As a result, the politics and operation in Hong Kong should be undertaken by people engaged in politics, while civil officials can really deliver their duties of civil officials under a neutral civil official system. We thought that it was the most desirable *modus operandi* for the SAR Government. I will explain this in detail shortly.

The third proposal is on the establishment of four offices — I wonder whether today is indeed the day of reunification, for it seems we are back to the time of 1997 or 1998. This coincides with the proposal to be put forth by Mr LEUNG Kwok-hung later. We proposed that offices of the SAR Government be set up in four places, namely, Beijing, Shanghai, Guangzhou and Taipei. If the establishment of an office in Taipei was considered difficult in the political

context, certain non-official offices could be set up. I will discuss this aspect when we deal with the next motion.

About the ministerial system or the quasi-ministerial system, initially I thought that the motion today would be on the discussion of accountability, but after hearing the speeches of the three Members just now, I notice that the discussion is not on accountability but the accountability system. What is the difference between accountability and the accountability system? If it is on the issue of accountability, it will be about incidents related to Under Secretaries or Political Assistants as cited by Members earlier, including the name card incident of Under Secretary Gregory SO, the airport incident (I use the term "incident" for I, not only the public, am not familiar with the Under Secretaries) and the death of a student caused by a collapsed tree in Stanley. I think that whether a system is right or wrong is not determined by whether the names of officials under the system are known to all. However, when it comes to accountability, the names of officials have to be known. If those officials really have problems, I will move in a discussion on accountability a reduction of their salary, termination of their employment, suspension of their duties or a reduction of their gratuity. If the discussion is on these issues, I will give my full support. I will vote against the approval of funding which allows them to continue earning their original salary. We also consider it inappropriate that a certain Political Assistant, who has only three years of working experience, is paid a monthly salary of some \$100,000. If it is proposed that his salary be adjusted to \$30,000 to \$40,000, I will agree. However, we are not discussing the issue of accountability now. Besides, those who should be held responsible for the problems we mentioned earlier are not subject to a pay cut under this motion. In other words, Under Secretaries or Political Assistants causing problems will not be held accountable under the present motion. If we do not allow the Government to create additional posts of Under Secretaries or Political Assistants, we are indeed holding the prospective designates to these posts accountable.

What is the point of the present discussion? Are we trying to confirm whether a certain person should be held accountable for his mistakes? Or, are we discussing whether the system should be abolished or frozen under the present situation, which are the two possibilities for the system? If the system is to be abolished, I will ask whether another system that can replace the Accountability System for Principal Officials is available. Let me tell you, the ADPL and I will vehemently oppose the resumption of the practice of employing Administrative Officers (AOs) to govern Hong Kong. I will explain the reasons shortly. If

you can put forth another system, it will be good to see the establishment of a new system upon the demolition of the old one. There is no harm for us to discuss this.

However, if the system is frozen, I think it will bring about major problems. As certain Secretaries are assisted by Under Secretaries and Political Assistants while other Secretaries have to deal with the entire policy portfolio all by themselves, and if they need to find someone to discuss an issue in the political context Under the Accountability System for Principal Officials, AOs are theoretically employed under a civil official system and they do not have to bear any political responsibility. In that case, is it necessary for those Secretaries to have someone to discuss political issues with them? I think it is necessary. If the Accountability System for Principal Officials is frozen, where no further development is allowed — it is not about the overall development of the accountability system, I wonder if Secretary Stephen LAM has mistakenly said so, for the development of the entire system has not yet been completed, with only two thirds of it having been put in place and one third of it having yet been finished. Upon allowing all the required posts of Under Secretaries and Political Assistants be filled, we may perhaps find out that the effect is undesirable, by then Members may recall that on the last occasion when the Democratic Party proposed a motion demanding a review of the existing Accountability System for Principal Officials, I gave my support to it. I consider a review necessary, including a review of the recruitment approach, the persons employed and the salary offered. I fully agree that a review has to be conducted. However, if the system is to be abolished now, we have to ask what kind of system we are looking for.

Again, I stress that we should never resume the former practice of employing AOs to govern Hong Kong. This is my stance. Why AOs should not be employed to govern Hong Kong? We may cast our mind back to the time before 1997. In 1997, what did the AOs do? There were about 400 to 600 so-called AOs at the time. They were not elected but promoted to the post or entered the grade through recruitment examination, and they had no democratic background. What were their duties? They were responsible for developing policies, conducting consultation on policies, collecting public views, formulating and implementing policies. If there were any problems with the policies, they would have to adjust the policies. They were required to deliver sort of a one-stop and all-in-one duties. As a result, the important power of governing Hong Kong was vested in the hands of those 400 to 600 persons. Is that a good

government system? In this world, perhaps only countries adopting dictatorship will have such a practice. No countries adopting democratic elections will adopt such practice, therefore, I see no reason we should still maintain this practice of AOs governing Hong Kong. Since I consider that the system of AOs governing Hong Kong should not be maintained, I can only draw reference from the system now adopted by certain democratic countries, which I call it the ministerial system. I hope that colleagues will make suggestions on what systems we should adopt if the ministerial system is not to be used. All of us can have an intense and extensive debate about it to turn over a new page for Hong Kong and to put in place an operating system for the SAR.

What is the problem with employing AOs to govern Hong Kong? Let me cite some examples. Was the substandard piling works incident a serious incident? Five hundred flats had to be demolished and several hundred thousands public housing residents have to be relocated. Which AO was held responsible? Which AO was penalized? Which AO had stepped down? Even Tony MILLER, the Secretary for Housing at the time, needed not to step down. Eventually, the Chairman of the Hong Kong Housing Authority was to take the blame. Is it fair?

The second example is the relocation of the airport. At that time, all Secretaries of Department and Directors of Bureaux were AOs. Anson CHAN was the Chief Secretary for Administration at the time. But given the terrible mess at the airport after the relocation, has anyone been held responsible? At issue is not whether Anson CHAN should be held responsible, but whether anyone should be held responsible. Before the Accountability System for Principal Officials was implemented, I seldom see any senior officials be held accountable for incidents. On the contrary, as pointed out by colleagues earlier, we see the resignation of officials after the accountability system was implemented in 2002. The cases of Yeoh Eng-kiong, Regina IP, Antony LEUNG and even TUNG Chee-hwa are examples. Though TUNG Chee-hwa departed on the excuse of a leg pain, I think he was indeed stepping down. What kind of leg pain was he suffering? We all know that he does not have a leg pain. Had not the Accountability System for Principal Officials been put in place, will the Chief Executive too step down? This is exactly the negative monitoring effect brought about by the Accountability System for Principal Officials — I may not necessarily be able to identify the best talent, but for those with poor performance, they will be in trouble. I think this is the spirit of the Accountability System for Principal Officials.

However, can we identify the best candidate under the existing Accountability System for Principal Officials? I agree that the problems mentioned by Members earlier do exist, and I have criticized those problems. I consider that the persons concerned should all be subject to a pay cut, and they should bear the responsibility and come forward to apologize. However, should we give up the system just because of these incidents? We may indeed compare this to the case of the Philippines as an example. Its President Marcos was often found to be involved in corruption, but it does not mean that the Philippines should cease to elect its Presidents. As a Member said earlier, the United States will not stop electing presidents just because President BUSH is incapable. They still have to elect their presidents for such a system is necessary. I am not referring to universal suffrage or democracy issues but the operating system the Government should adopt. I consider that politics is one thing and the civil official system is another. We say in no uncertain terms a system has to be put in place.

Under such circumstances, I would say, insofar as the several amendments proposed by Emily LAU are concerned, if her amendments are directed against the officials mentioned earlier, I would by all accounts vote for them, but not so, if she aims to prevent the vacancies under the Accountability System for Principal Officials from being filled in future. Though I agree that the salary of Political Assistants should be \$130,000, I wonder if he should be terminated. If we fail to come up with a new system that can replace the existing one, I think we should adopt the "adjust as we go" approach. When I say "adjust as we go", I mean that the system shall continue to run but there is room for improvement. Given all these problems, will the Government still stick to its previous practice? In other words, will it allow the non-disclosure of the holding of foreign nationality? Will it allow a fresh graduate to earn a salary of \$130,000? Will it handle these issues in a messy and chaotic manner? If such is the case, the public will not only lose confidence in the system but also the SAR, and the prestige, credibility and capability of the SAR Government in administration as a whole will fall to an unacceptable level. By then, the problem will no longer be with the Accountability System for Principal Officials but with the Chief Executive himself. He will be in the same situation TUNG Chee-hwa was once trapped.

Against this background, Chairman, I have presented some of my views on the system. Allowing AOs to govern Hong Kong is unacceptable, that is my bottomline, and any system before the bottomline can be raised for discussion. In Western democratic countries, the ministerial system is adopted. Before the

ministerial system is completely negated, I still hope that dual universal suffrage will be implemented in future. This is a system adopted by democratic countries for over a hundred of years. We should try to learn from the systems of others and see if it is practicable through implementation. I would like to remind the Secretaries, Under Secretaries and Political Assistants now in this Chamber to pay attention, for the people of Hong Kong are watching you. You are the representatives of the SAR Government. If you can do a good job, it will be good not only to you, but also to the SAR as a whole. If you fail to perform well, not only will you affect the SAR Government, you will also undermine the public's confidence in the SAR and "one country, two systems". I hope that every official now in the Chamber, particularly officials under the accountability system, will understand that they are now shouldering heavy responsibilities that cannot be easily shifted. If you shift your responsibilities, you need not only to apologize and resign, but also to face the history Others may query why the SAR Government has come to such a state.

DR JOSEPH LEE (in Cantonese): Chairman, first, my voice is not good today. Some people joked with me saying today was so important but I had lost my voice, was it because I did not want to speak and would only vote? Of course, during the debate on the Second Reading of the Budget earlier, my vote clearly indicated that I abstained. I will not dwell on this.

However, in retrospect, when I saw that Ms Emily LAU had proposed a series of amendments, I asked myself this question: Way back, I supported this system, this political appointment system, I voted in favour of it. When the Government applied to the Finance Committee for funding, I also voted in favour. When my colleague approached me and said, "Joseph, you are supporting me today. Whether you support Ms Emily LAU or the Democratic Party, you will vote in favour of this amendment." I said, "Well, will I then be overturning what I voted in favour of the last time? That is, I made a mistake then."

I thought for a while, and found some articles to read. I have read a book about an article penned by Anthony CHEUNG in 2006 on the accountability system. I located it and read it several times. What is in the book somehow resembles what Mr Frederick FUNG said earlier. He surely was not talking about the ministerial system, he just said that this incumbent Chief Executive might need a group of politically appointed officials to carry out some political

work for him, and to provide him with some novel thinking in policymaking. He also hoped that this system could optimize the existing structure or framework of the Government, and add value to his administration.

Of course, I have listened to the speeches of many colleagues earlier. Has anything gone wrong? How can there be so many incidents, not even all our fingers can count, all relating to the incompetency of the Secretaries and the Under Secretaries, and the lousiness of the Political Assistants? How can you say such people and the system can add value to his thinking? Anthony CHEUNG once said the beauty of this system lies in "division and convergence". This is what he said. What is "division and convergence"? That is to say as an integrated regime, the civil servants are carrying out their work. For the politically appointed officials, regardless of to which tier they belong, they are also carrying out some work which they are required to do politically. Combined together, they can in theory assist the Chief Executive in turning Hong Kong's existing less than perfect government structure into one which is more satisfactory. This is what he said. However, clearly, upon the introduction of the political appointment system, and after the assumption of office by the Secretaries, the Under Secretaries or the Political Assistants, different voices have been saying that their performance is not satisfactory. This is exactly the important issue mentioned by Mr Frederick FUNG, that is, are we saying there is a problem with this system, or when the system is implemented by so many people, there is a problem with them.

After pondering over the issue for two days, I discovered that when I voted in favour of it initially, including the application for funding presented to the Finance Committee, I considered that this system should be able to help Hong Kong perform better in terms of governance, and can help to take us further in policymaking or other respects. Unfortunately, I am disappointed because after the political appointments have been made, with the appointments of the Under Secretaries and the Political Assistants in particular, problems seemed to have cropped up in the appointment process, leading to the phenomenon mentioned just now, which is some people can be paid over \$1 million as their salary with two to three years of experience under their belt. I have been teaching at the university for a decade but my salary is not as good, why can some others have that? A lot of people have been saying this. This is a personnel matter. Does it mean that this system is not feasible? I am doubtful about this.

Ms Emily LAU said earlier that the purpose this time is to take away all the money, which may be what we call a symbolic gesture. We will cut all posts to prevent it from operating. That is to say the system will actually be bound, in the way Mr Frederick FUNG put it, having one third or some of it cut. In that case, how can we examine whether it can work or not? Before a review is conducted of this system, we have cut and bound it, can this work? I am also doubtful about this. Therefore, in retrospect, I absolutely agree that though the performance of these people under this system may not be satisfactory, I on the contrary think that there is one thing the Government has to do, that is, as an impartial, open and just government, it should appraise these officials clearly and give an explicit account to the public. For instance, what is the appraisal of the performance of a certain official sitting here? Should his salary be cut? For this official with a good performance, though he may not be senior enough, his salary should still be increased, or he should be worth a salary of over \$1 million. We think we need to know this. This is the first point.

Second, if an official thinks that his performance is not good, or falls short of the expectation of the public, would it be because a certain incident — we are not talking about an emotional problem but a factual one — leads to his having to step down and resign of his own accord? Why should he do so? This is because he has to uphold this system and not himself, which is important. From the angle of personnel management, the Government should practise this as people will know whether those sitting here are worth their salary and whether they can deliver what this system demands of them. Every one of them sitting here, be they employees or employers, is clear that when the Government employs someone, it will examine whether or not the person is worth the money. Just as some colleagues said earlier, it should be value for money. Has this been achieved? If we take it as a joke, can we ask the Audit Commission to use what we call the quantified indicators to find out if this group of people sitting here are worth the sum of public money spent, can really achieve these tasks every year and are worth these salaries? This is a personnel issue which also serves to highlight if these officials can actually bring this system into full play.

I think I absolutely have reservation this time, that is, the two issues cannot be discussed together. Is the performance of those sitting here alright? Good? Although this is another issue, I do not think that their performance should have a

bearing on the money earmarked for the positions to be created or to be filled through recruitment. So, having thought about it, I think I have reservation about this amendment.

Chairman, I so submit. Thank you.

MR IP KWOK-HIM (in Cantonese): Chairman, on behalf of the DAB, I have to express that we do not support the amendment moved by Ms Emily LAU today. We oppose this amendment.

The reason for our opposition is mainly that the accountability system is not as hopeless, undesirable or even meritless as Ms Emily LAU or the other Members who have moved amendments put it. Actually, in the first five years after the reunification — we may remember that — there was no accountability system, but when the people had witnessed the blunders of individual officials, they formed their demands. Earlier, some Members have cited some examples, including the chaos caused by the new airport and the substandard piling works incident which had led to the stepping down of some non-civil servants. Therefore, the public has demands for the accountability system. From this, we can notice that the people are finding the phenomenon of "collective responsibility meaning no one is responsible" increasingly unacceptable, and this is primarily why the DAB has been supporting the accountability system since its introduction in 2002 by the Government. Under this system, politically appointed officials should assume political responsibility for the Government's administration, bring the Government closer to public sentiments in formulating policy measures so as to tab society's pulse and respond to the aspirations for modern governance.

We cannot deny that the recent spate of incidents, including the chartered flight to Thailand mentioned earlier and the female student crushed to death by a fallen tree, has shown us that in the process, the way in which the Government handled the matters has triggered adverse criticism from society on such aspects as slow response and lack of co-ordination among the Policy Bureaux. Although I believe this has reflected a need to improve the arrangements for and the implementation of the accountability system, do these incidents constitute sufficient evidence for uprooting the accountability system? We do not think so. On the contrary, we can look at the chartered flight incident from another angle. If there were an Under Secretary, the incident might have been handled better but incidentally, this Bureau does not have an Under Secretary. Thus, we very

much hope that when examining this accountability system in the course of discussion, be it the Under Secretary or the Political Assistant, we think this is also a manifestation of the accountability system.

Dual universal suffrage is the ultimate goal of Hong Kong's constitutional development and the Basic Law has spelt out clearly that for them to be implemented smoothly, they should dovetail with a suitable political framework, a mature political culture and sufficient political talents before they can tie in with the overall political development. There is consensus in society that the Government has an inescapable duty to promote the system effectively and to nurture political talents. Therefore, the Government has to make strenuous efforts to find out how political talents can be nurtured, how the channels for tapping talents can be expanded, and how participation in public affairs or even the political room for policy decisions can be opened. It is then that the political system of Hong Kong can see a healthy development. To me, expanding the accountability system and increasing the positions of Under Secretaries and Political Assistants is an active response to society's call for the nurturing of political talents.

Ms Emily LAU has earlier quoted some words of some senior officials who have just retired, and here, I would also like to quote what some former senior officials think of the accountability system. In a recent newspaper article, Mr Joseph WONG, the former Secretary for the Civil Service, said he has been supporting the accountability system right from the start because he thinks that for an increasingly democratic government, policies should not be formulated by a team of civil servants who do not have to assume personal political responsibility, nor can the civil service team be counted on to gain the recognition of the other political forces and the masses. Chairman, before and after the reunification, Mr Joseph WONG has assumed major posts in the Government and experienced both the civil service system and the political appointment system, so his views seem to have come from his personal experience.

The accountability system is well-intended and its objective is also clear, we should implement it in accordance with the plan set. Nonetheless, we also note that to the SAR Government, the accountability system is still novel, and it takes time for making adjustments and improvements.

We are aware that if Ms Emily LAU's amendment is passed, it would be impossible to create the new positions of seven Under Secretaries and Political

Assistants. In that case, it would be impossible to implement and enhance the accountability system, and the development of a democratic political system will be seriously obstructed. In that eventuality, it is believed that both the SAR Government and Hong Kong society will have to pay a hefty price. The seven Under Secretaries are here today to listen to some views of us Members on the issue, and I actually wish to say a few words to them. The people have hopes for you, and so does the legislature. I very much hope that you can do more good deeds for Hong Kong in your present positions. Earlier, Ms Emily LAU strongly criticized your shortcomings in three incidents, I think those should be taken as lessons. Then, you will be able to realize more from your positions the significance of accountability, and turn Hong Kong into an accountable society sooner.

Chairman , I so submit.

MS MIRIAM LAU (in Cantonese): Chairman, with the expansion of the political appointment system last year, the latest group of political appointees were recruited with the objectives of enhancing communication and exchanges between government departments and various sectors of the community, collecting wider views from the public, and ensuring smoother administration. But unfortunately, a series of incidents relating to these political appointees have happened since then including the blockade of access to the airport by red and green taxis in last December, the Thailand charter flight incident late last year, and the latest talk-of-the-town foreign domestic helper contract renewal incident. All these have conjured up a bad image in society of individual Under Secretaries and Political Assistants.

More disappointingly though is that the public has so little recognition of the Under Secretaries and Political Assistants who are supposed to be specially tasked perform political duties including liaison and lobbying. Most people do not know who they are or what they are responsible for. According to a survey conducted by the Public Opinion Programme at the University of Hong Kong early this year, the Under Secretary for Education, Mr Kenneth CHEN, was the most recognized face amongst the 17 incumbent Under Secretaries and Political Assistants. But his recognition rate was just a mere 1.1%. Five of the political appointees registered a zero recognition rate.

There is no denying that although the expanded political appointment system has been implemented for almost a year now, the public's overall

impression of it is far from satisfactory. The people have no idea about the work of these officials including their duties and responsibilities, division of labour and principal policy areas. It is also unsatisfactory that these political appointees have such a low recognition rate. The people just do not know who they are. All these serve to illustrate how much room for improvement there is in the whole political appointment system, and that it has yet to bring its intended functions into full play.

Nevertheless, the expanded political appointment system has been implemented for a relatively short period of time, less than a year. What I mean is the expanded system for the creation of Under Secretary and Political Assistant posts. The Government's original plan was to create 24 new Under Secretary and Political Assistant posts. But to date, 30% of the posts, that is seven posts, are still vacant. In other words, the political appointment system has yet to have a full team in place. But would it be a good idea to axe these seven vacant posts as proposed by Ms Emily LAU, and arrest the further development of the system? Would it be a fair thing to do, the right thing to do?

Undoubtedly, the general public would like the Government to do more to improve the system so that the team of officials under the accountability system could enhance communication with various sectors of the community, help formulate policies that are closer to public sentiments, and bring about smoother enforcement of government policies.

In order to achieve these goals, the Government must increase the transparency of the accountability system. Measures should also be taken to increase public awareness of these officials and to clearly define their powers and responsibilities. All these could help improve the public's overall impression of the accountability system and enable the system to bring its intended functions fully into play. It is only in this way can the administration of the SAR Government be upgraded.

At the same time, the Government should be aware that the public has always been concerned about the remuneration of officials under the accountability system. As such, we would like to urge the Government to exercise more stringent control when considering the terms of employment for the remaining seven posts. The Government should cease using the excuse of attracting suitable candidates and arbitrarily adopting the mid-point salary as the anchor. Some officials under the accountability system were even offered the

maximum salary point on entry. Instead, we hope the Government could determine the salary level of individual political appointees objectively according to their own strengths including experience and qualifications.

All in all, Chairman, although the public is not completely satisfied with the performance of the new officials under the expanded accountability system, we do not agree that the system should be deprived of the chance of further development. Therefore, we cannot support the seven amendments proposed by Ms Emily LAU today.

MR WONG YUK-MAN (in Cantonese): Chairman, we are discussing here today the amendments proposed by Ms Emily LAU. They are about money, not policies. In other words, it is about asking Members not to support the Government's funding proposal, am I right? In fact, I did not have any intention to speak until I became so furious when I heard what Frederick and Joseph LEE said just now.

Last year, a more or less unanimous decision had been made at the pro-democrats' regular "lunchbox" meetings to condemn those Members who had voted for the Government's funding proposal to create the posts of Under Secretaries and Political Assistants. Those Members included Frederick FUNG and Joseph LEE. Later, someone had asked us not to take such an action out of consideration for the overall situation. Yes, Albert CHENG had also voted for the funding proposal. Altogether, three Members of the pro-democracy camp had voted for it. Albert CHENG had said then, "Well, I have no intention to seek re-election. You can condemn me for all I care." At that time, an old lady Mrs CHAN paid \$2,000 to place a joint condemnation advertisement in the newspapers. Both the Civic Party and the Democratic Party had agreed to do so. Then FUNG and LEE flipped and threatened to turn the table against the pro-democracy camp. Finally, we cancelled the decision to run the condemnation advertisement against these two buddies and Albert CHENG out of consideration for the fragile overall situation. As for other pro-government Members, what was there to condemn anyway? We condemn them every day and it is a waste of breath. It is very clear that we are in opposite camps, right?

But these two "buddies" did not share the same view of the rest of us on this matter. But that has not prevented us from presenting a united front. Look how united we are in our votes today. One just has to stand firm on matters of right and wrong regarding important matters of principles. Although they always criticize me, I am alright with that. But what are your stands on this matter anyway? You are now singing praises of the accountability system. If those people were not up to scratch, you are saying that they were not sacked, rather they stepped down as a show of assuming responsibility. Was mention made of a mechanism for administering pay cuts? There can never be such mechanism at all. Therefore, no matter how well they have presented their crooked arguments, it was a blot on them. You cannot retort now. You can only wait for the next occasion. Frankly, this is a stain. The officials appointed under the expanded accountability system are sitting over there in an honourable posture today, and these two buddies have to pitch in even more to help the Government. I think they should keep quiet from now on. What more is there to say anyway? There is no way Emily LAU's proposed amendments to delete the said provisions would be carried today. It is merely a gesture. There is no way we can successfully delete the Government's funding provisions. Whenever the voting bell rings in this Chamber, the voting squad will assemble in full team to vote for the Government. While it is impossible for the amendments to be carried, we can still raise the subject matter for discussion.

I had to hurry back to make my speech because I was in my office just now, hearing the ridiculous speeches made by these two buddies. They say they are speaking the truth but it is all crap. Of course I have to speak up, right? The Accountability System for Principal Officials is a "terminal case". Some of you may not have heard this from me. Once, Henry TANG was here because of the delay in sending charter flights to Thailand. When asked who should be held responsible, he just sat there and talked about the Accountability System for Principal Officials by repeating once again what had been said in previous papers. Then I told him a story. I am going to tell the story again now, with a bit more details which I have uncovered. One of the major works by HUANG Zongxi (黃宗羲), a great Confucian scholar in the late Ming and early Ching dynasties, is "Waiting for the Dawn: A Plan for the Prince" (《明夷待訪錄》). If you have not heard about the book, search the Internet and you will find it. There is an article entitled "Chapter on Establishing a Prime Minister" (《置相篇》) which discusses the abolition of the office of prime minister by Ming Taizu, ZHU Yuanzhang (明太祖朱元璋). HUANG wrote, "Some considered that there was

no good plan for administration in the Ming dynasty and it all started when Emperor Gao abolished the office of prime minister." ZHU Yuanzhang was so upset by a suspected coup plotted by his prime minister HU Weiyong that he ordered the abolition of the office of prime minister. Without the prime ministers, court eunuchs began to interfere with the administration, and the rest is all history.

When I hosted a television programme, there was an episode on ZHU Yuanzhang. I hailed him for making an exceptional achievement by abolishing the office of prime minister, thereby plunging the Ming Dynasty into a dark age. The Ming Dynasty was the darkest era of sovereign rule in Chinese history. I once told Donald TSANG that the accountability system was a system formulated to target certain people. At that time, Anson CHAN was not working in harmony with TUNG Chee-hwa because all matters were decided by the civil servants under her leadership. Am I right? Everyone knew about the rift between TUNG and CHAN. Subsequently, CHAN resigned. TUNG's team reflected on the whole issue and decided that it was unacceptable for civil servants to run Hong Kong. Then they came up with the Accountability System for Principal Officials which was formulated to target certain people, or to put it more bluntly, the residual force of Anson CHAN. Hence, with the implementation of Accountability System for Principal Officials in 2002, Chief Executive Donald TSANG, the then Chief Secretary for Administration became a lame duck. I gave him the nickname "Powerless TSANG". He looked happy when he met me and said, "Yuk-man, you have given me a new nickname." And I said, "So you are really powerless, TSANG?" I said he was "powerless" because he had been stripped of all powers. At that time, he was tasked to be the Chief of Clean Hong Kong. Now, Henry TSANG is tasked to be "the King of Trees". It is really the same old story. So when will Henry TANG take the helm? TANG stole the limelight lately with his vehement attacks on the League of Social Democrats (LSD) by writing letters to the President and Emily LAU. The reason is simply that he has nothing else to do.

Ladies and Gentlemen, it is most ridiculous to give Henry TANG the task as "the King of Trees". While the Leisure and Cultural Services Department should be held responsible for the falling tree incident last year or at least apologies should be extended to the family of the victim, TANG said in English that it was "acceptable". Is that not infuriating? His action had made the father of this studious young lady so grief-stricken that he had only hatred for the SAR Government ever since. TANG should have come out to apologize on that day.

Donald TSANG should also have come out to apologize. It was only after the Coroner's Court had ruled that the Government should be responsible that Chief Executive Donald TSANG came out with a great fuss and named TANG as "the King of Trees" to lead a task force on tree management. It is just the Government's usual tactic to set up these committees to deal with any matters it cannot resolve. TSANG then crowned the idling and defunct Chief Secretary for Administration as "the King of Trees". Maybe TSANG was thinking about TUNG tasking him as the Chief of Clean Hong Kong, and now he wanted to take care of TANG and task him as "the King of Trees". If we are to discuss the accountability system, we must go to the core of the matter direct, Frederick FUNG, my buddy, can you see? "The King of Trees" and the Chief of Clean Hong Kong are so comparable. But history is full of paradoxes and ironies. Maybe in 2012, "the King of Trees" would become our Chief Executive. If that should happen, how laughable the whole thing will be? So it is alright to be "the King of Trees" and the Chief of Clean Hong Kong because you are sure to ascend the ladder eventually as long as you can wait patiently and, more importantly, you can win over the heart of Grandpa. We cannot decide who will be our Chief Executive. It is decided by Grandpa in Beijing. You will have a chance as long as you can win the heart of Grandpa. It will be a fight of cats and dogs for the likely candidates to win over the heart of Grandpa.

As far as the accountability system is concerned, my view then was that it was no different from the abolition of the office of prime minister by ZHU Yuanzhang. I am surprised to learn that someone actually shared this view. He is Dr Joseph LIAN Yi-zheng, the chief lead writer of the *Hong Kong Economic Journal* (HKEJ). In June 2005, he had written some articles in the HKEJ which were collectively entitled "Things and Thoughts of My Six-Year Stint with the Central Think Tank" (謀府生涯六載事與思). While he was a full-time member of the Central Policy Unit (CPU), he took part in the 1 July parade in 2003 and then he got fired. If the Government had employed this buddy as a full-time member in its think tank, you can rest assured that he is a learned fellow. I think the same could be said about the Head of CPU, Prof LAU Siu-kai. He is so happy in his job that he wants to stay forever. When everyone is attacking the LSD, LAU said, "We have grasped the mainstream public opinion." But what sort of mainstream public opinion he was referring to? In 2003, Old TUNG was tricked by LAU and he got into big trouble because of LAU's wrong judgment that only 30 000 people would take to the streets on 1 July 2003. LAU really got TUNG into big trouble. When I told Donald TSANG on 23 June that my estimation was that at least 300 000 people

would take to the streets, TSANG said I was just bluffing. I said the same thing to the Chairman. Oh, the Chairman was really remarkable because he said it was a "big deal". He is so much shrewder really. I can tell you he is a better candidate for the post of the Chief Executive. Donald TSANG got TUNG into trouble and so did LAU. I am now sympathetic with Old TUNG. He was so miserable with his bad leg. Come to think of that, Premier WEN Jiabao was visiting Shenzhen and saw 500 000 people flock to the streets. Can you imagine how hard it must be for him? On the day of 1 July to commemorate Hong Kong's reunification, Premier WEN came to Hong Kong in the morning to encourage Hong Kong people who had gone through the SARS ordeal. The scene was so touching. Then in the afternoon, he arrived in Shenzhen and some 500 000 people took to the streets in Hong Kong. When they had dinner together, WEN asked TUNG how many people had taken part in the rally. TUNG said, "30 000 at most.(*in Putonghua*)" He should just shut his mouth. It was so infuriating. He was getting us all into trouble. So from then on, the mainland authorities have zero tolerance for people like me and they will use every means against us. But it is alright with us because if we cannot stand the heat, we would not stay in the kitchen. Unlike you, we are not afraid of bearing responsibilities. But you are not really the ones to take the blame. So whose responsibility is it anyway? No one has ever told you what is there to be responsible for. "Being accountable" is nothing but empty talk. Hence, sometimes I really think you are not solely to blame. The problem lies with the system and the system is crap.

You can criticize me for stirring up trouble with my taunting and provocative tongue. But Joseph LIAN, a former full-time member of the CPU, must have some grain of truth in his comments. Here is what he has to say, "There are two major changes introduced by the new system. First, the long-standing upper-lower, leader-subordinate relationship between the Chief Secretary for Administration and the Directors of Bureaux has been abolished so that all powers of policy formulation are placed under the direct control of the Chief Executive. Second, the Chief Secretary for Administration has been stripped of the power to act as the Head of the Civil Service. The Civil Service will henceforth be led by the Secretary for the Civil Service who is directly appointed by the Chief Executive and who is no longer a member of the Civil Service. These two changes combined is tantamount to 'abolishing the office of prime minister', with the emperor usurping the powers of the prime minister. Henceforth, the Chief Secretary for Administration is just a namesake without

any real powers to oversee the formulation of government policies and he is no longer the Head of the Civil Service." Those are the words from Joseph LIAN. These remarks are criticisms on the entire accountability system. Two key points have been highlighted here. In his articles, LIAN has also cited many incidents for illustration. I do not know whether Secretary Stephen LAM has read the book. LIAN is your ex-colleague, right? Some Members have said just now that another of your ex-colleague Joseph WONG is also commenting on the former administration. I think in WONG's case, his remarks are sour grapes because his job as a Bureau Director has been taken away. But we are different. We have no power whatsoever from the very beginning till the end, even though I have written these articles for all of my life. Secretary LAM, what about the things you have said about the system? I think the retired senior officials have spoken too much and what they have said is mostly pointless. The one exception is Regina IP. Her comments are not entirely pointless because she is a directly-elected Member representing the people. From whose point of view these retired senior officials are commenting the system anyway? To put it bluntly, all the retired senior officials, including Anson CHAN before she became a Legislative Council Member through the Hong Kong Island by-election, simply do not care. That is the real issue here.

As regards Emily LAU's proposal, we as members of the same alliance, have a moral duty to support the amendments even though I know very well that the outcome would be futile. But I will make full use of this platform to speak for more than 10 minutes. At least, I can teach the young people something. At least those who are interested will go online and look up what "Waiting for the Dawn: A Plan for the Prince" is all about, what the title is about. I think you need to do a little research on that. Just do not get the title wrong, it does not mean a record of someone waiting to be interviewed. That would be a terrible mistake. Some people often criticize me for my vices because they would have a bad influence on the young people. But I say you can also learn from my virtues. We can all learn from history. We can either use the past to disparage or elucidate the present, or we can revisit the past to gain new insights. We are Chinese people. We are not foreigners. Throughout the long history of China, there are good codes and systems, and bad ones, too. Should we not try to learn from all of these? But someone just have to throw all these away and invent a system that only appoints people of close affinity, that is formulated to target certain people and without due consideration for its long-term impact. The result is the mess we have today.

I for one am sympathetic with the Under Secretaries sitting at the back of this Chamber. These seven persons are by all standards top-notch talents and elites in our society. As the Chinese idiom goes, "Why do thou fair beauties

MR LEUNG KWOK-HUNG (in Cantonese): become thieves.

MR WONG YUK-MAN (in Cantonese): You say so.

You are the elites of our society and there are many jobs out there that you can choose. Why do you choose to work as Under Secretaries? And Mr Gregory SO, I really do not want to criticize you. All your seniors are here today. But you are so stupid. I would not seek to admonish you on other pretexts. After all, you have apologized for your mistake. But the whole incident has proved one thing. Buddy, just tell me what was in your mind when you thought you could use a name card in lieu of income proof? It really baffles me. What is the relationship between this incident and the expanded accountability system? I really want to know. Maybe Secretary Stephen LAM can give me a reply later. Also, have you asked him why he gave his name card to the Immigration Department (ImmD)? Stephen LAM, have you ever given your name card to the ImmD? Honestly, maybe you have done so but you did not get caught. *(Laughter)* But for SO, someone at the ImmD has exposed his deed. The most ridiculous thing is that the Government is now trying to find out and punish this person for exposing SO's deed. Do you really dare to do so? If so, you had better not let me know. You better not dig into who this person is, his name, and so on. It is really outrageous to talk about punishing the person who exposed the whole thing. The Government should never do something like this. We have to be fair.

All in all, the Accountability System for Principal Officials is a mess without any merits and meaning. So Honourable colleagues, I urge you to support Emily. I so submit.

MS AUDREY EU (in Cantonese): Chairman, on behalf of the Civic Party, I speak in support of the amendments proposed by Ms Emily LAU. Many Members who have spoken today have talked about the meaning of

accountability as well as the merits and demerits of the accountability system. Mr Frederick FUNG even went as far as to say that his bottomline was that Administrative Officers should no longer be allowed to govern Hong Kong, and that any system before his bottomline could be suggested for discussion. But, Chairman, I must point out that the scope of amendments proposed by Emily LAU is not that wide. They do not call for a discussion on the accountability system *per se*. Of course, Members are at liberty to say what they want in their speeches, but the proposed amendments have nothing to do with the merits or otherwise of the accountability system. Today, we are talking about financial provisions made under the Budget, and this gives us an opportunity to consider whether the funds earmarked for the seven politically-appointed positions should be retained or not. That is what the whole thing is about really.

It all started when approval was given by the Finance Committee of the Legislative Council on 14 December 2007 for the creation of 11 posts of Under Secretaries and 13 posts of Political Assistants with effect from 1 April 2008. The Government made the first batch of appointments for eight Under Secretaries and nine Political Assistants last May and seven posts were left not filled. The subject under discussion now is whether financial provisions for these seven posts should be deleted. It is as simple as this.

Chairman, I have to state from the onset that the Civic Party has been opposing the proposals to expand the political appointment system and to create the posts of Under Secretaries and Political Assistants since 2007. The reason is very simple because we think that democracy could be developed only out of a democratic system, founded on choices of the voters. The development of democracy would never benefit from political appointments made by a government with no mandate from the people. Hence, in relation to the present Budget, we have already rejected the original funding proposal in the first instance. But we are not talking about the original funding proposal either. The point of contention is whether funding provisions for the remaining seven posts should be maintained. I always think it is somewhat like a dog in the manger because the Government has clearly no intention to make a second batch of appointments to these seven posts this year. I can hardly imagine the Government, though many moves by the Government are also quite beyond imagination, taking steps to fill these seven posts of Under Secretaries and Political Assistants under the present economic conditions. Under the circumstances, do we really need to make these provisions this year and "inflate"

the Budget so that it looks like our expenditure has increased tremendously as a result of the additional costs incurred by these seven posts?

Just now, many Honourable colleagues have talked about the controversies surrounding the Under Secretaries and Political Assistants. When they were first appointed, there was widespread public outcry over their nationality, the offer of mid-point salaries and the Government's black-box operation throughout the appointment process. Then there were other incidents including the blockade of access to the airport by red and green taxis as cited by Ms Miriam LAU, the delay in sending charter flights to Thailand, the infamous use of name card, and so on. Many Honourable colleagues have also talked about the zero recognition rate registered by five of the political appointees. The recognition rate of the most highly recognized official is only 1.1%. Honourable colleagues, including those who have been supporting the Government, all said that, "It is unacceptable. We have high hopes on you and we hope you can do better." No one is trying to put up any defensive arguments anymore about these issues. Chairman, our discussion today is held against a grim background with Hong Kong facing tough economic challenges, with many incidents surrounding the Under Secretaries and Political Assistants left unresolved and unreviewed, with the Under Secretaries and Political Assistants yet to run in with the Civil Service. Under the circumstances, should the Government be "clinging" onto the said financial provisions as if it is planning to appoint seven more Under Secretaries and Political Assistants within this financial year?

The scope of our discussion is indeed very narrow. I think we must also look at the letter sent to us by Secretary Stephen LAM lobbying for Members' support to let the Government "cling" onto the seven positions and explaining why such political appointments should be made. In the letter, he said the political appointment system has enabled the Government to determine its policies having closer regard to community aspirations and to respond to the modern demands of governance. But Members who have spoken today, including those who support the Government out and out and those who intend to support the Government at the vote, hold the same view that the performance of the Under Secretaries is not up to scratch. Clearly, these political appointees cannot function as intended, that is, to help the Government formulate its policies having closer regard to community aspirations, stay responsive to public demands and improve its governance, as Secretary Stephen LAM has put it in the third paragraph of his letter. I think the discussion is actually dragging and not helping the Government. The appointment of Under Secretaries and Political Assistants is counter-productive.

Secretary Stephen LAM then went on to say that the eight Under Secretaries and nine Political Assistants had assumed office in batches from last June. In order to gain our support for this policy initiative, he mentioned that the Under Secretaries had hosted district forums on the 2008-2009 policy address as moderators. According to him, it was part of the duties of the Under Secretaries to reach out to the people and listen to their views. But Chairman, if that is the case, then how can we explain the low recognition rate registered by the Under Secretaries as mentioned by many Honourable colleagues just now? The one official who is most popular among the public only has a 1.1% recognition rate. It is quite obvious that even though they have hosted the district forums and reached out to the people, the people do not know who they are. Under these circumstances, do we have any more reasons to maintain the said provisions and hence, endorse seven more political appointments in the Government?

I now turn to the seventh paragraph of the Secretary's letter, the last paragraph. There are only a few paragraphs in the letter anyway. In this particular paragraph, he said that the amendments proposed by Ms Emily LAU were aimed at deleting the financial provisions earmarked under the Budget for the seven unfilled posts of Under Secretaries and Political Assistants. They span across the subhead of seven heads of expenditure involving a total sum of \$15,920,000. According to him, the proposed amendments were not consistent with the decision made by the Finance Committee and had deviated from a long-standing practice. Although the amendments were aimed at seven unfilled positions, it was the Government's established practice to fill the posts in phases as and when necessary. But Chairman, many Honourable colleagues, in particular Frederick FUNG, have said that their support for the system do not mean they endorse the salary levels of these officials. He for one considers that the salary levels are way too high. Many Honourable colleagues have said that their support for the system do not mean they endorse the things done by these officials. However, Chairman, our discussion today is about the Budget. I call on Frederick FUNG to ponder on this: our discussion today is about appropriation and if you do not endorse the salary levels, why do you support the provisions? If you think the salary levels are way too high, then on what grounds do you give your support to earmarking some \$15 million for salary payment?

Moreover, whenever we are discussing the controversies surrounding the Under Secretaries, especially when the matters are brought up by Members who appear to be critical but are in fact helping the Government to find a way out, Chairman, can you guess what Secretary Stephen LAM would say? He would

invariably say, "The system is approved and endorsed by the Legislative Council." That means he will offer no explanation. That means even the Under Secretaries are at fault, he would neither take the blame nor offer any explanation. But he will put all the blame on us. He is saying that by approving the relevant funding proposals, the Legislative Council has endorsed the appointment of these Under Secretaries.

Hence, Chairman, I have to solemnly and sincerely remind Honourable colleagues that if we do find the performance of the Under Secretaries unsatisfactory to date, we must make our judgment from the people's point of view. We have a duty to ensure the proper use of public funds. Under the circumstances, why do we need an extra provision of \$15,920,000 so that the Government could appoint seven more Political Assistants? Or at least can we wait until their performance have improved?

Hence, Chairman, I urge Honourable colleagues not to make the same mistake twice. We must stop giving Secretary Stephen LAM the chance to blame it on us whenever or the next time when the Under Secretaries or Political Assistants are involved in some untoward incidents, and to say the accountability system has the support of the Legislative Council.

Hence, within the very limited scope of the said provisions — but Emily, you really should have done more than that — I call upon Frederick FUNG to consider this: no matter how hard you are trying to defend your stance stated before 1997 (but we are not talking about that either), you can still support Emily's proposed amendments to delete the said provisions. After all, we are just talking about the seven Political Assistant posts. After all, the provisions are deleted from this year's Budget only and you can still endorse the provisions in next year's Budget, right?

Hence, Chairman, I hope Honourable colleagues will support the amendments proposed by Ms Emily LAU. Thank you.

DR PRISCILLA LEUNG (in Cantonese): Chairman, being one of the new Members of the Legislative Council, I think I can talk freely about funding provisions for the Under Secretary posts without any burden because we new Members have not casted any votes, either for or against, on the previous occasion. Nonetheless, I think it would be helpful for us to share our observation on the implementation of the expanded accountability system and make suggestions on its overall development in future.

I have all along maintained that Hong Kong needs to reform its civil service system. Our Civil Service is developed out of a generalist-led tradition and it has been hailed as an outstanding team. I think enough has been said about how good it is. But we also have our fair share of bureaucratic red tape in Hong Kong, most notably in the Food and Environmental Hygiene Department and some others. I believe the people hope to see improvements in our Civil Service in this aspect. But as the Civil Service is led by generalists, many incidents have occurred and escalated into crises because there is simply no risk control or crisis management. I am not talking about the charter flight incident and the like here. The public is actually hoping that with the introduction of the accountability system, the Government could recruit a group of specialists who would be working with the generalists in the Civil Service to ensure more effective implementation of government policies so that the Government would become more responsive to public needs.

On this premise, I think there is nothing wrong with the accountability system itself. In fact, the system is a turning point and offers the opportunity to introduce new impetus into the generalist-led system of civil administration which has been adopted since the colonial rule in Hong Kong. I think there is room for incorporating new members into the system. But as we review the actual operation of the expanded accountability system to date, it has drawn criticisms from various sectors including the universities and other professions as to the high salary levels of the appointees. I do not think these criticisms are made out of envy or spite. More importantly, I think the system is plagued by a mismatch of talents. Many newly-appointed Under Secretaries have their own fields of expertise, and I think some of them have actually put forward many good views and suggestions before they joined the Government. But when they become Under Secretaries, it looks as though their wings have been clipped. Well, I think it appears to me that they are always wearing a long face. It is kind of sad really. I have known some of these officials for a long time and they do have their own expertise. What I am trying to say is that the Government should stop appointing the Under Secretaries and Political Assistants under a "pie-sharing" arrangement. It is nothing short of scandalous for the Government to appoint a candidate with only a couple of years' working experience as one of the Political Assistants. While there is nothing wrong for

the said candidate to work as a Political Assistant, everything is wrong about the monstrous salary level at which this Political Assistant post is pitched.

Regarding the Under Secretaries, my observation to date is that most of these Under Secretaries are not working in the right Bureau according to their respective fields of expertise. As a result, they could not function properly as we have envisaged, that is to create synergy by having the specialists assisting the generalists in government administration. I, for one, do not concur with the spirit of camaraderie hailed by Ms Alice TAI who said that in the past, civil servants had shared the same thinking and values and thus they worked together as if they were in the same boat. It is exactly because of this mentality that the civil servants have become stagnant and obsolete in their thinking and that the Civil Service has lost touch with the need to develop Hong Kong into an international city. Hence, if Hong Kong wants to stay on top and maintain its competitiveness in the world, the Government must have a team of specialists. I cannot point to any direction as to where to look for these specialists because it is something that must be worked out by those responsible for recruitment. In fact, I think the candidates must be recruited through a professional selection process. Apart from global recruitment, the system should allow I have in fact suggested to the Government that the candidates must be selected through open recruitment. The Government should not simply hand out the positions to people with different political backgrounds. I am also aware that these posts might be filled through headhunting. It is just normal to conduct executive searches to fill these high-ranking positions. But if there is open recruitment, some other suitable candidates from different professions might come forth. My concern is that how we can recruit the right candidates through an open and transparent mechanism so that the public would be convinced that the salary levels of these officials are commensurate with their duties and responsibilities.

When I was attending a radio programme yesterday morning, I had voiced my concern about the high salary level of Joseph YAM. Some listeners then called in to say that it was determined by market value, and that people holding similar positions in the private sector could easily be making more. I made the point that I disagree to this view. I think he is qualified to hold such a public office and exercise the relevant public powers which are very important. The mere fact that he is taking up such a key position and be responsible for formulating Hong Kong's monetary policies must be giving him immense satisfaction and that he is totally committed to his job. There is no way we can put a price tag of market value on any of these or compare his salary level with

other professionals in the market. The same principle should also apply when determining the salary levels of the Under Secretaries. Likewise, the Government should not arbitrarily select candidates to fill the Political Assistant posts simply because there is a need to groom political talents. I think it is imperative that this mindset be changed. If not, the whole accountability system would turn would fail to achieve its intended objective.

I think the American system is a good example that we might consider. In the United States, many specialists with distinguished achievements in their respective fields of expertise have worked for the government to complement the politically-neutral civil servants. In this way, they can provide a lot of steer in the formulation of government policies. I think the SAR Government must go the extra mile to ensure that the accountability system could indeed achieve the intended objective. I think just now many colleagues have talked about the deficiencies of the accountability system as it now stands, and I should not repeat the points here. Nonetheless, I do not think the existing civil service system should be maintained institutionally because the system does have a lot of problems. There should be more specialists in the upper echelons of our administration. For that reason, I think we ought to give the accountability system another chance in this institutional arrangement. As I see it, we should not be flip flopping all the time. Given the short time the expanded accountability system has been in place, the public would find it confusing to see the system changed overnight just because the incumbents are not the most suitable persons for the job. While the Legislative Council has the power to introduce changes every five or two years, I am sure the public could make neither head nor tail of the whole thing because they were told that the Government was trying to reform the system one day and then the next day, the system suddenly ground to a halt. I do not think it is the right way to go.

I think the existing accountability system and the manner of appointment is a step in the right direction and the Government should listen Actually, I have submitted a lot of views for consideration by the Government before the inception of the system. I think more talents would be attracted to join the Government if the posts are filled through open recruitment. This should be a turning point for the Government. For this consideration, I do not agree with the proposal of grinding the system to a halt through this year's Budget. But I want to put it very clearly to the Government that it should cease to adopt the same mechanism to appoint the Under Secretaries and Political Assistants arbitrarily. The Government should only use the funding provisions to fill the vacant

positions if it is indeed satisfied that the appointees are up to the standard required under the accountability system. Since we are talking funding provisions today, it is money set aside for advanced planning purpose. If no suitable candidates could be identified under the existing selection mechanism, the Government should simply leave the money as it is. But I wish to stress that for the reasons I have stated earlier, the funding provisions should not be deleted. Moreover, we should continue to give our views as to how the accountability system could be enhanced instead of I often think it is not conducive to the overall development of Hong Kong if there are constant changes in our political system.

Last but no least, I have to reiterate my view that the Government must improve the selection mechanism before considering any further appointments under the accountability system so that the public can see that the appointees are selected through objective criteria. I think the public are discerning. If they can see for themselves that better candidates are identified in the next round of recruitment, they would no doubt support the system. For all these reasons, I could not agree with the amendments proposed by Ms Emily LAU. At the same time, I hope the Government can widely listen to public views so that the accountability system will benefit from further improvements. Thank you, Chairman.

MR CHEUNG MAN-KWONG (in Cantonese): Chairman, I wish to respond to the points made by Mr IP Kwok-him. Mr IP Kwok-him said that if the seven posts of Under Secretaries and Political Assistants could not be created as a result of the passage of Ms Emily LAU's proposed amendments, the development of democracy in Hong Kong would be obstructed seriously. This is absolute nonsense. It sounds like if we have these Under Secretary and Political Assistant posts, we will have democracy, we will make progress in the development of democracy.

The real obstruction to democracy is the existing bogus accountability system underpinned by appointments made by one single Donald TSANG, the Chief Executive. It is a bogus accountability system with no foundation of democracy. This is what hinders the development of real democracy. As we all know, the Chief Executive who makes the appointments of Principal Officials, Under Secretaries and Political Assistants are not returned by universal suffrage; instead he is a "hand-picked" Chief Executive returned by a coterie election. This is what I mean by a "one man" accountability system, a system that might even be taking directions from Grandpa in the background. It is a far cry from

democracy. It even runs counter to democracy. Any argument to rationalize and embellish this undemocratic system of accountability is tantamount to putting the cart before the horse and pulling the wool over our eyes. Perpetuators of such an argument just want to lead or should I say mislead the public into thinking that this is a system of accountability born under separation of powers and overlooking its true nature of being a nondescript and anti-democratic system of accountability.

According to Mr IP, the charter flight incident happened because there was no Under Secretary in the Security Bureau. He sounded as if the existence of Under Secretaries would make the accountability system perfect, and that they could usher in a more mature political culture and help groom political talents. But for a political system to be fully developed, the people must have rights, the right to elect the Chief Executive, the right to elect Members of the Legislative Council. They must have the right to use their votes to bring about the replacement of political parties so that different parties can represent them in different times to voice their needs and expectations. Only with this power of democracy and the right of universal suffrage will the ruling party be kept on its toes and sensitive to the needs of the people because it is all too aware that it would be kicked out of power in the ever changing world of politics. It is only in this way could a more mature political culture be developed and more political talents nurtured.

A case in point is the Budget we are discussing here today. The mainstream public opinion is that its proposals can neither preserve employment nor stabilize Hong Kong's economy in the financial tsunami. The public generally thinks that the Budget should be vetoed. But when will the accountability system reflect the wish of the people, and be accountable to the call of the people? For the Budget, the least the Government can do is to introduce additional relief measures. But the Government has refused to do so and yet, the Budget will most certainly be passed. Why? Because the Government has got enough votes in this Council. But where do the votes come from? These are the votes from the royalist camp, and supporters predominantly returned by the functional constituencies. Although voting has yet to begin, I reckon that these Members will vote in support of the Budget and vote against Ms Emily LAU's proposed amendments. Thus, it is an out and out "Grandpa-led" and Chief Executive-led accountability system that is born out of a political deal with the royalists and the establishment. It is a far cry from a truly democratic system of accountability. Would they be kicked out of power? Nothing is more remote from reality than the suggestion made by Mr IP Kwok-him, that if

the seven posts of Under Secretaries and Political Assistants could not be created as a result of the passage of Ms Emily LAU's proposed amendments, the development of democracy in Hong Kong would be obstructed seriously. It is so ridiculous to suggest that their efforts to avoid deletion of the seven Under Secretary and Political Assistant posts is a holy war for upholding democracy.

The only criticism I have of Ms Emily LAU's proposed amendments is that she is too lenient not to go all the way down and propose to delete all Under Secretary and Political Assistant posts. Honestly, it is nothing personal but just a pragmatic suggestion based on plain facts. If we consider the performance and popularity of the Under Secretaries and Political Assistants since they assumed office, as well as the public outrage surrounding their pay levels, foreign nationalities and the Government's black-box operation, we can see that the accountability system they stand for is clearly a system underpinned by appointments by one man, a system hostile to democratic principles. For this reason, we could in fact elevate our discussion today on Ms Emily LAU's proposed amendments to a political level, going beyond mere financial considerations. We should make use of the opportunity presented by this vote and any opportunity we might have to state our opposition to the accountability system or its expanded form, to highlight the dissatisfaction the Hong Kong people have for this nondescript and bogus accountability system, and to underline our fundamental yearning for democracy and universal suffrage.

The truth is that Ms Emily LAU's proposed amendments represent just a little step in Hong Kong people's long and arduous fight for democracy. It is really nothing more than a humble effort. In our consideration as to whether funding for the seven posts of Under Secretaries and Political Assistants should be deleted, we should not be deterred by the fact that the original funding proposal has been approved by this Council because such approval should not be treated as routine endorsement. Therefore, we have nothing personal against the Under Secretaries sitting before us. What we are against is the accountability system itself. The people of Hong Kong must not adopt the mentality as depicted in the Chinese idiom, "After a long while in the fish market, one no longer smells the stench." A system that exists does not mean it is reasonable. We should have our own stand towards this system. We must say it loud and clear that we shall use all means, spare no efforts and take every opportunity to reject any attempt to embellish the undemocratic system. We can then proceed to fight for a political system founded on universal suffrage, a system that allows

the replacement of political parties, a system with powers vested in the hands of the people. Only then will Hong Kong's political system come to fruition.

A very odd argument has come up during our debate today. According to some, it is like our choice is limited to having either a government run by civil servants or a government run by the bogus accountability system. If we reject the accountability system proposed by TUNG Chee-hwa, we must follow the model proposed by Donald TSANG and have a system of accountability with principal officials chosen from among senior civil servants. But why can we not have an accountability system founded on universal suffrage? Why can we not have a Chief Executive returned by popular vote to govern Hong Kong under the advice of his cabinet and with the assistance from civil servants and Administrative Officers? Why can we not have such a system which is accountable to a Legislative Council returned by popular vote and accountable to the people ultimately?

All in all, what we have before us are the proposed amendments from Ms Emily LAU, but it means so much more than those amendments. If we want to have a truly democratic society, we must arrest any further expansion of this undemocratic system of appointment dictated by the wish of one man. As I have just said, our support for Emily's proposed amendments is but a small step in the long and arduous fight for democracy. Nonetheless, it is a step we must take because we have to grab every opportunity on all occasions to beat and break this system of accountability.

Chairman, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): Chairman, I support Ms Emily LAU's amendment. But, as other colleagues supporting Ms LAU said, even if we vote later in support of the amendment, it would still not be passed. However, even if the amendment is not passed, I still have this feeling, Chairman, though it might not be right, and that is, even if the amendment is not carried, the SAR Government would not necessarily spend this sum of money on recruitment. But I do not know if this feeling of mine is right.

Chairman, why do I have this feeling? The first reason is that if the Government dares to employ these people, it should have recruited them a long time ago rather than waiting until the following year because of the lengthy time

gap. Had there been suitable candidates, the Government would have recruited them a long time ago. Had it not been afraid of public criticisms, the Government would have made the offers a long time ago. I believe this has something to do with the fact that there were simply too many jokes coming out of the recruitment of the first batch of Under Secretaries and Political Assistants. For instance, a person who used to work for the Hong Kong Jockey Club (HKJC) has suddenly become a worker in education; a person who used to earn a monthly salary of \$10,000 to \$20,000 is now making more than \$100,000 a month, and this has caused a public outcry. I wonder if this is a mismatch or what. Anyway, one cannot help wondering what the Government is doing.

Another reason is: What have the accountable Directors of Bureaux, Under Secretaries or Political Assistants done since they took office that makes us think that they are worthy and should be recruited? Or what incidents have occurred after they took office that make us see substantial improvements in governance or administration? A number of Members, whether or not they support the amendment, joined the chorus of disapproval earlier that none of them could find any such examples. So, how can the Government justify another recruitment drive? On what grounds can the Government persuade the public to give their consent?

When it comes to talents, as I mentioned earlier, a person who used to work with the HKJC could have become education worker. Are our talents really so scarce and, as a result, a person should be found randomly to fill the post? This might be one of the reasons why I do not think that money should be spent. There is another reason which is more significant, a core question about the accountability system itself. Chairman, what is an accountability system, particularly an accountability system for government officials? In my opinion, under an accountability system for government officials, all acts and consequences related to government officials must be accountable, and this is where the key lies. In other words, there must be a system under which we can pursue responsibility in respect of all the acts of government officials. However, to whom are all the accountability officials accountable? They are only accountable to one person, and that is, the Chief Executive, because their boss is the Chief Executive, not the public. Hence, they are only accountable to the Chief Executive. This is the relationship between the accountability officials and the Chief Executive, and it has nothing to do with a third party. But much to my regret, Chairman, to whom is the Chief Executive accountable? He is only accountable to 800 persons or the Central Government, and the general public has nothing to do with him. Therefore, despite the twists and turns, we are still backtracking — we have finally realized that there is no element of

accountability whatsoever in our accountability system. In view of this, how would the general public give consent to and tolerate the Government to spend money on another recruitment?

I do not mean to look down upon the capability of every accountability official or their personal conduct and integrity. I only wish to point this out: How would the public have confidence in this system? Hence, this has led to another major question: How would the SAR Government dare to promote the seven Under Secretaries or Political Assistants to the public? This is the paramount issue, Emily. Even if the amendment is not carried or this sum of money is still kept in the pocket, the Government is still required to face these questions and give us an explanation. It must respond to various questions and give a comprehensive and satisfactory reply, unless it is really indifferent to public sentiments and views, acting on its own without any regard to the people, and determined to continue with its approach of doing things in its own way. It is not going to work should the Government fail to do so.

Furthermore, there is an even more serious problem concerning why the accountability system has to be set up, a point raised by Members earlier or quoted in government officials' comments. One of the objectives of setting up the accountability system is to train talents to cope with the future political development. I wonder if I have got it wrong or the information collected is wrong. Some Directors of Bureaux have even had their original jobs retained for they are only suspended from their original jobs without pay. In other words, they have not completely resigned from their original jobs, and the posts have still been retained. How would they, as expected by the Government, devote themselves to the future political development years later? They have simply not resigned, and their original jobs have still been retained. It is simply the Government's own wishful thinking. Their mentality is different from that of the Government. They might just wish to make some money or get to know the operation of the Government. It might have never occurred to them that they will work with the Government for further development. Therefore, is talents training purely an excuse and have Honourable Members been cheated?

Another objective of setting up the accountability system is to facilitate contacts and communication between government officials and Members of the Legislative Council with a view to improving the relationship between the executive and the legislature. Sorry, so far, only two Political Assistants have

contacted me, and only one Under Secretary has talked with me. Worse still, Under Secretary YAU Shing-mu simply refused to meet with me. So far, he is still reluctant to meet with me. He has made it clear that he is not prepared to meet with me unless I am with the panel. Although I told him some residents would like to chat with him, he flatly refused to meet them, saying that he was unable to concede to their request. How can the executive and the legislature be brought closer to each other in this way? I cannot see how this could be done in reality. Neither can I see that the Government's objective can be achieved in this way.

Another objective is to promote policies in the hope of facilitating policy implementation and a better understanding of policy operation. Sorry, Chairman, I would not disclose the names. But I found that some Under Secretaries could not explain to me as clearly as the Administrative Officers sitting beside them when explaining policies to me. The Under Secretaries were ignorant of a lot of things, and they could simply not answer my questions. On the contrary, it was the Administrative Officers besides them who answered my questions. I would rather have an Administrative Officer explaining to us. Why would an Under Secretary be needed? This is merely a redundant move. Not only will it lead to overlapping of duties, our money is being wasted as well. What good is it to create such a post? I really have no idea. The Under Secretary could only give us a partial, not complete, explanation. Moreover, he was far from being clear, and he had to rely on the Administrative Officers sitting beside him to give him assistance. Can the Government's objective be achieved in this way? The answer is negative.

Apart from promoting policies, Mr IP Kwok-him also said a while ago that administration could be strengthened, such that policies could be more compatible with public sentiments. I find this most offending. Why? Chairman, the Budget today has only gained 33 supportive votes, and many of those who cast these votes indicated that they did not mean to support the Government, but they were obliged to do so in the interest of the overall situation.

Worse still, the Government would rather spoil family harmony by, for instance, requesting a Member not to attend his son's graduation ceremony in order to stay here to cast a vote to ensure that the Government can secure 33 supportive votes. Why should the Government act in this way? If the policy promoted by it is compatible with public sentiments and views, the Budget today would not have ended in such a terrible manner. Neither would it be necessary

for government officials to have worked so hard to lobby Members for their support. How long has the accountability system been implemented? It is hard to imagine even the Budget has got such a disappointing result. If it is in line with public sentiments and views, it would not have been necessary for the Government to finally say that a review will be conducted and more initiatives will be launched in the middle of the year when Members indicated that they would cast opposing votes. Actually, are all these lies?

Has the Government acted in line with public sentiments and views? The answer must be in the negative because things would have been different had the Government acted in this manner. This applies to not only this Budget, but also many policies, including the injection of \$6,000 to each Mandatory Provident Fund account and policies in other areas. There were a lot of problems during the implementation process. The issue of foreign domestic helpers is no exception. What are the public sentiments and views? What about the taxi issue, for instance? Has the Government paid any attention to public sentiments and views? Had the Government done so, the airport incident would not have occurred. How can the Government explain all these? This is precisely the objective of the implementation of the accountability system for officials. However, the result has turned out to be different.

Although today's discussion should be focused on funding, the problem is not simply about funding, it is also about the system. In the absence of a good system, what is said today is just empty talk. Some colleagues might consider that an accountability system must be implemented because the civil service system is unsatisfactory. Even Joseph WONG, a former senior official, supported the implementation of an accountability system, subject to slight improvements to make it perfect. Mr IP Kwok-him also quoted Joseph WONG's words earlier. According to Joseph WONG, an accountability system would still be required under a democratic government. Is our present Government a democratic government? Which kind of accountability systems are we talking about? The fact is the present system is not an accountability system. Neither is there a democratic government. So, how can they be lumped together for discussion? In our opinion, accountability system will be meaningful if only it is implemented under a democratic government.

We are determined to fight for democracy and universal suffrage because of our hope for accountability. As the present Government is not elected, there is no accountability, and this is the crux of the problem. The problem does not

lie in how to improve the system or, as stated by certain colleagues, the existing accountability system is far from sophisticated and we should give it more time to make gradual improvements. In fact, the system is inherently problematic. No matter what improvements are made, there is no way to improve the system because, ultimately, there is no accountability. If the system is not accountable to the masses and the people, how can it be accountable? Even if accountability does exist, the officials will be accountable only to a small circle.

As pointed out by WONG Yuk-man earlier, we are making use of the amendment proposed by Ms Emily LAU today as a platform to remind the Government again that democracy and universal suffrage must be implemented for the forming of the Legislative Council or selection of the Chief Executive before an accountability system can be launched, and only in this way can there be accountability. Otherwise, everything will only become empty talk which has neither substance nor concrete effects. Sorry, Under Secretary YAU Shing-mu, it is mentioned in the Report on Further Development of the Political Appointment System that Under Secretaries must face the masses and get close to them so as to open a dialogue with them and calm them down. However, in the airport incident, you did not even have the courage to show up at the scene. How could you calm them down without appearing at the scene? Consequently, the airport was blocked, and there were a lot of grievances. And yet, you have not stepped down and you are still sitting here comfortably. I wonder if the Chief Executive has scolded you or given you a good dressing down. But how can you be held accountable?

This is to do with the relationship between both of you. You are only required to be accountable to him as your boss, and you need not be accountable to the public. But what sort of accountability is this? If Secretary Stephen LAM feels aggrieved, he may explain later what accountability means and to whom officials should be accountable. Most importantly, what accountability will be held and to whom officials are accountable? After criticizing the Secretary, I have no idea if he will admit his fault, and what will happen should he admit his fault. What will happen if he does not admit his fault? The way to pursue responsibility and apportion blame is the most important issue.

Hence, I am very thankful to Ms Emily LAU for proposing this amendment today. I support Ms Emily LAU.

CHAIRMAN (in Cantonese): Mr Frederick FUNG, speaking for the second time.

MR FREDERICK FUNG (in Cantonese): Chairman, just now, a few Members mentioned my name. I do not mind if Members hold different views; however, if Members quoted me and yet what they quoted was not what I said, I have to take this opportunity to clarify it.

According to Ms EU, the topic today is very narrow, and there is no need to conduct our discussion in such a broad manner. The three Members speaking before me, namely, Ms Emily LAU, Mr LEUNG Kwok-hung and Mr Albert CHAN, have all talked about the institution rather than funding. This is why I said I seemed to have to turn the debate on accountability into one about the accountability system. Please forgive me. The accountability or ministerial system has been my favourite over the past 10 to 20 years. As with my campaign for a minimum wage and universal retirement protection, I have been striving for it since 1997. This is my belief. Furthermore, the ministerial system is not a novelty created by the pan-democratic camp. During the discussion on the "190 proposal", some pan-democrats already proposed the ministerial system in their documents submitted to the Basic Law Consultative Committee (BLCC). At that time, the Hong Kong Association for Democracy and People's Livelihood (ADPL) also suggested to the Basic Law Drafting Committee and the BLCC that this system be established for government. Now we are discussing a government system. This is why I disagree with Mr WONG Yuk-man who described what I did as putting make-up to it. If I had to do so, I would have already done it 10 or 20 years ago, and I would not have to wait until now. Furthermore, this system was still unknown at that time.

Secondly, I would like to respond to Mr WONG Yuk-man's accusation — I will respond in a more detailed manner — when we raised the proposal of implementing the ministerial system to Chief Executive, Mr TUNG, before 1997, he pointed out very clearly and categorically (excuse me, as Mr TUNG is not here now, it seems that he and I were not talking about the same thing, and so I had better not mention anything about him) that the proposal was utterly hopeless as it would not be acceptable to the Central Government. First of all, if the civil service system is changed from a system underpinned by administrative officers to a ministerial system, the Basic Law would be involved. Secondly, Mr TUNG

envisaged that, once a ministerial system is implemented, some people would be appointed by the Chief Executive as Directors of Bureaux, Under Secretaries and even Political Assistants, the newly created posts and, as a result, an invisible group would be formed. While party politics would certainly not be allowed to exist, this invisible group would naturally wish to continue to exist, given their common thoughts and even shared powers and interest. In other words, if today I became Chief Executive and had my own team, I would naturally hope to choose from the team candidates to succeed me as Chief Executive or Directors of Bureaux when my term of office ends. This would lead to the rise of party politics very easily.

I assume that these comments represent the Mr TUNG's personal analysis. However, the truth of this analysis must not be taken lightly. Will the Accountability System for Principal Officials become the embryo for a power team to develop its political force? At the beginning, I thought that the person being elected as Chief Executive would carry many merits, or an influential group would appear immediately after Grandpa had appointed someone as Chief Executive. From a short-sighted point of view, I consider that it is unfair, unreasonable and undemocratic to do so. However, I must tell Members that if the spectrum of history is widened to 10 years, 50 years or even 100 years, we will see that no political parties can rule or govern a country for good. There will always be replacements of political parties. The only terrifying thing is that political parties are not allowed to rule. Therefore, I understand why Mr TUNG disagreed after he had raised this point. On the contrary, the ADPL has still insisted that the ministerial system is essential.

Let me further explain why a ministerial system is essential. I really cannot accept Hong Kong being governed by Administrative Officers. Of course, some people will ask if there are only two options — either Administrative Officers or ministers? We can have a third option, and that is, a democratic ministerial system. However, what should we do before this system is introduced? Should Administrative Officers be allowed to run Hong Kong again? At present, universal suffrage has yet to be implemented. It can only be implemented in 2012 at the soonest. So, should Administrative Officers be tasked with the duty of running Hong Kong? I disagree. Why? As I pointed out earlier, as Administrative Officers would be involved from policy conception to enforcement, there would be conflict of interest once problems occur. Such a system would be equally undemocratic.

Actually, when it comes to the administration of Hong Kong by Administrative Officers, first, it is undemocratic and, second, it might be self-contradictory. Members may still recall that prior to 1997, Michael SUEN was appointed by Chris PATTEN as Chief Secretary to promote the abolition of the appointment system in district boards by lobbying in different places. His proposal was greatly supported by the democratic camp at that time. After Mr TUNG was elected Chief Executive, however, Michael SUEN was appointed as Secretary for Constitutional Affairs. Yet Mr TUNG was determined to switch back to the former appointment system. As a result, the Secretary had to go to different places to lobby for support for the appointment system. How would the same person be convincing? He was being self-contradictory. This is how Hong Kong is run by Administrative Officers. With the change of the boss, political philosophy and notions of social policy and even the taxation system can be changed. Now the Chief Executive has been changed, but the posts of Directors of Bureaux are still filled by the same group of people. They cannot be replaced because they have not done anything wrong. How can such conflicts be resolved? More importantly, unless they are at fault or have breached the civil service code, they are not required to assume any political responsibility. Neither are they required to be accountable for any policy blunders.

As mentioned by Honourable Members just now, we saw the highest number of Directors of Bureaux and Secretaries of Departments step down during Mr TUNG's term, even including the Chief Executive himself. That was unprecedented before 1997. While I have no idea whether or not the present Accountability System for Principal Officials is true to its name, I have no intention of finding out what other people are thinking. I will only look at the results. If the results are bad, someone would have to be criticized, whether before or after 1997. However, one would have to step down should he be widely criticized after 1997. Before 1997, one would not have to step down even though he was criticized by me. As we all know, a Secretary for Housing remained as a Policy Secretary even after he had been transferred to another post. It is precisely for this reason that I am adamant that Administrative Officers must not be allowed to run Hong Kong any longer, and this is my bottomline. Given this bottomline, would an accountability system with a higher degree of democracy and transparency and offering more reasonable salary come into being? This would depend on whether the Secretary is able to demonstrate to Hong Kong people that the accountability system is truly accountable when the system is implemented. There is no question that the accountability system must be bogus should Mr TSANG err during his term as Chief Executive and yet

he would not be required to step down. On the contrary, whether the accountability system was genuine or not, I saw a Secretary of Department, the Chief Executive and Directors of Bureaux step down one after another during Mr TUNG's term. How bogus can the system be! At least, there were incidents involving the resignation of a number of Directors of Bureaux, a Secretary of Department, and even the Chief Executive. I would not look at the motive. I would only ask which way we should go at this very moment. Assuming that universal suffrage would be implemented tomorrow, could the Chief Executive elected tomorrow instantly make society democratic and beautiful whereas the incumbent Chief Executive is doing exactly the opposite? Actually, the institution would remain the same. I am talking about the institution and whether or not the persons appointed and their remuneration and performance are appropriate. This is where I differ from the areas dealt with by Emily's amendment today. I think we should concentrate our discussion more on this aspect.

Lastly, if Members still recall my speech (of course, Members might not recall it), they would find that though I voted in support of approving the funding for the employment of Under Secretaries and Political Assistants, I also proposed three conditions or reminders (of course, I see that the Secretary has not followed my advice, or listened to me): First, the number of posts must be moderate. The Government must not rush to recruit a large number of people after receiving the funding because this is far beyond the actual need; second, the remuneration offered must be appropriate and the Government must not think that the funding, as it has already been approved, can be used entirely for remuneration purposes, and what I meant is that the amounts of remuneration offered should depend on the employees' ability and qualifications; and third, apprentices must not be employed. I believe no one can accept the offer of more than \$100,000 a month for the employment of an apprentice. While I raised my hand to express my support, I raised these three points as well. My support was qualified in the hope that the Secretary could act accordingly.

According to the analysis made by me subsequently, if the Accountability System for Principal Officials turned out to be the same as the analyses made by Mr TUNG and the ADPL, it would go far beyond the system set up for Mrs Anson CHAN or other individuals for seizing powers. The accountability system, once implemented, would probably lead to genuine elections, if we look at it from a broad perspective of 10 or 50 years. Chairman, perhaps the political party to which you belong will win, or someone in your political party will

become the Chief Executive. Nevertheless, if we look at the matter from a broad perspective of another 50 years, I believe political parties with poor performance will naturally be removed, given that even the Kuomintang, which has been ruling Taiwan for years, has been replaced. By then, the system would exist in name only.

Lastly, I would like to point out that the most serious problem with having Administrative Officers to run Hong Kong is that the political system and the administrative officer system would be mingled together. I hope Honourable Members would not mind. We people studying politics would naturally sound somewhat academic. I am only good at reciting books; Yuk-man should be more eloquent than me. We always believe that politics and civil officials cannot be mixed together. However, back in the era when Hong Kong was run by Administrative Officers, the two were mixed together. Administrative Officers even formed themselves into a political party, or a ruling party. If we are to develop a democratic system in the future — the reason why I am adamant that Administrative Officers must not be allowed to run Hong Kong is that there would be no democracy should they be allowed to continue to run Hong Kong — we must accommodate all elected pro-democrats, be they Members of the Legislative Council who belong to political parties or someone who becomes the Chief Executive. The whole ruling team must be members of the ruling party, not Administrative Officers. We must not allow Administrative Officers to continue to be promoted to the rank of Director of Bureau or Secretary of Department because of their good performance or brilliant examination results. This is what I meant by the minimum bottomline. So, how should we proceed above the bottomline? I can discuss anything with the pan-democrats, but I hate to argue with Yuk-man because I cannot speak as loud as he does. Neither do I know how to express myself. This is why I cannot express myself fully.

The merit of the discussion today, especially the amendment proposed by Emily, is that people holding different views are allowed to join in the discussion to let Hong Kong people know that the system is changing. As well as changes to the democratic system, there are changes to the operation of the Government so that the political system will turn into something welcomed, accepted and supported by all Hong Kong people. I also hope that officials, especially the appointed officials as mentioned by me just now, will take great pains to participate in politics rather than keep repeating that "I will perform outstandingly in this post because I used to be very brilliant when I was working for a certain

administrative department or major organization". They are wrong. The world of politics is different. What matters most in the world of politics is whether or not one is committed. Has he ever thought of sharing the same fate as that of the SAR Government? Has he ever thought of sharing the same fate as that of his voters? Has he ever thought of the possibility that "one country, two systems" will be compromised in the event that the accountability system collapses because of its shortcomings? These are the questions politicians or persons accepting appointment should ask themselves in advance. They should also ask: Why should I accept the appointment as an Under Secretary? After accepting the appointment, what relationship is there between the questions asked earlier and me? The commitment required would have a bearing on today, your term of office and even your successor. Should these issues be handled properly, the SAR would be able to truly achieve "one country, two systems"; however, if these issues are not handled properly, the consequences will last forever because even what happens in one minute in history will leave a mark permanently. Furthermore, we will have to pay the price for this in the future. I have no intention to criticize or give advice as we are almost equal in terms of status. What do we pursue, given that we have been politicians for so many years, and I have already spent more than half of my life? The answer is a democratic "one country, two systems" and the Hong Kong SAR Government. Given that we have already accepted this mission, I hope we can work in the same direction. Thank you, Chairman.

MS CYD HO (in Cantonese): Chairman, I missed Mr IP Kwok-him's speech just now, fortunately some colleagues told me what he had said, and I was very surprised at learning about it all. He said that, with the appointment of the seven Under Secretaries and Political Assistants, democratic government would be taken forward. It would be terrific if democracy were as simple as that. With the political appointment of three Secretaries of Departments and 12 Directors of Bureaux, and the new group of Under Secretaries and Political Assistants, how far has democratization been taken forward? If we calculate on this basis, democratization should have been pushed forward for a considerable distance, shouldn't it? But this is not the case.

Chairman, democracy actually requires many conditions. To achieve accountability through political appointments is only one of the conditions. Basically, democratic elections would still be essential. Similar to the baking of a cake, we need to have flour, oil, sugar and water. At present, none of these but

flour is available. How can it be edible if we simply bake a cup of flour in an oven at 180°C for 45 minutes? How can a cake made from flour alone be edible? It would not be edible at all. This is why I greatly support the amendment proposed by Ms Emily LAU today which seeks to stop the Government from continuing to create new posts. Actually, she is being extremely courteous. We were all shocked by her courteous manner this time around. Why did she merely ask the Government not to create new posts without asking it to sack those people as well? Judging from her personality, she was behaving very differently from her usual self. Nevertheless, the amendment, which seeks to delete the relevant expenditure, has given us an excellent opportunity to review the system to examine if it has any defects, given that it has been implemented for years.

The Accountability System for Principal Officials sounds so appealing that it gives hopes to the people and leads them to think that the Principal Officials, once appointed, will really be accountable to the people, and the system will operate with transparency. It turned out that the higher the public expectation, the more furious the public became. Precisely speaking, the system can be described as a ministerial or political appointment system. On launching this system, Mr TUNG said he was seeking to find a group of like-minded people with similar thoughts and ideas to jointly govern Hong Kong. Otherwise, he would have brought only one secretary and one chauffeur to the Chief Executive's Office and ended up achieving nothing. However, we have actually seen that this system, which has been implemented for years, is merely accountable to the Chief Executive, not the public. This is why I think we really have to prove that this is a political appointment system or ministerial system when it is raised for discussion again.

Another objective of Mr TUNG's implementation of this system was to set up his own team. However, we could already see at the beginning that the team was poorly organized. Former Secretary Frederick MA was not here today. Soon after he had taken office, I asked him how many times he had met with Mr TUNG before taking office. In a slip of the tongue, the former Secretary told me he had never met Mr TUNG before accepting the offer, and he was introduced by Antony. This is another piece of evidence of ill organization and, as a result, there is a lack of team spirit.

With the introduction of the political appointment system, what was the most direct consequence from an objective point of view? From an objective

point of view, the most direct consequence was that civil servants, especially in the context of political neutrality which must be upheld by civil servants in public administration, have been sidelined. The Civil Service does have merits. Despite Mrs Regina IP's repeated assertion that civil servants could not maintain political neutrality, it is only that she was not politically neutral when she was a civil servant. She should not say that all civil servants could not maintain political neutrality. Actually, civil servants must comply with a code. Despite the fact that they are sometimes branded as bureaucratic because efficiency has been compromised, there is justice in such a practice, a process of justice. Mr WONG Yuk-man has earlier quoted Dr Joseph LIAN Yi-zheng as saying that with the civil servants being sidelined, the post of prime minister had been scrapped, and so had the adviser to the emperor. Actually, the entire civil service team, under the leadership of the Chief Secretary for Administration, can complement the Chief Executive with repeated reminders on justice in the practices to bring home to officials joining the administrative regime not as civil servants that some procedures must be followed. For instance, there must be minutes of meetings for all meetings held, and deletions and amendments cannot be made arbitrarily. In other words, a paragraph cannot be deleted when things have gone wrong, and there must be no intention of cover-up and no surreptitious behaviour. Meanwhile, as requested by civil servants, the Government must have a lot of data recorded faithfully in the form of files. However, if only business talents are selected for the sake of expediency, the practices will be sacrificed and compromised, and this will give rise to corruption.

Today, the three Secretaries of Departments and 12 Directors of Bureaux have been expanded to four Secretaries of Departments and 12 Directors of Bureaux. In addition to Directors of Bureaux, there are Under Secretaries and Political Assistants. Should we measure this set-up with the initial criteria, can they be regarded as a team? The answer appears to be negative because one of the Under Secretaries comes from the DAB and one of the Political Assistants comes from the Liberal Party. At ordinary times, I have never seen the DAB team with the Liberal Party, but now they have formed into a poorly-organized team. This gives people an impression that the political appointments are made for the sake of repaying supporters. A genuine team should be the cabinet formed by Chief Executive Donald TSANG during the 2007 Chief Executive elections to debate with the shadow cabinet formed by Alan LEONG so that Donald TSANG's Financial Secretary would be pitched against Alan LEONG's Financial Secretary and Chief Executive Donald TSANG against Alan LEONG.

However, such a team was not formed by the Chief Executive during the 2007 election. What the Chief Executive did was to make renewed appointments after the election. What is more, when making the appointments, the Chief Executive had to watch Beijing's face to see if the appointments were acceptable to Beijing. This is precisely the reason why we feel genuinely concerned about this political appointment system.

Furthermore, there is another objective the Government would like to achieve — to groom political talents through political appointments. At the same time, these talents are allowed to play different roles through the revolving door, sometimes as Members of the Legislative Council, and sometimes as Principal Officials, think-tank members and even members of the business sector. First of all, to groom political talents is the responsibility of political parties. Chairman, we can see that there are many members of the second echelon in the DAB. In my opinion, other political parties should enter into healthy competition with the DAB and learn from it. Under no circumstances should we allow the executive, which is not elected, to nurture its chosen talents as political talents with public funds. Why is it that political parties accepted by the public are not given these resources? Why are only talents who can please the executive given these opportunities?

Apart from this, the starting point is simply too low. Sorry, Chairman, I have to say a few words about Under Secretary Gregory SO, too. For a political talent who is given a monthly salary of \$100, 000 to \$200,000 monthly to receive training, we naturally have a reasonable expectation that he should at least meet some basic requirements. But much to my regret, he even did not have the knowledge of how to give away name cards. This would give the people an impression that it is not at all worthwhile to spend the \$100, 000 to \$200,000 on him. Moreover, this can also mark the beginning of corruption.

I am greatly dissatisfied with the public apology made by the Under Secretary. Regarding the reason for him to make an apology, he said that he had to apologize for public concern and the inconvenience caused to his colleagues. Why should he apologize for public concern? There was public concern just because someone had sought to exercise his privilege. I now call upon the Under Secretary to, apart from wasting no time to distribute his name cards to Members of this Council today, give another apology for his exercise of privileges. Otherwise, even if these political talents have been nurtured, they would still not become competent politicians with three years or five years of

working experience. After all, they have not had any experience of elections. Given that we do not have any ruling party, no one dares to come forth and tell the public with justifications that he belongs to a ruling party. Therefore, an Accountability System for Principal Officials is still out of our reach. For such a system to be put in place, the power must come from the people rather than Beijing. Without universal suffrage, this system can hardly be improved.

Here comes the "revolving door". Even if there is a pension system for civil servants, we have recently seen from the policy, arrangement and practices relating to the so-called post-retirement employment applications that there are many shortcomings. If the accountability officials at present are required to go through only a very brief sanitization period before they can join the business sector or take up other jobs, there will be a very high chance of allegations of transfer of benefits, whether substantial or potential, or giving the public a negative impression.

Chairman, since last year, I have been persistently saying on public occasions or in private to you, that politically appointed officials will be able to access a lot of helpful and profit-making data during their tenure and, therefore, there should be more stringent regulation by the Government as well as the political parties themselves. Most preferably, these officials should be prohibited from engaging in business to avoid incentives of transferring benefits.

Chairman, it is even more worrying that according to a report in *Wen Wei Po* in mid-March, Mr LI Guikang, Deputy Director of the Central Government Liaison Office, called on the HKSAR Government to identify competent talents from among delegates to the Chinese People's Political Consultative Conference (CPPCC) and appoint them to public offices. Public offices are significant matters. Some may become advisory members of the Equal Opportunities Commission, while others may become Directors of Bureaux or Under Secretaries. Where should the line be drawn? This is why, Chairman, we have been persistently requesting the executive or authorities to clarify whether or not this is the case. Should CPPCC delegates be appointed as Directors of Bureaux or Under Secretaries in appointments to public offices, this would mean that, through appointments, the wish of Beijing will directly affect the governance of Hong Kong. Therefore, I will support the amendment moved by Ms Emily LAU today to have this expenditure item deleted. Thank you.

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, speaking for the second time.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I decided to speak because, after listening to Mr Frederick FUNG's speech, I could not help remaining silent. Mr IP Kwok-him has also delivered a speech, though he is more frank. I think he firmly believes that the SAR Government should act according to the blueprint mapped out by the Central Authorities. This is why he would think that if we do not consult Grandpa and make him unhappy, there would be no democracy. While it was due to a host of complicated factors that the accountability system came into being, why was Mr TUNG able to scrap the prime minister with the consent of Grandpa? He had to abolish the prime minister because the civil service regime did not obey his command.

However, it was precisely due to a lack of checks and balances in our system that sometimes the system itself even had problems with receiving information. As a result, mistakes were made again and again. In order to correct the civil service system and tackle the "disputes between TUNG and CHAN", an "illegal structure that is neither fish nor fowl" was built. But how could this illegal structure continue to develop? Chairman MAO made it a pet phrase that "bad deeds can be turned into good deeds". The Communist Party has always behaved in this way — describing bad deeds as good. As a result, there had been numerous cases of injustice. Bad deeds would be turned into good deeds even after some people were arrested mistakenly as criminals.

Now let us discuss this issue calmly. We have often said that overseas countries do have ministerial systems. Or we could say that following the election of successful candidates in the general elections in Britain, arrangements would be made broadly in line with a shadow cabinet — certainly there could be exceptions — but actually a system would still exist. But what system do we have? What is the identity of our Chief Executive, given that he does not belong to a political party? Perhaps he would become a member of the Communist Party of China in the future, but no one would say anything like this here in Hong Kong. Where did our Chief Executive come from? He was elected by a small circle. Even after taking office, he did not make any commitments, even to the Central Authorities. You may just take a look at Uncle TUNG. Feeling helpless to do anything about Mr TUNG, the Central Authorities could only make

an announcement that Mr TUNG had to resign because of his sore legs. How inconceivably corrupt the system is!

This is how the system runs: After appointing a mediocrity, the dictator found that the mediocrity was so mediocre that he could not be held at bay and full assistance had to be offered to him till the end. Naturally, the talents recruited by the mediocrity on the pretext of the accountability system would disperse in every direction when he fell from power. When it came to the turn of "Ah TSANG", he decided after settling down that he ought to organize his own team, and so he started building his own team. The wastage thus caused would have already defeated his wish of finding someone to be accountable. Am I right?

Jacky CHAN commented the other day that Hong Kong is chaotic. Of course it is! Apart from the problem of unclear demarcation of responsibilities, there are a lot of "stables", with some of them belonging to Henry TANG, LEUNG Chun-ying and Donald TSANG, causing many internal disputes. However, there is no way Hong Kong people could know about all this. It is just some wild guess of mine. Chairman, you might know it better than I do. You may tell me after the meeting if my guess is right! Things will be different should they represent political parties. They would have already made their stance absolutely clear right at the beginning by proposing different policies. Whether you are a minister or cabinet member, you would have to be censored, first by your own political party and then by your voters. Through monitoring their own political parties, voters can ask you to step down. If things operate in the way the British system does, then sorry, you might end up like Chris PATTEN, who came to Hong Kong after winning the general election but losing his seat, becoming a "sinner of a thousand centuries" or "red card". Am I right? This is the very system practised in other countries.

What is our present system like? According to Mr IP Kwok-him (he actually believes in it), and as I have already made an analysis, this system is meant to eliminate the "TUNG and CHAN partnership" as well as the civil service regime before setting up a surveillance system. Repaying supporters is just a trivial matter. What problems are there with people spending public funds to give you a little more money to spend? They have always been "spendthrifts"; so it does not matter. Only that we can still not grasp the problem. We can see that as the system is not monitored, and there are no political debates and people have no rights to participate, the bad deeds have

remained unchanged rather than turning into good deeds. This is where the problem lies.

Now we could see that he announced to this Council that the fight under the bogus universal suffrage would soon begin (there will also be a fight among accountable Directors of Bureaux). What will be the outcome? The "revolving door" will certainly be helpful to someone like Mrs IP because she used to be a government official. By way of the "revolving door", she now possesses the required experience to be a Member of the Legislative Council. Other government officials cannot act in the same manner because they are not brave enough — they deserve this — they were still impeccably dressed when they came out of the revolving door. There is no helping it. This is an institutional problem, not their problem. Am I right? Many people do not have the chance to do so. Mrs IP is actually having an edge for only a few people are allowed to go through the revolving door. As for others, they are so bloated that they simply block the revolving door and cannot get through.

First of all, surveillance has to be carried out. The entire system is designed in such a way that a safety raft can be built in preparation for the implementation of the bogus universal suffrage in the future. Mr IP Kwok-him might probably be a prophet. I wonder if he belongs to the same branch as you, Chairman. He does have some insider information and knows that they really want to rush things through. He said, "Hey, you listen to me. Grandpa has already granted the approval for the implementation of bogus universal suffrage. Once the relevant information is ready, universal suffrage will be implemented. You will spoil everything if you say no." But I must say that I am sorry. First, I am not very close to Grandpa; second, we want genuine democracy.

Fine, let us come back to our subject. What is a truly accountable system? First of all, someone must come forth to be accountable, be he a prime minister, premier, or both minister and premier. Am I right? You have to do this. But you have not done this; you even choose to march on the same spot twice. What is more, you even chose to "scrap the two Municipal Councils" of your own accord and destroy your own recourse. Those royalists also voiced support for "scrapping the two Municipal Councils" and the resumption of the appointment system for District Councils. Democracy comprises the element of autonomy. Where does autonomy begin? All sorts of governance and vote acquisition begin with trivialities. We can see that District Councils are at present not only

fragmented, but also lack of authority and courage. Some of them have even offered free tours and seafood for the sake of soliciting votes from their constituents. How can we nurture our constituents? In my case, I have never done anything like that. When I visited the districts, I could only greet the elderly voters empty-handed, whereas someone else had some \$20 gift vouchers for Ngong Ping 360 in his hands. What are we nurturing? We are nurturing corrupt politics.

Now we can talk about almost anything during Council meetings, even municipal affairs. According to you, the election mechanism allowed one to learn how to manage municipal matters and then ask the former Urban Services Department to take his advice. Although I know that the former Urban Services Department was extremely powerful, it ended up being scrapped and replaced by "something which is neither fish nor fowl" as a platform. Are you sick, buddy? If you are sick, you may come to me for treatment. You may take some medicine if you have only some minor ailments. What should you take? When you are free, you should read United Nations human rights declarations or documents to keep your head cool.

It is really sophistry for Mr Frederick FUNG to praise the accountability system. What he meant is that since civil servants are not doing their job well, we might as well switch to an accountability system similar to the civil service system. Actually, there is still a need for civil servants. Do you understand? Civil service officers must hold on until the end. Of course, I know they are unable to do so.

Now we can see that cronyism has made it impossible for civil servants to hold on until the end. Just look at the case of LEUNG Chin-man. No one involved in the case recalls the Hunghom Peninsula and Grand Promenade. The whole officialdom is like this. Then, it is said that neither our Director of Bureau nor the Chief Executive should be held accountable, and Denise YUE is the only Director of Bureau who should be held accountable. Now she is like a deflated balloon, why? Because our Chief Executive said to her, "Miss YUE, you must submit a report to me in 15 days, or our general election might run into trouble." CHENG Kar-shun was even worse. He even said, "Alas, someone provided a platform at that time." Have these people reflected on their own faults behind closed doors? None of them, from the rich, the DAB's overseeing committee to the Chief Executive, Directors of Bureaux, has acknowledged that the incidents involving the Hunghom Peninsula, the Grand Promenade and

LEUNG Chin-man are a political storm. No wonder some people were killed in the 4 June incident because they said something like "opposing official profiteering, opposing officials and businessmen". As a result, they were killed.

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, please try your best not to stray from the question under debate now.

MR LEUNG KWOK-HUNG (in Cantonese): This is just an example.

CHAIRMAN (in Cantonese): As you are already speaking for the second time, please try your best not to stray from the question.

MR LEUNG KWOK-HUNG (in Cantonese): I see. What is wrong with Mr Frederick FUNG? He has failed to see that a dictatorial system can decry a poor civil official system, and so can a paternalistic system. I have already explained that this is no good. This is the fault of the civil official system. Actually, I have pointed out that the system was learnt from the Tang Dynasty. Buddy, am I right? The system of separation of powers and the civil official system were learnt from the Tang Dynasty. Even Britain followed suit. Now, we are using paternalism, considered to be the worst in the culture of our nation, to decry that system and we then say that the problem has been fixed. This is absolutely unacceptable.

For me — I have now come to the point, Chairman, this is related to you — the Communist Party must not be allowed to take control of Hong Kong; neither can the Communist Party be allowed to take control of the Chief Executive as well as other people through the Chief Executive. The rationale is very simple. What is our worst problem for the time being, Chairman? No member in your political party has been chosen as the Chief Executive — there are two options: the DAB or the Communist Party. Things will really turn out to be like this in future. While it is definitely a good thing for a communist, or a potential communist, to be elected in future, and even if no communist is elected, it would still be necessary to put a CPPCC delegate nearby. This is why the CPPCC has been approached. It is because the National People's Congress is simply too

lame. Buddy, do you understand? And then, a request will be made to someone among you: for Albert CHAN to join the Liberal Party or Stephen LAM to join the DAB. As Mrs IP would happen to emerge from the revolving door, a dogfight would then break out, right? As a result, there would be a war for bogus democracy, buddy.

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

I have great respect for Mrs Regina IP because she can really tell what I would say from the bottom of my heart. She might have already known the answer to the riddle. However, I disagree with her answer; I think that Frederick FUNG represents just one page of the account. There is no difference. According to you, the civil official system is precious. Insofar as Britain is concerned, the system is used to support the nobles and bureaucrats. Now, the paternalistic system is being implemented. Would it lead to another case of in-breeding should you advocate adopting the paternalistic system and breaking the civil official system? I do not know what it should be called if the paternalistic system is combined with the bureaucratic system. Anyway, this is a thorny issue.

My conclusion is, therefore, very simple. May I ask the Central Authorities to listen to the advice from me, a very, very, very, very, very unimportant member of the community, to open up the political system? Buddy, just play this once by allowing Hong Kong people to enjoy a democracy holiday. There is nothing I can say if I cannot beat you. Please give us this one chance. If we lose, we can have it one more time 10 years later. We can let you go ahead first. However, you are not allowed to do so. How can you go ahead if you are so stubborn? When you cannot go forward, you have to find something to do or you must be deemed to be doing something, right? This is how civil servants should behave. Not only should they be seen to have something to do, they should also believe that they have something to do. Is every one of you not behaving in this manner? If Grandpa, the Chief Executive and the jobless see you behave in this manner, they will surely be satisfied.

This is why, Honourable Members, I believe that "the falling of one leaf heralds the autumn". While today's debate appears to involve only tens of millions of dollars, the underlying philosophy is very important. We can freely

shirk responsibility for the powerful, express respect for the noble or speak out for the people. The choice is yours.

MR ALBERT HO (in Cantonese): Deputy Chairman, on the surface of it, the objective of the amendment proposed by Ms Emily LAU today is to remove the funds earmarked for the creation of seven Under Secretary posts, but we can all see from the depth and width of the debate that it is far beyond the money involved in creating the posts. In fact, I think it is timely for a full review of the entire Accountability System for Principal Officials and the further development of the system to be conducted, especially as we have gained more experience after the system has been implemented for quite some time. Although considerable time has been spent, Members can, after repeated deliberations, definitely see that their greatest concern with the entire system is that the system is predicated upon a problematic political argument. The political argument is distorted in the sense that it is grounded on a political logic which is illogical. Therefore, when a lot of problems have occurred and the old erroneous concept is used to deal with these problems, the solutions can be totally wrong.

I will now respond to the views raised by Mr IP Kwok-him earlier. Although some colleagues have already responded to them just now, some views might still not be dealt with. According to Mr IP, the accountability system was not yet established after the reunification. However, some people felt that there was a need to pursue responsibility after it was found that some civil servants had failed in performing their duty properly, such as in the substandard piling works incidents and the new airport incident. The system at that time was considered to be unsatisfactory because civil servants should not be held accountable if they were supposed to be neutral. As a result, a governance team comprising accountable officials should be set up to assume responsibility. However, only half of the reason has been told; the other half is evaded deliberately. What the public yearns for is an accountability system underpinned by democracy. In other words, the person in charge must be elected through a democratic process. When he does something wrong and is expected to assume political responsibility, he should be requested through a credible and lawful system acceptable to everyone to assume the responsibility and quit. Accountability must not be used as a pretext to further expand the authority of the executive. Such an accountability system would not be accountable to the public. It would only be accountable to one person, the Chief Executive, who was not elected through a democratic process and does not have popular mandate. In fact, this

would only give him more dictatorial authority, resources and manpower, and increase his personal capital, strength and prestige. This is not the accountability system pursued by the public. This so-called accountability system is not only undemocratic, but also bogus.

Secondly, as pointed out by Mr IP Kwok-him just now, when someone assumes political responsibility, there would be a greater need for accountable officials in the governance team to get closer to public opinion and grasp the pulse of the people in order to respond to people's aspirations. While this is certainly important, and I also believe all the Under Secretaries here would like to work in this direction, where does the problem lie? The problem is really very complicated, and I will only say a few words about it. Given such a structure and the posts taken up by the Under Secretaries here, do you really have the scope, opportunities, and even channels to really turn the public opinion you have grasped into a policy underpinned by public opinion? This is the first point.

Running the risk of being rude, I must still say that the posts occupied by you, Under Secretaries, are actually positions which should have been occupied by politicians. You must have political experience, commitments and visions before you can accomplish your missions. What I mean is, I do not mean to be rude and I am really sincere, many of the Under Secretaries who are here today are professionals and accomplished talents in their respective fields. However, if you take up the posts without any political training, do you think it would be very easy for you to accomplish what you hope to do?

Members will understand this better if I cite an example. For instance, as we all know, the incident involving airport taxis caused big trouble in which some people were found blocking the roads. Later, Mr LEUNG Yiu-chung lodged a complaint demanding to know why Under Secretary YAU Shing-mu did not show up at the scene. During my meeting with the responsible Secretary and Under Secretary, I was told that they had their own concern. For instance, what is the identity of those people who blocked the roads? Did they have a motive or purpose? Did they intend to take this opportunity to attract public attention? Actually, the presence of the Secretary and Under Secretary might play into the hands of these people. While it would not be necessarily wrong for them to explain in this way, their mindset would be different were they elected, for they would not have worried so much about the risks involved. I believe we will definitely not drag our feet when problems occur or when there are calls for us to face the problems. Of course, I will face the masses with great caution, and I

will not be exploited by them easily. However, I have my own principle and obligation to appease the dissatisfaction of the masses and stop unnecessary disturbances by all means to avoid causing traffic congestion.

Why would we react differently? The reason is very simple. How often have Under Secretaries come into contact with the masses? How often have they reached out to the masses and booed by them? How many doors have they knocked? In particular, how many unfriendly people have they met? I can tell them that we have had a lot of experiences like these and even a lot of such opportunities. Whenever we visited the districts when there were problems with the Government, the masses would treat us as if we were representatives of the Government. They would query why we, being public office holders and Members of the Legislative Council, had failed to act in the way they wished. In other words, we were treated as part of the Government. However, we would not evade all this. We must face the masses when we visit the districts. It is all the more necessary to understand what they think, even if we would probably be exploited on certain occasions. However, if we know that the role we play at the scene might serve some important purposes, particularly responding to the people's aspirations, we will go all the same without too much worry and fear. This shows that when one occupies a political position requiring accountability, he must have experience and conviction, know his own belief, have a sense of commitment and not be afraid of making mistakes. Once he makes a mistake, he must be prepared to admit his mistake frankly and be able to learn from it so that he can rectify his fault. This commitment is crucial. I feel that many talents, like all of you, might be regarded as accomplished persons in your respective professions in the past, but now you might lack a bit of not necessarily a bit of the quality the public believes you should possess. It takes time to nurture the quality.

What quality will Under Secretaries or other Secretaries lack if they were not formerly civil servants? They will lack training as a civil servant — a kind of training that would make them set higher standards, pay attention to rules and regulations, do things according to rules, set clear goals, and acquire the tool that would enable them to see their own success and failure clearly. Although they have received a lot of training, they lack the so-called basic training. This is why it is easy for some accountable officials to err. For instance, one of the mistakes made by Antony LEUNG fell into this category. If you say that he was careless, but why would he have acted in such a careless manner? When everyone would make declarations, why would he have failed to do so? Why

would he choose to put himself in a suspicious position? They would probably make a lot of mistakes because they did not pay attention to rules and discipline. However, if they merely paid attention to rules and discipline and only cared about protecting themselves and following procedures, they would definitely not do what a political figure is supposed to do.

Having said that, Deputy Chairman, I only want to say that Hong Kong indeed needs more political talents. But despite our need to train more political talents, the accountability system should not be used to absorb and appoint people without any political experience, or people who might probably have no political beliefs of their own, or even people with dubious political commitment. I hope you will understand that I did not mean to depreciate you or be rude to you. I just believe there is a need for you to experience things experienced by many politicians in the course of politicization, and one of them is to participate in elections. Through elections, you will walk into the masses, and when you have to fight for the recognition of ordinary people, you have to find out what you should say before they will understand and you have to understand what they say, too. You must not take their words superficially. Their words might contain a lot of information which has to be interpreted and, what is more, efforts must be made to find out the underlying reasons for what is being said. Of course, you must learn the modesty required of a politician and get to know your own inadequacies. This is what you must know.

Here, I would like to emphasize again that the accountability system must be developed alongside a political system capable of being tested by democracy. This is why I often say, and this is truly from my heart, that it would be perfect for the accountability system to dovetail with some political parties. I would not mind if members of the DAB, the Liberal Party or other political parties were appointed by the Government, provided that they have the experience of joining political parties, received the required training, and they share the same beliefs and are willing to take up responsibility after appointment. Should anyone make a mistake, the DAB would have to take the blame because it is a ruling coalition. Its members must not just stand on the side and say that any mistakes made must be of the Government's own making and, at the same time, indicated in the community that they opposed the Government saying, "We will fight with everyone, and we will succeed in fighting till the end." This would only give me the impression that they have adopted the bad loser attitude. This must not be allowed. I do not mind if a DAB member is appointed as an Under Secretary, but he must have received, as I mentioned earlier, the required nurturing and

training in areas ranging from political belief, political elections and political organization, as well as being able to demonstrate team spirit. After speaking for such a long time, I think Members should understand why the accountability system will not work. Deputy Chairman.

As mentioned by Members earlier in the meeting, some people taking part in politics are not single-minded, or else they would not have kept their original jobs without pay. For people taking part in politics like us, our devotion and commitment to politics is lifelong. For people who are or are not Members of the Legislative Council, election campaigns must go on. This is why some have suggested that the team spirit is the largest problem. Is it the case that many people joined the team because they had read the pamphlet about Donald TSANG and felt that Donald TSANG and they share the same political philosophy? How many of you can sit together and discuss what policies should be formulated by your respective Bureaux? What are the policies' underlying value and philosophy? How can they complement other policies?

Another major point I wish to make is that the one who is sitting beside you might be responsible for an entirely different portfolio. If both of you belong to the same political party, you would know that it is very important for you to help each other. But now you are saying that "you can only take care of your own business because of unclear demarcation of responsibilities". When the one beside you runs in trouble, you would only feel fortunate that it is not you who are in trouble. But if both of you belong to the same political party, you would think that both of you should share the glory and humiliation. Furthermore, you must take care of the one who will succeed you in the future. You have to ask: Can your successor take over your task when you quit in the future? Will the future of your successor — who belongs to your political party and shares your political belief — be ruined overnight as a result of what you have done or your poor performance? This is why I think the problem is complicated, comprehensive and three-dimensional.

What we disapprove of is not simply tens of million dollars. This system is simply not working, and it will be thrown into disarray. Worst of all, our talents are being wasted as they might have better prospects in their respective professions. On the contrary, they will often be teased should they become a politician. We do not want to do this; neither do we have any intention to do this. Having been a politician for years, I consider mutual respect and commanding respect from others very important. Although this represents the virtues of democracy, this system, unfortunately, is bound to cause a lot of

problems in the future. I think it is time to review the entire system, and democracy is the only way out.

Thank you, Deputy Chairman.

DR MARGARET NG (in Cantonese): Deputy Chairman, although the debate today is on the Appropriation Bill rather than the ministerial system or the accountability system, all of us understand that this amendment proposed by Ms Emily LAU is intended as the mildest form of protest against the accountability system and an expression of the thinking of us people campaigning for democracy, that the Government should not continue on this road.

Deputy Chairman, I support Ms Emily LAU. Originally, I thought that I only had to vote and did not think it necessary to speak. However, Mr Frederick FUNG said repeatedly that he supported a ministerial system and that he did so in his capacity as a Member of the pro-democracy camp and as a campaigner of democracy. Speaking for the second time just now, he even said that this is a "190 proposal". A ministerial system is something we have campaigned for a long time, so why can I not support it? Why do other Members of the pro-democracy camp oppose it instead? Deputy Chairman, I think it is necessary to do some clarifying, to set the record straight, so as to prevent people from getting the wrong message.

I will first talk about the background and origin of this system. In the era of the British Hong Kong Administration, one of its great strengths was that it had a team of well-trained civil servants and many people nowadays also come from this team. At that time, in the face of the 1997 issue, the Governor, Sir Murray MACLEHOSE, began to think about the future and his first idea was localization, that is, the localization of civil officials. However, I, who now belong to the older generation of democrats, was still quite young at that time. What we supported was not just the localization of the system in Hong Kong, rather, there also had to be democratization, therefore, all along, we had supported we did not oppose a civil official system but we demanded that there had to be a ministerial system founded on democratic elections, with democratically-elected ministers and a democratically-elected legislature. That is to say, the legislature would be democratically elected and the ministers would be chosen by this democratically-elected legislature. Then, these democratically-elected ministers would be in command of the civil officials, such

that people devoted to a political career would have a team of well-trained civil servants to support them. In this way, the governance of Hong Kong would be more efficient and at the same time, it would also be completely democratic. At that time, one of the crucial elements was the development of party politics because not all the people elected would have sufficient understanding of and commitment to politics, so if there were well-established political parties, there would be a training ground and a system to screen out the weak and retain the strong, hence people with the capabilities and aspiration in this area can work their way to the highest ministerial posts in a system of democratic elections.

At that time, after the signing of the Sino-British Joint Declaration, of course, some matters had been settled. We were still young then and we have been members of the opposition since a young age. However, what we opposed at that time was the strong reservation of the British Hong Kong Administration about democracy.

I remember that at that time, I had interviewed people like Sir CHUNG Sze-yuen and Baroness Lydia DUNN and asked them how they were going to implement the ministerial system. At that time, both of them were very confident about the ministerial system as well as a democratically-elected legislature. While they said that these systems had to be put in place according to the Sino-British Joint Declaration, they expressed reservation about political parties, thus I could not see how, with such thinking on their part, a ministerial system founded on democratic elections could be established. After the formulation of the Basic Law, a thorny issue arose, that is, as we wanted to explore, in the context of the Basic Law of course, ministers are principal officials but if principal officials had to be appointed by the Central Authorities, how could a democratic ministerial system be implemented? For this reason, the introduction of universal suffrage was very pressing. It is also very important to return all Members of the Legislative Council and the Chief Executive by genuine universal suffrage. For this reason, no matter how difficult it is, we have been campaigning for and developing in this direction. What we want is a ministerial system founded on democratic elections.

However, in 2002, something happened, that is, the former Chief Executive, TUNG Chee-hwa, effected a substitution of concept and proposed a system of appointed ministers, that is, a ministerial system based on political appointments. However, it must be noted that the emphasis at that time was on "political appointment", that is, these ministers on political appointment would be

in command of well-trained civil officials. This ran completely counter to the system that we had in mind. To say the least, civil officials have received training and at least, they have risen through the ranks. At least, regarding their long-term performance, it is possible for us to see how their track record is. If there is anything wrong with their personal ethics, it will not be easy for them to evade public scrutiny. However, if ministers on political appointment are air-dropped to take command of this group of civil officials, we think this is a catastrophic development. For this reason, the focus of our attention at that time was not on the ministerial system, but on political appointment and the appointment system, which ran directly counter to our original intention.

For this reason, in 2002 — I believe Honourable colleagues in the Chamber today will still remember — when the ministerial system was proposed, I strongly opposed it and pointed out that this move was unconstitutional and unlawful. In fact, this so-called accountability system founded on political appointment is completely at odds with a ministerial system founded on democratic elections. The comments made by Mr Frederick FUNG — he is not in the Chamber now — really baffled me because since this is a system running completely counter to the one advocated by us, how possibly can he consider it worthy of his support? This is probably due to the fact that it is a ministerial system because he thinks that so long as it is a ministerial system, even though it is not founded on democratic elections, it is still fine for the appointments to be political and a ministerial system based on political appointment is still better than having no ministerial system at all. I think he really has to reflect clearly on his way of thinking. At that time, of course, there were also other people who harboured the illusion that it would be possible to proceed on two fronts. They wanted a ministerial system founded on democratic elections but if such a system was not possible for the time being, a ministerial system could be implemented first. If a ministerial system was put in place, we would have gone half-way, that is, we would already have a glass half full of water. In the future, when a ministerial system founded on democratic elections was introduced, we could then elect all these ministers through democratic elections. In this way, we could perfect the system. However, such an approach has in fact changed the direction. The emphasis has shifted from the development of a democratic political system (that is, a political system founded on democratic elections) to a political system based on political appointment. For this reason, people who held such an illusion in 2002 should have by now woken up from their dream.

Deputy Chairman, today, although a number of Honourable colleagues have strong views on the existing ministers, deputy ministers or Political Assistants, I think the most important issue does not lie in the people or the appointees, but in the system. The problem lies in the proposition of such a system because when posts of this nature are available, we have to see what kind of people can be appointed. They neither have to gain exposure through elections nor do they have to be promoted through the ranks and build up a track record, as civil servants do. As long as the Chief Executive — that Chief Executive appointed by the Central Authorities — is so minded to recommend you, after appointment by the Central Authorities, you can then take the post of a minister or deputy minister. This is the most important question. In view of this, if Members think that the incumbent Under Secretaries are not as good as you would like them to be, future ministers may even be more terrible. Mr CAO Erbao, whom we talked about last week, exactly belongs to the second echelon of the governing team. As long as the second echelon of the governing team is formed by Hong Kong permanent residents who are Chinese nationals, why can they not be appointed ministers? Of course, they can be appointed Secretaries or Under Secretaries at any time and what can stop them? This is what is so terrible about this system.

Therefore, Deputy Chairman, I hope that Mr Frederick FUNG only had a momentary aberration, not a deliberate attempt at self-deception. Regarding the present system, we must oppose it. The amendment proposed by Ms Emily LAU is a basic declaration of stance, so I believe Members of the pro-democracy camp have to support Ms Emily LAU today and so must people who treasure the development of democracy in Hong Kong. I think it is incumbent on us to do so.

Thank you, Deputy Chairman.

DR PAN PEY-CHYOU (in Cantonese): Deputy Chairman, first, I wish to tell a children's story that Members are perhaps very familiar with — Members have perhaps heard the story of the "ugly duckling". Once upon a time, there was a duckling which, ever since it had been hatched, found that it looked different from other ducklings. Its body was covered in grey down and its head was very large. Its neck was also very long and wherever it went, it was teased by other ducklings. It often asked itself why it looked different from other ducklings and

why it looked so ugly. Then a year passed. One day, when it woke up from sleep, it found that its feather had changed and it had become a white swan.

I told this story because a thought had occurred to me. Concerning this accountability system for officials, I think we have to look at it in the longer term. Indeed, just like anything nascent, it seems that this accountability system for officials has not been faring too well in all aspects and there is always something not quite all right about it. In overseas countries, there is a term to describe this situation, namely, "teething problems". In other words, these problems can perhaps be solved gradually. Insofar as this system is concerned, there are areas that warrant criticism but regarding the performance of individuals in this new team of accountability officials, we found that the performance of some of them in the past few months has been very outstanding. I have also heard people in my neighbourhood and in local communities say, "Wow, this guy really deserves to be hired!" However, the performance of some of the appointees was the subject of criticisms and it is thought that there is room for them to make improvements. I personally think that insofar as something nascent and newcomers are concerned, we should be accommodating and, concerning minor mistakes, we should accept them in the hope that the people concerned will continue to make improvements. The system also has its shortcomings and I think one of the more obvious ones is the delineation of the power and responsibilities between this team of accountability officials and the Civil Service headed by Administrative Officers. How should we delineate the responsibilities of the Secretaries, Under Secretaries and Political Assistants and those of the corresponding Administrative Officers? How can these Administrative Officers be directed?

Second, although we say that this is a team with political accountability, often, we find that in many incidents, in particular, in some contingencies, there is the question of how political responsibility should be assumed. To what extent should responsibilities be assumed? This cannot be explained clearly no matter how hard we try. Some people also say that this is a system of collective responsibility. Should collective responsibility be assumed by the whole team of accountability officials, by Administrative Officers or by the whole Government? This too cannot be explained clearly no matter how hard we try and has also led to criticisms. However, I personally think that we should look at these shortcomings in a positive light and with an attitude of encouragement.

(THE CHAIRMAN resumed the Chair)

However, I think that under this system, when we want to examine this system of political accountability, we must ask one question. As we face the prospect of dual universal suffrage because in accordance with the Basic Law, the Legislative Council and the Chief Executive of Hong Kong will both be elected by universal suffrage in the future, so before the advent of dual universal suffrage, can we refrain from developing this accountability system? If we do not develop it now or if we revert to the former state, what will be the consequences? To answer this question, I would first look at the role of the Chief Executive after the introduction of dual universal suffrage. Under the system of universal suffrage, the Chief Executive will be directly accountable to the public and of course, our Legislative Council will also be more representative. The democratically-elected Chief Executive will serve for a certain tenure and within his tenure, he has to propose some policies. When he stands in the election, he also has to propose some policies. For this reason, after his election, he will be responsible for their implementation. In his tenure, he has to accomplish the policies formulated by him by all means. The Chief Executive is just an individual, just the same as the President of the United States, Barack OBAMA. Together with his running mate in the election, the Vice President, there are at the most just two individuals. How can two persons run a country with 300 million people? Our Chief Executive will also face the same problem in the future. After his election, he has to run this country — or rather, the entire SAR — single-handedly. For this reason, he must have a team to support and implement his policies. I believe this rationale is very simple and all of us can understand it. Neither have I found any place where the entire accountability team is elected by the general public through "one person, one vote" because the elected leader must form his own team and look for people who can see eye to eye with him and have similar beliefs. This is just like someone getting married or choosing a spouse. Can he entrust this to a certain organization or body, so that all people can decide whom he should marry through "one person, one vote"? I believe no one would be willing to do so.

Fine, let us look at the Administrative Officers in Hong Kong again. What is the nature of Administrative Officers? The expertise of Administrative Officers lies in administration and all along, they have executed political tasks loyally. In the colonial era of the past, these political tasks were actually

assigned by London. I believe Members all know this clearly. I remember that the Chief Executive, Mr Donald TSANG, once said that before 1997, each morning, he had to wait for calls from London. Therefore, at that time, Administrative Officers did not have to consider political issues because London would assume responsibility for political issues and it would also dispatch a Governor here to assume responsibility. Administrative Officers themselves did not have any political beliefs and they were only responsible for executing the political tasks handed down by London faithfully. Therefore, their duty was to execute the political tasks handed down by the Government in London faithfully no matter who was the Prime Minister in London, hence the claim that they were politically neutral. Similarly, for the Administrative Officers in the United Kingdom, there is also such a tradition, that is, no matter who is elected the Prime Minister, civil servants have to execute the policies made by the Government formed by him faithfully. Unfortunately, according to the understanding of some people in Hong Kong in the past, being politically neutral means adopting an impartial attitude devoid of feeling towards the country and this piece of land belonging to us. This is a wrong understanding and in any country in the world

(Ms Cyd HO stood up)

CHAIRMAN (in Cantonese): Dr PAN, please sit down first. Ms Cyd HO, what is the matter?

MS CYD HO (in Cantonese): I have to clarify for myself and other Members of the pro-democracy camp, that no one has ever said that being politically neutral is to have no feeling towards the country

CHAIRMAN (in Cantonese): Ms HO, if you want to clarify what has been misunderstood in your speech, please do so only after Dr PAN has finished speaking.

Dr PAN Pey-chyou, please continue.

DR PAN PEY-CHYOU (in Cantonese): Chairman, in fact, in any place, the civil servants there will all have some sort of sentiment for or loyalty to their country or the place that they belong to. This does not conflict with political neutrality. The present situation is that in the past, our Administrative Officers had no experience of making political decisions and they were only used to enforcing policies.

Therefore, in Hong Kong, in this transition period and with the prospect of dual universal suffrage in the future, our system is really somewhat like the "ugly duckling" because we are at a transitional stage. At this stage, what problems are we facing? First, we lack political talents, talents who can think up policies. What does Hong Kong need? What are the needs of Hong Kong people? Not that we do not have them, only that there is a shortage and we do not have enough. Second, we do not have the experience of a political team. Although Administrative Officers have a very clear set of procedures in operation and management, they are only procedures in management, so it can be said that this is a rather strict system lacking flexibility. We know that politics offer a great deal of room for creativity and it changes all the time. For this reason, this political team is starkly different from the administrative team of Administrative Officers. It is also because of the absence of such a tradition that when facing the situation of being masters of our own house, having "a high degree of autonomy" and "Hong Kong people ruling Hong Kong", we have to face this difficult issue. We have to go through a learning process and it is necessary for us to groom political talents. Therefore, regarding the present system of political accountability, I think we should look ahead. Although there are indeed shortcomings at present, just like any system, any nascent thing or any thing with shortcomings, we should neither wipe it out nor prevent it from continuing to grow. We should give it the opportunity to continue to grow and to improve itself.

I so submit.

MS CYD HO (in Cantonese): Chairman, thank you for giving me the opportunity to clarify. The political neutrality I talked about just now refers to the fact that civil servants have their own set of rules characterized by a due process of justice, for example, that records of meetings have to be kept and doing things without record for the sake of convenience is not allowed, that no one can modify the records of meeting at will, do anything furtively or try to hoodwink people.

What I mean by political neutrality can neither be associated nor dissociated with whether one has sentiments for one's country.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Mr CHEUNG Man-kwong, speaking for the second time.

MR CHEUNG MAN-KWONG (in Cantonese): Chairman, all along, I have great respect for Dr PAN Pey-chyou because he was a very reasonable person, so I also want to tell him my reasoning.

"The ugly duckling turning into a swan" is a children's story but if we run a country based on children's stories or to use the moral in a children's story in politics, sometimes, this runs the risk of over-generalization which can be dangerous. Concerning the mistakes made by the Under Secretaries or the criticisms on the mistakes made by them, people can adopt either a strict or forgiving attitude but this is not a question of whether the yardstick is generous or strict. It is rather whether the yardstick is democratic or not. The ultimate yardstick is universal suffrage. This is what Members of the pro-democracy camp at least, the Chairman of the Democratic Party, Mr Albert HO, also said, "We are not targeting anyone, only the system.". If this system represents a wrong direction, for example, if this accountability system owes its existence to the appointments or is accountable to just one person or just to Grandpa, can we not disallow it to develop? Or after it has been developed, will it lead to even more undesirable outcomes? The answer is that democratic institutions will not be reinforced under this accountability system and if we allow this accountability system to continue to expand, this is a direction that puts the cart before the horse. It will lead to deception and mistakes and the mistakes lie in the nature and direction.

It is said that the Chief Executive has to appoint people with similar beliefs into his cabinet but the crux, as we have said repeatedly, is that he is not returned by universal suffrage and his beliefs carry no mandate. His beliefs may have been endorsed by the Central Authorities but they do not have the mandate of the people. His credibility and legitimacy are subject to queries. By legitimacy, I mean the concept of having the approval of all members of the public. We

should not compare the appointment of the Chief Executive or the accountability system dictated by him nowadays with the colonial era. The pro-democracy camp has been campaigning for democracy since the colonial era but what we unexpected the least is that after the reunification, it still has to campaign for democracy. Moreover, it still cannot get it after having campaigned for it for a decade. This is pathetic. In the next decade, there is no knowing if we will succeed. This is another potentially pathetic thing.

We do not doubt the loyalty of civil servants, nor would we necessarily doubt the loyalty of accountability officials. As individuals, they may be sincere. However, we are only saying that this sincerity cannot override and transcend democracy or a system that upholds democracy faithfully, something that we yearn for. In the final analysis, politics exists in the real world and it does not exist in the realm of children's stories, such as the story of "the ugly duckling turning into a swan". As regards our expectation for a political team, we are not talking about the fact that the Chief Executive cannot rule Hong Kong single-handedly and there is a need for him to have more teams, that even the accountability officials are not enough and he also needs Under Secretaries and Political Assistants. What we long for is that this political team will have exposure to elections, instead of being chosen all of a sudden, with its members becoming Secretaries even though they do not know anything. Without elections, there will not be any so-called exposure, nor will there be the sense of crisis that one can be voted out of office and has to step down. If they govern Hong Kong without any sense of crisis, they will not have any compassion for public sentiments.

For this reason, some people think that although the system has shortcomings, it can be improved. However, if the orientation is flawed, we will only sink deeper and deeper into such a mistake. Whether we should turn it around instead of fostering it and whether we should choose to oppose it represent a very important political decision that we have to make in deciding whether or not to support Ms Emily LAU's amendment today.

Thank you, Chairman.

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

MRS REGINA IP (in Cantonese): Chairman, originally, I did not plan to speak but for one thing, I wish to clarify something and for another, Ms Emily LAU encouraged me to speak, so it is incumbent upon me to do so.

First, what I wish to clarify is related to the comments made by Ms Cyd HO, who claimed I had once said that civil servants were not politically neutral. In fact, I have never made such a remark. Many years ago, the media asked me a question about political neutrality and at that time, I said that senior Administrative Officers were different from technical and operational civil servants such as Scientific Officers and Statistical Officers. Senior Administrative Officers had the duty to formulate and promote policies, so it was impossible for them to be politically neutral. This was also the case before the reunification. If any directorate grade officer did not support the constitutional reform package proposed by the Governor, Chris PATTEN, it would not be possible for him to stay at the senior level of the British-Hong Kong Government. Therefore, I made a distinction between Administrative Officers at the highest level who are responsible for policy formulation and civil servants of a general technical nature. The record can be found in the newspapers at that time.

In addition, regarding the system of political appointment, on which Ms Emily LAU encouraged me to voice my views, in fact, I have also aired my views in the election last year as well as in the election two years ago. I remember that in an election forum, Prof LI Pang-kwong of the Lingnan University said that people studying political science all knew that if democratization was carried out to its fullest extent, at the final stage, the posts of policymaking officials should not be assumed by civil servants. He also pointed out that be it the appointments made by the President under the system in the United States or Members of Parliament who serve in such posts in the British parliamentary system, the appointees should all be non-civil servants. He asked me what was wrong with establishing and expanding the accountability system to give non-civil servants more opportunities to learn about politics? That was his question to me and he also asked, "As you also understand, the steps of democratization are like this, so what do you think is the problem with the implementation of the accountability system by the SAR Government?" At that time, I said I agreed completely with the principle. When our Government becomes more and more democratic, ultimately, there must be a political class whose ministers and deputy ministers will be responsible for policy formulation.

It is possible that a situation similar to that in the United States will also emerge here. Just now, some Honourable colleagues pointed out that after President OBAMA had assumed office, he made drastic changes to the system of the previous administration. For example, on torture, he even hinted that officials who had voiced the legal opinion that torture presented no problems, for example, a lawyer of Korean descent, John YOO, had to be investigated and may even be prosecuted. Therefore, in future, officials on political appointment will be in charge.

Regarding the problems that had arisen in the accountability system of the SAR Government, my reply at that time was that the problem laid in its implementation. My view has not changed even now. Of course, making appointments is not a simple task. Recently, I read a report in the *Newsweek* and learnt that the numerous political vettings carried out in the United States are not on political beliefs — because when the Democratic Party chooses officials for political appointment, of course, it will look for Democrats — but on whether they have any undeclared taxes, whether they have any illicit love affairs, whether they have hired any illegal immigrants, whether they have any outstanding social security payments, and so on. In fact, all the officials on political appointment appointed by President OBAMA had to fill in a questionnaire consisting of 100 pages. Some shortlisted candidates even had to spend tens of thousands of US dollars to hire an accountant to check if they had made any mistake when filling in tax returns. Therefore, in a democratic country with a history of several hundred years like the United States, it is also necessary to carry out such complicated political vettings. When our SAR Government had some oversight in this regard, it was criticized on account of the pay, transparency or issues of nationality. I believe that although the situation is most unsatisfactory, in fact, this is understandable.

Regarding the officials on political appointment, how has their performance been like? A number of Honourable colleagues have commented on and expressed their dissatisfaction with it. In overseas countries, in fact, democratically-elected ministerial officials also make mistakes. Perhaps Members will remember that in the United Kingdom, a Deputy Prime Minister once hit someone. Someone roused his wrath, so he lost control and hit that person. Many ministerial officials had to step down due to their illicit love affairs and a democratically-elected Governor of the United States, the Governor of the New York State, went so far as to visit prostitutes and might even have been involved in payment by means of money laundering. Therefore, a

democratic system is no guarantee of integrity or ability. If we want to see further developments in democratization, I agree with Prof LI Pang-kwong's view, that it is indeed necessary to establish a framework to give non-civil servants opportunities to learn how to govern. Of course, as a Member accounting for only one sixtieth of the seats in the Legislative Council, I am not in a position to interfere with who the appointees should be and it is entirely up to the SAR Government's consideration. This system does not rule out the possibility that in the future, the SAR Government will appoint people from various political parties or people with experience in direct elections. However, I think that in fact, not many people with professional backgrounds are presently willing to take up the post of an Under Secretary or Political Assistant in the SAR Government. There are certainly very few people like this but of course, I hope there will be more of them in the future. For this reason, I believe the framework of the accountability system and the appropriation of funds to it do not conflict with the development of democracy in the future.

Although Dr Margaret NG has left the Chamber, I understand that she has expressed dissatisfaction. She thinks — if I understand her correctly — that this accountability system cannot lead to the genuine democracy she has in mind, namely, that all Secretaries will be returned by a system of democratic elections. However, there is a fundamental question here, which is compliance with the Basic Law. If some people think that the Basic Law needs amendment, of course, this will be a major exercise that will arouse a lot of controversies. For this reason, I believe this is outside the scope of the discussion on appropriation today. I believe our lengthy debate today is somewhat academic and theoretical in nature because I do not think that in the coming year, the SAR Government will have the ability to appoint so many Under Secretaries or Political Assistants again. We all know that it is not a very nice job to be an Under Secretary or a Political Assistant. The Under Secretary, Ms Julia LEUNG, will perhaps remember that in many committees relating to financial affairs, I was not at all courteous to her. Many officials have been subjected to quite a lot of open criticisms.

I believe that it is not possible for the SAR Government to appoint so many people within a short period of time; only that it wants to retain the framework and funding. I have no objection to this principle because I believe that if we move towards democratization, ultimately, we will have a Chief Executive who is returned by universal suffrage or in the transition period, even though we will not have a Chief Executive returned by universal suffrage, we will still need the

framework and funding to appoint people who aspire to serving society, who do not care just about the pay and are not averse to criticisms or afraid of being disadvantaged to serve as Secretaries, Under Secretaries and Political Assistants. Of course, on the method of choosing the appointees, the SAR Government should draw from experience and make improvements continuously, but I think that in principle, it is necessary to retain the provision for this, so I will support the retention of the relevant provision.

Thank you, Chairman.

CHAIRMAN (in Cantonese): Mr Albert CHAN, speaking for the second time.

MR ALBERT CHAN (in Cantonese): Chairman, this debate today has indeed led to many new questions and some of the phenomena and characteristics are that nowadays, Members have very diverse understanding of this so-called political accountability system introduced by the SAR Government. I think there is quite a lot of misunderstanding about it.

Chairman, I think we have to approach this issue cautiously because it involves whether public expenditure is being used appropriately, effectively and reasonably and this is the most important aim of Ms Emily LAU's amendment.

In fact, at present, there are many concepts that are extremely confusing and many people have confused political appointments with political accountability, whereas others have confused the political accountability introduced by TUNG Chee-hwa and now implemented by the Hong Kong Government with the development of democracy.

Let us put aside the issue of political accountability and the development of democracy for the time being. In the context of the present small-circle election arrangement and in this framework of political accountability system introduced by TUNG Chee-hwa back then, let us look at the mistakes arising from the implementation of the political accountability system by the Hong Kong Government. In my first speech, I pointed out that there were a lot of phenomena and mistakes that were outrageously absurd and they had exposed the utter failure of the present political accountability system.

Just now, Mrs Regina IP raised the issue of democratization and political accountability. This made me feel it necessary to further elaborate my views and point out the seriousness of the present problem.

I invite Members to look at history. Back then, TUNG Chee-hwa turned a system of collective responsibility which was already in place and which he was implementing in his tenure into a political accountability system. This involves the imposition of important political responsibility on the Secretaries, in particular, this represented a change in the responsibility attached to policy formulation.

Concerning the formulation of policies by the Government in the past, before TUNG Chee-hwa implemented this Accountability System for Principal Officials or this political accountability system, of course, the formulation of fundamental policies was carried out by various Policy Bureaux and after thorough deliberation, in the end, the policies had to be presented to if Members still recall, at that time, all the Secretaries of Departments and Directors of Bureaux should be Members of the Executive Council all the Secretaries of Departments and Directors of Bureaux were in the Executive Council and under the leadership of the Chief Executive, these fundamental policies would become the policies of the Government. This procedure ensured that these Secretaries of Departments and Directors of Bureaux, as Members of the Executive Council, would have the opportunity to express their views on and discuss the policies and eventually, to decide whether or not to support a policy. Therefore, of course, all of them had to assume collective responsibility for a policy because it did not come into being because a certain Secretary thumped his chest and said at the spur of the moment that it had to be implemented and it was then implemented. Rather, it was formulated through a process of thorough deliberation and collective policymaking. Therefore, naturally, there is a political relationship between collective policymaking and collective responsibility.

The sudden change by TUNG Chee-hwa changed this so-called political accountability system. Of course, one aspect of political accountability is that the Secretaries will propose certain policy positions. However, according to my understanding, the main change was in the system or the procedure. Many matters still have to be decided through the formal procedure of the Chief-Executive in Council, so procedurally, it seemed that there was little change. However, as far as I understand it, back then, in the discussions between TUNG Chee-hwa and the Executive Council, or in the process of

formulating certain policies, whenever some Secretaries had different views with other Directors of Bureaux or Secretaries of departments and these matters were eventually referred to TUNG Chee-hwa, he would make a decision. Since a policy is under the charge of a certain Secretary, he should take the lead. All the political responsibility associated with the formulation of this policy should then be borne solely by this Secretary. Only in this way is political accountability practised. Even though some conflicts had occurred in the discussions, in the end, the policies were referred to TUNG Chee-hwa for decision. Even though a policy had been proposed by the Secretary concerned, in the end, it was TUNG Chee-hwa who decided to implement it. Since the Chief Executive had made a decision, the other Secretaries of Departments and Directors of Bureaux would say nothing further, so the structure and organization of this so-called accountability system were changed. This change in the system led to the assumption of personal political responsibility by various Secretaries of Departments and Directors of Bureaux for individual policies.

Just now, a Member mentioned the keeping of mistresses, the taking of drugs and the problem of corruption. These issues are not related to political accountability. In any legislature and system, be it a democratic, autocratic or semi-autocratic one, whenever there is a problem with an individual, he has to assume responsibility, resign and step down. Basically, this bears no definite relation to political accountability because this is a matter of personal conduct. Under any system, even in a dictatorship and a communist government, these instances of assuming responsibility and resignation can be found.

What we have to deal with is whether or not the Hong Kong Government, in claiming that it is still practising the principle of political accountability, has actually attained the goal of political accountability. Let us look at the several Secretaries of Departments and Directors of Bureaux who resigned in the TUNG Chee-hwa era. Just now, I cited the example of Anthony LEUNG, did I not? Why was it necessary for the then Secretary for Security, Mrs Regina IP, to resign? Because she had to assume responsibility for marketing the legislation on Article 23 and the formulation of the relevant policy and the failure to make the public accept the legislation on Article 23 or putting in place the legislation in the end. This is to hold someone accountable for a policy. Similarly, Dr YEOH Eng-kiong also had to assume responsibility and resign due to a medical blunder. However, if we look at the performance of our Secretaries of Departments and Directors of Bureaux now, what is the situation? How great is

the problem of the financial tsunami? The financial tsunami arose because the relevant Policy Bureaux, the Secretaries of Departments and Directors of Bureaux failed to perform their duties in this connection. They were incompetent and failed to handle certain problems. As a result, the whole Hong Kong economy and many ordinary members of the public were victimized for no good reason. However, all the Secretaries of Departments and Directors of Bureaux are still standing their ground and no one has to assume responsibility and resign.

To mention the problems facing York CHOW again, concerning the problem of the drugs being tainted by mucormycosis, thus leading to deaths, the mistake made by Dr YEOH Eng-kiong was that he did not

CHAIRMAN (in Cantonese): Mr Albert CHAN, since you are now speaking for the second time, please do not repeat the arguments you have made in your first speech.

MR ALBERT CHAN (in Cantonese): I understand. Chairman, I only find that after I have spoken, a number of Members still have very serious misunderstanding of the whole accountability system.

CHAIRMAN (in Cantonese): Please do not repeat what you have covered in your first speech.

MR ALBERT CHAN (in Cantonese): Yes, Chairman. Concerning Dr YEOH Eng-kiong, I did not say much about him just now as it was York CHOW whom I talked more about. Chairman, I do not want to waste Member's time as many of them are in a hurry to leave this evening because it seems Members did not expect the meeting to go so late into the evening, did they? Therefore, Chairman, I think that the Government has the responsibility to elaborate again. The Secretary will speak later, so I ask him to explain clearly what the present political accountability system is. Perhaps inside the Government, there is also a great deal of confusion and it cannot tell what itself is either. Is this what "Long Hair" calls "the weirdo"? It is possible that it is a stag but someone maintains that it is a horse. This is the usual ruse of the Government. Therefore, in

reality, the whole accountability system or the so-called political accountability system introduced by TUNG Chee-hwa back then exists only in name and is actually already defunct. Since it only exists in name and is actually defunct, no funds should be allocated to these heads. Since the policy no longer exists and the system no longer exists, why should funds be allocated? No matter if Members are for or against this, they should know what they are for or against, should they not? In view of the rather confusing overall situation and the fact that the Government is very good at fishing in troubled water, and precisely because the Government will take advantage of the troubled water to fish in it, it will cause Ms Emily LAU's amendment to be negated. The most hapless party is the Hong Kong public because they are the victims. In view of the imbalance of the political system and the failure to realize the spirit of the original system, the 7 million people in Hong Kong have fallen victim to this imbalanced system. For this reason, I must make a condemnation.

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

(No Member indicated a wish to speak)

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Chairman, on behalf of the SAR Government, I will respond to the seven amendments proposed by Ms Emily LAU to the Appropriation Bill 2009.

The amendments proposed by Ms Emily LAU are intended to target the Administration's appropriation of funds in the Budget to the seven posts of political appointments. First of all, I wish to reiterate the Government's fundamental beliefs in implementing the political appointment system.

The Government launched the political appointment system in July 2002. Under this system, there is a tier of political leaders at the top level of the Government to handle political and policymaking duties, underpinned by the civil service as the backbone of the Government. The officials under the political appointment system are not civil servants and do not enjoy the security of tenure. They are appointed for a fixed tenure of five years to tie in with the term of office of the Chief Executive, who nominates them for political appointment and their

terms of office will not exceed the term of office of the incumbent Chief Executive.

In establishing this system, in fact, we have made reference to the government systems in many free, open and democratic societies. In the democratic systems in overseas countries, there are often such systems as a cabinet system or ministerial system. This is precisely the birth of a ministerial system or a quasi-ministerial system in Hong Kong, as Mr Frederick FUNG described it. After the implementation of this system, various Secretaries of Departments and Directors of Bureaux can perform their respective roles efficiently by working together with the Civil Service. In July 2002, the Government established the system of Permanent Secretaries. What is the purpose? It is to ensure the continuity of the civil service system — a system of civil officials who serve in professional and permanent posts — given that the term of office of the Chief Executive as well as the Secretaries of Departments and Directors of Bureaux is five years and when there is a change of teams, most of them may have to step down and may not be reappointed. No matter who is going to serve as the new Chief Executive and in his governing team, the civil service structure of the Government will remain intact and the effective governance and administrative framework of Hong Kong will be preserved.

After the implementation of the political appointment system by the Government in July 2002, with the passage of time, we found that it was too flimsy to have just a dozen Secretaries of Departments and Directors of Bureaux in the Government's political tier. For this reason, in October 2007, after carrying out public consultation in the previous year, we put forward a package of proposals on the further development of the political appointment system and the addition of two tiers of political posts consisting of Deputy Directors of Bureaux and Political Assistants.

At the same time, the Standing Committee of the National People's Congress made a decision on December 2007, stating that universal suffrage for the Chief Executive and that for the Legislative Council can be introduced in Hong Kong in 2017 and 2020 respectively. Seven or eight years from now, we will introduce universal suffrage in the election of the Chief Executive. We have to strive to pool more political talents and give them the opportunity to play a part in politics. This is because when we hold the election of the Chief Executive again in the future, be it in 2012 or particularly in 2017, all candidates will need their own campaigning teams to help them to prepare their election

platform, to rally for public support during the election period and when elected, establish a team to honour the pledges in the election platform. Therefore, in December 2007, we succeeded in winning the approval of the Finance Committee of the Legislative Council to create 11 posts of Deputy Directors of Bureaux and 13 posts of Political Assistants. In May 2008, the Government announced the appointment of the first batch of 17 Under Secretaries and Political Assistants, who began to assume office from June 2008.

In future, having joined this political team of ours, they will participate in the political work in various areas:

- From 2008-2009 onwards, the Directors of Bureaux or the Under Secretaries concerned will normally attend the regular monthly meetings of the relevant Legislative Council panels;
- After the Chief Executive had delivered the 2008-2009 policy address, the Under Secretaries also took part in local forums and attended programmes as hosts; and
- Under Secretaries have also deputized for Directors of Bureaux in their absence both inside and outside this Council.

Therefore, the establishment of the present two new tiers of Under Secretaries and Political Assistants has made the entire system complete.

The amendment proposed by Ms Emily LAU today urges Members to vote against the appropriation of funds in excess of \$15 million under the seven Heads. This has actually deviated from our principle in the management of public finance in Hong Kong over the years, that is, for posts with allocation of funds and support from the Finance Committee, whether they are within the civil service structure or are posts of political appointment, so long as they are within the establishment, sufficient provisions will be made in our Budget estimates each year to allow the relevant Bureaux and departments to act in accordance with the decisions endorsed by the Legislative Council.

Today, in the discussion on this political appointment system, Members have mentioned many individual incidents. Here, I would also like to give some responses to them.

First, let us talk about the blockade of the airport by taxi drivers on Lantau one evening last December. In fact, that evening, the Secretary for Transport and Housing had already faced the media by explaining to the public how the Government would handle the matter. That evening, our Policy Bureaux and law-enforcement departments concerned also took action together to restore the smooth flow of traffic. In the days that followed, the authorities put forward some proposals on the fare of New Territories taxis and the Legislative Council gave the green light. Therefore, this system is feasible. Our Directors of Bureaux and their colleagues are facing the public and are accountable to the Legislative Council.

In addition, Members also mentioned the chartered flight incident. On the first day back to work from his duty visit, the Secretary for Security, Mr Ambrose LEE, already indicated to the public that he would assume responsibility. If we hark back to an earlier time, Secretary Frederic MA was the first official to come forward to tender his apologies to the public for the penny stock incident a few years earlier. He did not force the civil service team to take political responsibility. After the SARS outbreak in 2003, the then Secretary for Health and Welfare, Dr YEOH Eng-kiong, resigned. In view of this, this system of ours is feasible. When compared with the substandard piling works incident or the new airport fiasco before 2002, this represents some sort of progress because in those years, it was not possible for the Secretaries of Departments or Directors of Bureaux, in their capacities as civil servants, to tender their apologies to the public or resign.

Having talked about these negative instances, let us talk about some positive ones. Our Secretaries of Departments and Directors of Bureaux work as one team with the Chief Executive. Let me give an example. In the past six months or so, all of us have to work hard to cope with the financial tsunami. One of the tasks is to jointly promote the creation of job opportunities. Each and every Bureau and Department is involved. Despite the small establishment of my Bureau, we have also contributed to the creation of 100 posts by undertaking work relating to the World Expo 2010 Shanghai China and establishing four regional support service centres for ethnic minorities in Hong Kong, Kowloon and the New Territories. So far, the Government has made efforts to create tens of thousands of jobs. The results can be readily seen.

However, Chairman, I find that in this Council, it is a very difficult task to debate with Members of the opposition because of their great political skills. I remember that some years ago, before 2002, on issues such as the new airport

fiasco, they would ask, "Why has no one been held accountable?" However, between 2002 and 2007, after we had implemented this system of political accountability, they said that we were not doing a good enough job and they even negated the entire system because the job was not done well enough. In the eyes of the discerning, they will certainly always hold the upper hand when reality is measured against the ideal. However, they have conveniently forgotten that since 2002, because of this system of political appointment, each of our Principal Officials has to give accounts to the media and the public in this Council and face the pressure and scrutiny of the public.

Therefore, if we judge the present situation in a more honest manner, in fact, the Government and other political parties as well as the pan-democratic camp are just arguing about one point, that is, whether this political appointment system should be implemented after or before the election of the Chief Executive by universal suffrage. This is simply the issue of whether a chicken or an egg came into existence first. The stance of the SAR Government is very clear, that is, this system should continue to be implemented and the rationale is very simple. The democratic system in Hong Kong has begun to move forward only in recent years. Indirect elections were introduced only in the mid-1980s. The number of members in the political parties in Hong Kong is very small. It is very important to enlarge the scope for political participation and to enable more people to embark on a career in politics, and the first step has to be taken.

Mr Albert HO has delivered a very elaborate speech. I think he raised one very good point. He expressed his appreciation for our Under Secretaries and said that they were elites from various sectors of the community. He also reminded our colleagues to gain political exposure. What is exposure? Mr YAU Shing-mu had to take questions from Mr LEUNG Yiu-chung and explain his absence from the scene in front of the public and the media. This is exposure. In the past six months or so, this group of new colleagues of ours has gained various kinds of exposure.

I totally agree with Dr Margaret NG and Mr CHEUNG Man-kwong that we cannot change our direction and that the system of political accountability and universal suffrage are complementary. I just want to tell Members that we cannot wait until the realization of full democracy to implement this system. Although the goal of universal suffrage has yet to be attained in Hong Kong now, Hong Kong has already been democratized to a certain degree. Firstly, the

Secretaries of Departments and Directors of Bureaux support the view that the Chief Executive and the entire SAR Government have to face the public and the Legislative Council; secondly, today, Members have mentioned many incidents, such as the chartered flight incident, medication safety and the taxi incident and each of these incidents has been debated, scrutinized and voted on here or outside this legislature and thirdly, on today's amendment, if our Budget cannot receive support from the majority of Members in the Council, it cannot be passed and the Government can hardly move forward. This is similar to the political system and the system of checks and balances between the executive and the legislature in overseas countries.

Therefore, in sum, I wish to tell Members that the expectation and direction of the SAR Government are very clear. We are moving towards the election of the Chief Executive by universal suffrage in 2017 and electing the leaders of Hong Kong through "one person, one vote". We are fully aware of the fact that between now and 2017, the Chief Executive of each term has to gradually establish a political coalition. At the same time, political parties in Hong Kong have to develop and more people have to stand in elections, participate in politics and join the legislature. It is also necessary for some people to join our political team. At present, we already have several Under Secretaries and Political Assistants with political affiliation and we have to establish this principle. When the Chief Executive is elected by universal suffrage in 2017, he should have a complete political team to assist him in honouring the pledges and promises in his election platform, which will include policies relating to society, politics and people's livelihood as well as his political position on the arrangements for the introduction of universal suffrage to return all Members of the Legislative Council in 2020.

Therefore, Chairman, our philosophy is complete. I urge all Members to uphold the principle that has been practised in the management of public finances in Hong Kong in past decades. Members should continue to support the provisions earmarked for posts that have been approved by the Finance Committee of Legislative Council and vote against Ms Emily LAU's amendment. Thank you.

MS EMILY LAU (in Cantonese): Chairman, I thank the many Members for speaking and some of them have even spoken for several times. Chairman, I

also thank the officials, including the Under Secretaries, for coming here to listen to this debate.

In fact, I also agree with some of the comments made by the Secretary towards the end. Chairman, there are many things that require the approval of the Legislative Council before they can be done. Concerning the two motion debates that we normally conduct each week, we call them the "talk shows" because the motions have no legislative effect. However, this debate today is different. We can turn off the tap and what is at stake is not just this sum amounting to some \$10 million. Later on, the Budget proposed by the Financial Secretary also requires our approval. For this reason, Members should no longer go out and tell other people, "In fact, we do not have much power and we are insignificant in the legislature.". How can we be insignificant? Each piece of legislation and each cent require our approval. However, Chairman, this power cannot be exercised by individual Members alone, rather, it has to be exercised by a majority of Members together.

The authorities have also prevented the emergence of a majority party through their political skills. Therefore, they created something called functional constituencies and followed a practice of the British called "divide and rule". The authorities have succeeded in sowing division but, Chairman, they have made a complete shambles in governance. For this reason, I think the debate today is meaningful.

I also thank Honourable colleagues for pointing out in their speeches that it is not just about those seven posts and of course, this is about the underlying philosophy. However, why do all of us care so much about this? Because there will really be implications, Chairman. If Members cast opposing votes, the authorities will not be able to create those seven posts. Some people even praised me for being moderate, asking me why I did not demand the dismissal of all those people. However, let us take one step at a time. Therefore, I have always been telling Honourable colleagues that the authorities care the most about matters with legislative effect or those related to money, so we should exercise our power. In that event, Members will find that their influence is actually very formidable. Although there is no democracy now, we have our prescribed powers in the legislature. If we have enough votes, we can exercise these powers.

Today, I have proposed the amendment because I think the current system is very bad. Just now, the Secretary said again that he wanted to borrow overseas experience. Chairman, you have also visited many places and just now, speaking for the first time, I said that overseas experience was that there must be universal suffrage to elect a ruling party or ruling coalition through elections first. Then, the senior members of this group can become ministers. This is why such a system is called a ministerial system or a cabinet system. The Secretary himself also said that there was nothing called an accountability system and I have never heard of it before either. TUNG Chee-hwa probably also knew that what he established was not a genuine ministerial system or cabinet system, so he coined this name that is neither fish nor fowl.

What we want is elections and through elections, to enable a ruling party to come to power, so that there will be a ruling party or ruling coalition in Hong Kong. Afterwards, the ministers, deputy ministers and Under Secretaries can be chosen. Even though we still do not have these elements, Chairman, even when TUNG Chee-hwa was still in office, I also said to him, "It does not matter. You can form a ruling coalition with the DAB, the Liberal Party, and so on, then select the appointees from this coalition."

I wish to respond to Mr Frederick FUNG. He asked how we could go about this. Why could this not be done? In that case, in the absence of universal suffrage, what are the benefits, Chairman? You people in the DAB want to stand in elections and you want to do so with whatever partners, but this would no longer be a case of "sharing the humiliation but not the honour", as you, Chairman, said in the past. Chairman, it will no longer be like how you put it in the past. In fact, Mr Albert HO was right in saying just now that this was bad loser. When you have done a good job, you will claim the credit but when you have failed, you would go to Tuen Mun or come to Sha Tin and say, "In fact, we also oppose the Government and now, so we have done so successfully.". There will no longer be any need to be so furtive and you can go and serve as ministers. I do not think you will necessarily do a poorer job than other people, particularly if the system is opened up. You can then say that "the DAB can now rule". At present, you have some 10 000 members but in the future, it is possible that you may even have more than 100 000 members.

The public do want to rule. Just now, Mrs Regina IP said that this was not possible because the Basic Law did not allow people who were returned by direct

elections to serve as Secretaries. Does it matter? Even if we do not amend the Basic Law, if, in the future, the DAB has 100 000 members, you only have to find some people to serve as Legislative Council Members, then find some other people to serve as ministers and deputy ministers and that would do. What problem will there be? Even without universal suffrage, you can still put this into practice in the mode of a ruling party or a ruling coalition. If you come to power, you will have a political platform. You can use it in the election campaign and if you win in the next general election, you can face the public again. Whether the performance of you people in those several years is good or bad can be readily seen. If you cannot do a good job, you as a ruling party will have to step down. Chairman, in fact, this is the essence of democracy. Even if we give you the authority and you say that you have a political platform, you should implement it. After implementing it for several years, if we find that you are doing a poor job, all right, next time, I will not give you the mandate and I will look for other people instead. This is how it works.

However, now, what legitimacy, what representativeness and credibility do you people have? Even if we do not like you, what can we do? The Secretary would say, "This is not how it is like. In that case, the official concerned will have to step down. Mrs Regina IP has stepped down, Anthony LEUNG has stepped down, YEOH Eng-kiong has stepped down and so has TUNG Chee-hwa, so has this spirit not been realized?" Chairman, do you think this is really a manifestation of the spirit? Why did these four people step down? It was because 800 000 members of the Hong Kong public came out. However, Chairman, there is also another mechanism that can make officials step down and the person in question was Rosanna WONG. Why did she step down? It was because of our Legislative Council. It was because we moved a motion of no confidence on that day. Originally, Ms Elsie LEUNG also had to step down, if the Liberal Party had lent its support at that time. Do Members still remember that at that time, Ronald ARCULLI sat in the seat there and wept? Ronald ARCULLI refused to vote and went out, so the motion of no confidence in Elsie LEUNG could not be passed. This was probably because the Government still had some face at that time. Otherwise, had the motion been passed, the Secretary for Justice would also have had to step down.

However, where can we see the manifestation of the various characteristics of this accountability system? Just now, there were some even more funny comments which claim that Secretary Ambrose LEE had been accountable. In that incident about the airport, what did he say after coming back? He said, "I

was not here and it seemed my calls could not get through or something." So civil servants had to make the decisions instead. At that time, there was another accountability official in the Bureau and his post title was Political Assistant, but he was not involved in any way. There was also another accountability official called Stephen LAM. Under this system, when Ambrose LEE is not in town, he will stand in but at that time, he was not involved either, so only civil servants were in charge of the matter. As a result, there was no accountability. A few days later, the Chief Secretary for Administration came here and said that all of them would assume collective responsibility. That means no individual had to assume responsibility, so what sort of rubbish system is this? When it comes to the incident at the airport, luckily, Mr LEUNG Yiu-chung is still here (*laughter*) — that is, he has not bid us farewell — Chairman, the question is: He said some officials had not come out to say something. Of course, some did but on that day, there was such a great deal of confusion at the airport and all of us can still remember that vividly. Mr LEUNG Yiu-chung said that he had wanted to look for an Under Secretary to discuss this but the latter only touched on some matters but not others. Is this how the officials appointed under the accountability system are like? This situation really infuriates me.

Chairman, I think that today, people like Mr Albert CHAN also said that some concepts were not very clear. In fact, the debate has lasted almost eight hours and I believe this meeting probably cannot be concluded this evening. Chairman, some people will be out of town tomorrow, so they will not be able to vote. As a result, they are very nervous, not just because of the voting on my amendment but also because of the voting on the Third Reading. You can see how anxious the Financial Secretary is. Moreover, some other Members still want to speak later.

Members have a very clear idea of the existing problem, that is, the present method of choosing accountability officials is deplorable and lame. I am not trying to target anyone but those people may also be problematic. In that case, I have to thank Under Secretary Gregory SO, who gave me a name card, but he surely must not do this sort of thing again in the future.

However, the problem lies not in individuals but in the system. If the system continues to operate in this way, they will not have any legitimacy or team spirit. Moreover, there will not be any accountability. What did the Secretary say just now? He said, "We have to pool more political talents." What for?

Such political talents should come from political parties. Chairman, I have said many times that the constitutional development in Hong Kong should be founded on political parties and a multi-party system in which people will compete with and exercise checks and balances on one another. Through elections, these political parties will be able to come to power.

Unfortunately, Beijing is unwilling to let us do so no matter how. Chairman, even if it were the DAB, Beijing would still not allow it to assume power. Therefore, it has looked for so many other people to cause so much division among people. Beijing must understand that if it wants to influence Hong Kong in this way, it will gain nothing. At present, the accountability system has been such a shambles and it has infuriated the Hong Kong public. So much money has been spent, but what have we got? What we hope for is that some people will come out and engage in politics. However, the aim is not for them to be pooled by the Government but to make them join political parties, emerge from the masses through elections and become political leaders of Hong Kong. Our aim is not to say as they did, "You look quite good. All right, we will let you become an official.". Is such an approach not over the top? Is this what borrowing from overseas experience is about? I hope he will no longer insult other countries.

Other people have to make a lot of sacrifices in order to get the political systems they desire. We too should not hold the fond hope that by debating here a little, something will drop from the sky. However, if the Secretary calls a stag a horse in this legislature and cite overseas experience in a misleading way, I think this is not right.

Chairman, what we hope for is that the authorities will review and abolish this system as soon as possible, so that political parties in Hong Kong can really assume power as soon as possible. If the DAB is really so powerful, just bring it on. I believe that if such a situation can be created, many members of the public will be happy to play a part in it. However, here, I call on the elites among the Hong Kong public not to follow their lead because this system is rotten. It has no credibility or representativeness. I do not agree that this system should continue. If the other Under Secretaries and Political Assistants are really so committed to Hong Kong, I call on them to join political parties and take such a road instead. The road they have now chosen leads to a dead end only.

Today, my amendment will perhaps be negated but Members should not be too happy because Hong Kong cannot find a way out. If we continue to take this road, it will be meaningless. Can you hear this? Just now, even though you belong to the royalist camp, who would sing you praises? Everyone is just criticizing you. However, after they were criticized, they would still vote for you, probably because they can get benefits in some other ways. Although a lot of people have said that they would oppose the Budget, why are there so many supporting votes now? Perhaps the Financial Secretary knows what deals he is going to make with them.

We in the pro-democracy camp are people of the highest integrity and we do not want to get anything in exchange. Therefore, there is no need to approach us for negotiations. However, I also want to know what they think at the bottom of their hearts. Chairman, I wish to ask the Financial Secretary if he would also like to deal with people who are upright and practise what they preach? Or does he wish to have dealings with people who are furtive, who may vote for you some of the times but who will give you a very hard life at other times? However, this does not matter anymore because I believe you will not lose everything in one game. Let us see how things will drag on this time.

However, we who are engaged in politics are not like this. We must have principles, ideals and be fearless, as Mr Albert HO said. For this reason, Chairman, today, I may lose but I do not want Hong Kong to lose. If you are really the elites of Hong Kong, as some Honourable colleagues described you, I hope you can slash and find a way out for Hong Kong.

With this remarks, I beg to move.

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, are you requesting to speak for the third time? Please do not repeat what you have already said.

MR LEUNG KWOK-HUNG (in Cantonese): I speak mainly in response to the comments given by Secretary Stephen LAM. As he has just spoken, I will not repeat his views in my speech.

First of all, Secretary Stephen LAM mentioned that they had checked the examples of Europe and the United States. I would like to ask you, which parliament is similar to this Council, with half of its Members returned by functional constituencies but all Members vote together? I have been to the Parliament of Ireland for a duty visit. Although there is a house of lords, its members vote separately. Nobles or appointees by the government can only deliver speeches, and their veto power is even diminishing now. This is known to everyone. What kind of matter is this? What are you talking about? Are you qualified for being an official? Please give me an explanation.

Even for our great Motherland, the CPPCC will not vote together with the NPC, and the CPPCC cannot vote against the recommendations made by the NPC, either. You should have a sense of shame. Please tell me. Which parliament has such a practice? The House of Lords of the United Kingdom has no such practice, either. They will, at most, hinder others for a while. How come you mix the votes each time, saying that the majority of the Legislative Council does not agree? Even if I assume that you are right, you should count the votes separately. What on earth are the examples you have found? Are they wrong? Is it an example of the Parliament of the United Kingdom 400 years ago? Do you know how to use the Internet? Shall I teach you how to use it? It is already taught in Year One in university. YAU Shing-mu should have learnt it when he was studying in school.

Talking about YAU Shing-mu, whenever students of CUHK wanted to contact him in the past, they could do so expeditiously. But now, after becoming an official, he is much more formidable I find that he is just a little bit fatter than before, but why has he become entirely different, forgetting his aspirations of coming from the masses and serving for the masses? As the student press and the student union have to conduct elections, you then it is not good for you to have too many contacts with them. I always think that we should not hold meetings in Room C — C, among A, B, C and D, is not a corpse. In case there are too many contacts, in-breeding will give birth to idiots. I have mentioned it several times. Why do you have to forsake your righteousness? You are all along an elite with your own ideas. MAK Wah-cheung of the *Hong Kong Economic Times* has offered you a lot of money

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, please speak to the question.

MR LEUNG KWOK-HUNG (in Cantonese): I know him. We are old friends. I meet him again this time, feeling sorry that a young man

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, you can have a reunion with your friend on other occasions.

MR LEUNG KWOK-HUNG (in Cantonese): This is a bad example. I do know him, but he is now "an official speaking with two mouths", arguing speciously here.

Secretary Stephen LAM, the second point I want to challenge you is that we always scrutinize our voting. Have you ever seen a legislature that has no power to make laws, that has to consult the government before making any laws, and such laws should neither involve any spending nor affect its policies and administration? Moreover, this government is not formed by election. Can you give me an example? There is no such example at all. You should admit defeat as you cannot find an example. Can you find one? This Council always votes but our voting has no binding effect.

When I was on a trip, someone asked me, what was our Legislative Council? It is because our English name is quite special, which is not named as a parliament. I told him that it was a legislature. He then asked me, "Is it necessary to have an institution to make laws?" My answer was in the affirmative, and we always voted on something with no binding effect. He advised that if there was such a legislative body, he really wanted to take a look. I answered that he was welcomed and gave him my name card, saying that I could show him our voting if he had time. We have different kinds of officials here, and a number of representatives from the public are just like the Donglin Party in the past, who would be beaten severely right away in case they said anything wrong. We are being treated in this way, and will be beaten in case we have said anything wrong. In fact, I also doubt what power with which you are conferred to come over here. However, I just regard you as an antagonist and

you can do nothing about it. We have scrutiny and voting every day, but are they real or unreal?

"One council, two systems" is the source of evil, under which the Legislative Council cannot bring its minimal functions into full play. All our powers have been cut apart by someone. I do not know who he is, either. But he can enjoy the same right as me, which is unacceptable. What on earth have you observed? Where have you been for inspection visits? Please tell me. Have you been to Mars? Is there such a constitutional system on Mars?

Well, you also stressed the need to pool political talents, which is really insensible. Can political talents be pooled by you? Do you know what it means? Do you know it is very dangerous to make such a remark? This remark can only be made by the king, and you should be "beheaded" if you say so. Can you pool them? You are insulting other elites in our community, meaning that those being not recommended by you, Secretary Stephen LAM, and pooled in the Government are not regarded as elites, or it is not worthwhile to vie them into elites. To embrace means putting everything into a bag, just like Ji Gong catching monsters into his bag. What on earth are you talking about? Do you want to develop a tyranny?

With all being pooled, there will be no more opposition party. This is the crux of the whole question. A tyrannical regime, of course, hopes that people who are useful to it can all be pooled. The civil society will then be weakened and has no power to oppose to the regime. This is the Power of the Powerless mentioned by Václav HAVEL, giving the powerless a feeling that they are really very insignificant. They will then draw an inference themselves that only if it is the SAR Government, there will be outstanding talents. We also have such kind of talent. LAU Kong-wah is absorbed by you. I also find him a venerable talent. Are we participating in the UEFA Euro or English Premier League football matches? Have we snatched those championships?

Your manner of speaking is too arrogant. What is the constitutional system you are talking about? It is indeed a very dangerous constitutional system. In the United Kingdom, a political scientist, HOBBS once mentioned that a contract signed was a contract, even that was the Leviathan revolution — do you want me to engage in a revolution? Your argument is just like this. We should comply with that contract, the Sino-British Joint Declaration signed in 1984, which had become a contract after interpretation by the Central

Government, that is the Government of the People's Republic of China, in 1990. The opposition camp has no alternative but to comply with this contract, otherwise, they can only carry out a revolution when the Leviathan appears. HOBBS was really great. Being an authoritarian, he also pointed out that it was possible to have revolutions. There is no need for us to carry out a revolution today. I am not asking you to carry out a revolution. Rather, I just ask you to make some reforms. Is it fatal for us to request universal suffrage? You always tell us that we are just in lack of something. As I have mentioned time and again, taking the dot stroke from "民主" (meaning democracy) will make it "民王".

Secretary, what is the third viewpoint? It is a complete ideology. The ideology is, of course, complete. Your ideology is parentalism plus colonialism, which is indeed most complete. What is your ideology? Your ideology is that power is everything. You always look upward, whilst Donald TSANG always looks to Beijing. Today, you all are wagging your tails, as Premier WEN has mentioned in Hainan that this person is quite good and the action taken by him is quite timely. Therefore, you all are wagging your tails at someone who has been praised by Premier WEN. In this Hong Kong

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung, you are now speaking for the third time. I hope you can speak closely to the question.

MR LEUNG KWOK-HUNG (in Cantonese): He said that it was a complete ideology

CHAIRMAN (in Cantonese): Please do not spend your speaking time putting forth too many other arguments.

MR LEUNG KWOK-HUNG (in Cantonese): I point this out because I respect the Premier. This is what Premier WEN Jiabao has said. Premier WEN has praised the Chief Executive. However, criticism against the Chief Executive has become the talk of the town, and I am afraid that sentence is not allowed to be quoted here. In view of such a great difference, what on earth is this system?

This is a system of "one-man dictatorship". You dare to tell us that the ideology is complete. Do you mean that what the Communist Party of China has implemented in the Mainland can be applied here by simply making a slight amendment to the one-party dictatorship? The Communist Party is now putting emphasis on talents, aiming at pooling all talents. We have to open up the institution. When listening to your speech, it seems that I am watching the China Central Television, as it is more or less the same. Just as my mother said, there was no need for POON Yat-on to wear any make-up when he played the role of a scholar, as his appearance was more or less the same.

I think intellectuals should have a sense of shame, affirming what is right and what is wrong. In case you cannot affirm what is right, you cannot affirm what is wrong, either. What you need to do is to shut up. It is alright for you to remain silent, act as you wish and cast your vote. You may even say, "Chairman, I have nothing to say. According to this 'disabled' election system, we win a 'disabled' victory. I suggest casting our votes immediately, so that we need not to be so miserable and be seated here." In fact, I do not want to make such comments, but he has to speak out of place.

Chairman, under a leader, political party or club which has the popular mandate under a club of the French Revolution, people had to be "beheaded". ROBESPIERRE implemented the tyranny after being elected by the people. At that time, even the cost of democracy was an ochlocracy, for people had to give up their lives. It is indeed the same as what you all are doing now. In the tradition of the French Revolution, political clubs were based on their platforms and public debates.

Do we have these systems now? What party does the incumbent Chief Executive belong to? Is it necessary for our Chief Executive to think about consequences? He may take care of John TSANG, the "TSANG's camp". When BUSH met RUMSFELD, by the way, do you know who RUMSFELD was? He was the one who had all along been engaging in wars, but was fired once he was not capable of doing so. During the United States General Election, once they found that he was not capable of doing so, they asked him to go immediately, rather than asking BUSH to go. THATCHER implemented the poll tax, very powerful she might be. John MAJOR and others, including Chris PATTEN, noticed that THATCHER had acted against public opinions, knowing that the imposition of such a tax was bound to be a failure. When a riot broke out in London, they immediately gave an impetus to a coup and demanded the Party to repress her. Eventually, THATCHER chose to leave even though she

had just failed to secure the majority of votes in the first round of election. What do you think her reasons were? She knew very well that if she did not leave, the Conservative Party would humiliate her. Albert CHAN forgot to mention one thing. It was not the case that the person cared about the party out of benevolence, but the party drove him away out of evil intention.

Do we have such a system? No, we do not. As such, Donald TSANG can do whatever he wants, provided that Premier WEN praises him. He then asks you to come over here, doing whatever you want and talking nonsense. The reason is that if you do not resign and Donald TSANG does not fire you, we have no way to bother about it. All we can do is not to vote for him next time. But I am so lucky to have one vote. What can I do?

More than 6 million people have no way to express their grievances. What kind of system is this? You will only keep on saying According to the *Bible*, those buildings built on sand would collapse. KONG Shangren also mentioned in his works, the *Peach Blossom Fan*, that they would collapse. You only ask if those buildings are illegal structures, without bothering about their foundation. You may ask the Secretary for Development, Mrs Carrie LAM, if such a practice viable? To construct a 120-storey building on sand, you are just substituting concepts. If you speak again, I will certainly further refute your argument. If you are understanding and reasonable, we will press buttons and cast our votes. In case you speak again, I will certainly further refute your argument. Recently, many parents have rung me up, urging me to educate their children because someone has blamed me for only knowing how to speak foul language. I replied that I could do so and would try my best to teach them next time. Do you know who RUMSFELD was? His fate was very miserable. He supported BUSH to kill people. Therefore, you have a chance. Chairman, I do not want to digress from the question. But I have sworn at the outset that if Secretary Stephen LAM continues to speak nonsense, I will refute him till the end. I just want to see if he can evade from my net of justice. I have gathered all his crooked arguments and come forth to refute him now. Thank you, Chairman.

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

(Mr Albert CHAN raised his hand to indicate his wish to speak)

CHAIRMAN (in Cantonese): Mr Albert CHAN, speaking for the third time.

MR ALBERT CHAN (in Cantonese): Chairman, I shall be as brief as possible. I am extremely disappointed about the reply given by Secretary Stephen LAM just now. The whole argument is not convincing at all. And as usual, he just substitutes concepts, calling a stag a horse. Chairman, I have raised a number of questions in my speech, but the Secretary has not responded to any one of them. The most crucial question is whether He keeps on stressing political appointment, but behind it When I spoke for the first and second times, I have stressed repeatedly that political accountability, which was, during the era of TUNG Chee-hwa Secretary Stephen LAM had taken part in assisting TUNG Chee-hwa to promote and establish the political accountability system. Under the political accountability system, Secretaries of Departments and Directors of Bureaux have to be held responsible for any dereliction of duty or mistakes made in policy implementation. And according to this mode of accountability, it is very likely for him to take the blame and resign. Do the political appointment and the accountability system mentioned by the Government still exist now? Yes or no? What is the answer? He has not explained this point.

In fact, there was a lot of confusion earlier on, and sometimes, they assumed responsibility collectively. As I have mentioned it just now, I will not repeat here. Today, you should give this Council and the public an explanation. What are the systems of accountability and appointment all about? What are their principles, rationales and systems? Do they exist in name only? You owe us an explanation. We have cited many examples just now. Anthony LEUNG had to assume responsibility and resign for making such a minor mistake. Why did York CHOW and "silly Kiong" need not take the blame and resign for making so many mistakes? You should give us an explanation. You cannot get by with false pretences here. You can no longer cheat the public and the mass shamelessly here. You are duty-bound Secretary!

Chairman, I find it hard to tolerate such a shameless person cheating the public and getting by with false pretences here, and ignoring the dignity of this Council. Many people said that the dignity of this Council has been undermined as three of us use foul languages here — in fact, they are not foul languages at all. Only those shameless officials will undermine the dignity of this Council. They

undermine the dignity of this Council by ignoring the political reality, failing to explain clearly their policies and cheating the people of Hong Kong. They just get by with false pretences! Receiving a remuneration of four to five million dollars a year, can they sell their dignity? This accountability system — as mentioned by "Long Hair" — is the foundation of the existing operation of the whole Government. It has now become more and more blurred as we do not know whether this foundation is built on sand, ground or an abyss. How do officials assume responsibility? In the last two years, which officials have assumed responsibility? They have made mistakes time and again! What responsibilities have they taken up? As advised by the Secretary very eloquently and magisterially, officials have come out and met the mass media and Members, and explained to us in this Council. Is giving an explanation equivalent to assuming responsibility? What on earth this moonshine or lie is! I really do not want to engage in "battle of words" or "doggish argument" with you.

Chairman, what is the so-called accountability? I hope the Secretary I challenge the Secretary. Please give us an explanation clearly here today. Appointment is a system. At that time, your officials, no matter Political Assistants, Under Secretaries or Directors of Bureaux, were all appointed by the Chief Executive. This was a procedure of appointment. However, as for the accountability underlying them, in case any mistakes were made in the Bureau under the purview of this Secretary, how could he assume responsibility? I hope Secretary Stephen LAM, if he still has a little bit of sense of shame, can give us an explanation on this accountability system clearly, and explain why so many officials are not required to assume responsibility.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): Secretary for Constitutional and Mainland Affairs, do you wish to speak again?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Chairman, Mr LEUNG Kwok-hung advised me not to speak again, whilst Mr Albert CHAN requested me to give a response. As such, I give a brief response.

First of all, I would like to respond to Mr Albert CHAN. There is no change in the foundation of our Accountability System for Principal Officials or political appointment system. We have now included two more tiers of politically appointed officials, including Under Secretaries and Political Assistants. All the three tiers of politically appointed officials should act in accordance with the code of political appointment. They should be accountable to the Legislative Council and face the public. Also, they should be held responsible for the success and failure of policies under their purviews personally.

Moreover, I would like to respond to Mr LEUNG Kwok-hung briefly. I have made it clear in my speech just now that universal suffrage has yet to be implemented for the election of both the Chief Executive of Hong Kong and the Legislative Council. By the time when we have universal suffrage, I believe it will be even more complete with our existing political appointment system.

Chairman, this is my brief response.

MR ALBERT CHAN (in Cantonese): Chairman

CHAIRMAN (in Cantonese): Mr Albert CHAN, I believe that the reply given by the Secretary in response to your question may not satisfy you fully. However, if we keep on debating in this way, allowing you to point out your dissatisfaction after the Secretary has given a response each time, I am afraid we can hardly finish this debate. This debate will come to an end after the vote. If you rise and request to speak again solely for repeating the queries you have just raised, and if you consider that the Secretary has yet given you a reply, you had better not to waste time anymore.

MR ALBERT CHAN (in Cantonese): Chairman, I will not repeat myself, but I just want to make a simple remark. "You are really 'bu gai' (*in Putonghua*)".

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I have something to add, which is very concise.

CHAIRMAN (in Cantonese): Mr LEUNG Kwok-hung.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, this question has been examined thoroughly in today's discussion. When Mr TUNG, founder of the accountability system, submitted it to the Legislative Council, there should be detailed rules and regulations for implementation, right? Same as the laws, as for who should bear the consequences, how the work should be done, where the problems will arise, and what mechanism should be adopted to resolve such problems, there should be detailed rules and regulations as well. These are what we are asking for today. How can we identify candidates and determine their remunerations? How can we deal with the misconduct of officials? I am subject to sanctions imposed by the President in the Legislative Council. Do you understand? Given that we have such requirements in place, it is impossible for the Government not to have such requirements, right? Mrs IP, who has been an official for such a long time, also knows it, right? Once there is civil power and administrative power, there will be the so-called code of practice, which should have legal effect. It will be inappropriate if there is no such code. I just endured it in the first instance, hoping that such a code could be produced if available. For example, in kindergartens, there is certain transparency in telling children when they will be stamped with a black pig and when they will be stamped with a white rabbit. They will be stamped with a black pig if they do not cut their fingernails, right? They will be stamped with a white rabbit if they fold their handkerchiefs nicely. Honourable Members, even kindergartens have such practice in place. What do we have at present?

CHAIRMAN (in Cantonese): Mr LEUNG, I think you have made your point very clear.

MR LEUNG KWOK-HUNG (in Cantonese): Honourable Members, I, in fact, asked him not to speak anymore. I admit Actually, he can speak again if he submits it to us the next time. Frankly speaking, as for loudness, my voice should of course be louder. However, my voice seems to be smaller than theirs today

Chairman, my view is very simple. We have to vote today. Later, I have to speak again. I do not know whether you will suspend the meeting or not. However, I would advise Secretary Stephen LAM that it is really necessary for him to hire a few more Political Assistants and Under Secretaries, otherwise, he will find it very hard to ward me off.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by Ms Emily LAU be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Emily LAU rose to claim a division.

CHAIRMAN (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for one minute.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendments.

Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted against the amendments.

Dr Raymond HO, Ms Miriam LAU, Mr Tommy CHEUNG and Prof Patrick LAU abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted for the amendments.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendments.

Dr Priscilla LEUNG abstained.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 25 were present, three were in favour of the amendments, 18 against them and four abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 16 were in favour of the amendments, 10 against them and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendments were negatived.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the sums for heads 138, 141, 142, 151, 152 and 158 stand part of the Schedule.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the sums for heads 138, 141, 142, 151, 152 and 158 stand part of the Schedule. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, I move that head 144 be reduced by \$121,000,000 in respect of subhead 000.

Honourable Members, why do I have to move this motion? It was due to the reply given by Secretary Stephen LAM to our query raised on a certain

occasion. I asked him, "As there were four Mainland Offices at present, in case many Hong Kong people lost their freedom suddenly, could these Mainland Offices send someone to visit them?" At the outset, we guessed the Secretary would give us a prepared answer which was just like "overnight siu mei", saying that "We would also go there and visit them." But it was not the case. Secretary Stephen LAM had not made any "overnight siu mei" this time. Rather, he gave us an exciting and outrageous answer, saying that "We would not go there and visit them." He also advised that if we went there for negotiations or visit them, it meant that we did not respect the Mainland. After listening to his reply, I really found it outrageous.

Of course, Hong Kong is an independent jurisdiction. It is not another country, but a region under the governance of the People's Republic of China. Frankly speaking, if it is really an autonomous country, such as the United States, in case someone from a state has been jailed in another state, the governor of this state will also consult the governor of the other state, "Why did you put my man in jail? Have you applied the federal law? Is the FBI involved, or you just arrested this man across the boundary? If he is not arrested by the FBI, I can sue you, buddy."

We are now in a region with a greater degree of autonomy than a state in the United States, as the authority of various states in the United States has been stipulated in the federal constitution. Our situation is special and exceptional. Our social and political systems are different from those of the People's Republic of China, but this is also allowed. Our standards are very high. Under such an unrivaled and unprecedented "one country, two systems", we ask the people-oriented Central Government, if one of our residents has been arrested, can we visit him? What crime has he committed? What problems will be generated if we visit him?

However, the Secretary has given us a very straightforward answer, and that is: we have to respect the Central Government. Frankly, I seldom have any contact with the Central Government, otherwise, I also want to figure out if the situation is really like this. Is this what it has said? The Secretary should not make irresponsible remarks and utter nonsense. According to my understanding, the Mainland now also wants to open itself and be transparent as far as possible. This issue has prompted me to ponder over a question. As we have spent so much money to set up offices in the Mainland, I cannot say that they are not effective at all. However, it is an undeniable fact that those who are close to the power centre and rich will be more effective. As said in the famous book by George ORWELL, all people has power, but some are more powerful

than others — some people will translate this sentence into "all people are equal, but some are more equal than others". I think this translation is relatively poor.

For example, we try to fathom what the Central Government wants to do. The highest level of our Government will be responsible for making such a conjecture, followed by Secretary Stephen LAM and the four representatives of the Mainland Offices paid by public coffers. Chairman, I have received many cases which allegedly involve people who have been done injustices in the Mainland. These cases are reported to me by their family members. They tell me that these people are jailed due to such problems as business affairs and personal grudges, and they have to use money to "buy back their freedom". A factory owner is at odds with the Mainland Authorities. After he was arrested, someone rang up his wife and asked her to go there and "buy back his freedom". If she could pay the full amount as requested, her husband could be released. What I am saying here is not proceedings between private companies, but is a case being inculcated. Even in cases of administrative detention, there is such practice.

Are our Secretaries of Departments and Directors of Bureaux who are in charge of the Mainland Offices aware of these cases? Have they ever thought that these people are innocent? Even for those who have visited prostitutes, they can be released by paying \$1,500, whilst those who have no money to pay will be detained continuously. Such cases do occur. Although our Mainland Offices are located in such a vast territory and there are four offices only, should they not be responsible for offering assistance in these cases? Upon establishment of the People's Republic of China, China was divided into five bureaux only. When the Communist Party seized the political power at that time, the administration was divided into five bureaux only. However, we have four offices. Moreover, it is very convenient to travel to and fro the Mainland by plane now. When Chairman MAO liberated the whole China, he had to travel by train, but he was able to do so. We have emails now, but why we are not able to do so? The reason is that we are not incapable of doing so, but some of us consider that we should not do so. This is the fatal point.

I notice that there are altogether five points in his explanation, such as intensifying co-operation between Guangdong and Hong Kong, implementing the Outline of the Plan for the Reform and Development of the Pearl River Delta, and so on. Each of them, in fact, depends on the Mainland's pleasure. That is to say, we follow others' instructions and take up the tasks so assigned. As for the

reconstruction of Sichuan, I agree to such arrangement. However, the officials travelled such a long distance to visit pandas only rather than visiting people. We have to visit, first of all, our compatriots in the Mainland. Second, we have to visit those who are wronged or partially wronged because of the different legal systems or poor administration by officials in the Mainland. If they do not take up such duties, how can we grant funding to them? In fact, it is very simple. Chairman, I do not want it to end up in such pass, either. However, as they are so peremptory, stating that they will not take up such duties, I will not grant any funding to them. It is this simple.

In fact, Secretary Stephen LAM has stated such situation on many occasions. And regarding the issue of universal suffrage, he has given us an impression that only if the Central Government has given us an answer, we will do so as instructed. This is the first point. Secondly, before the Central Government has given us any answer, we have to rack our brains to fathom what it really wants to do.

Why does the Secretary still have to think about it? There is no need to do so. He can ask it directly. According to articles 28 and 32 of the Regulations on Houses of Detention in the Mainland, a detainee may communicate with and meet his counsel, and upon consent of the authority handling the case and the public security authorities, a detainee may communicate with and meet his close relatives. According to section 48 of the Prison Law in the Mainland, a criminal may meet his relatives and guardian during his imprisonment as stipulated.

Two questions are involved here. First of all, it is common in the Mainland that they do not act in conformity with laws. This is the first point. If the organizations under the SAR Government can go there to negotiate, it will be much more formal. That is to say, in doing so, can we pre-empt any problems? At least, we can prevent people from acting not in conformity with laws. Let us leave aside the question whether such laws are good or not. This is an obligation. At present, when watching the television or listening to the radio, in case anything happens, China will announce that it has sent people or arranged for a plane to fly there to handle it. The cases we are now facing are not natural disasters, but some man-made calamities caused by poor administration by officials in the Mainland, which are indeed very common. Our organizations which are remunerated on public money fail to serve the public. They are wrong. They are really wrong. Therefore, regarding this

question, I have come up with a solution, and that is, not granting funds to the Government and waiting it to "bargain" with us. Surprisingly, the situation is not like this.

Today, Secretary Stephen LAM, will you reconsider visiting those people? Dr Priscilla LEUNG has shouted her voice hoarse, urging that legal aid be arranged for them. She also has such idea. Why? It is because the Secretary and I contact different kinds of people. I meet those general public who are wronged, whilst you meet those high ranking officials and the rich who will never be wronged. Therefore, "if officials do not serve their people, they had better go home and sell sweet potatoes." Being a Member, if I fail to voice out for the public, there is already a dereliction of duty on my part. If you refuse openly to serve Hong Kong people but I still grant funds to you, I had better go home and sell sweet potatoes. It is better for you rather than me to sell sweet potatoes. As such, I tighten the funding today, that is, I will not grant any funding to you.

There is one more issue which I want to talk about. Secretary Stephen LAM's attitude is not fortuitous today. I think the Secretary is just like an ordinary person. However, as he is in this system, he has no alternative but to perform in this way, looking upwards and trying to fathom what the superiors want to do. Chief Executive Donald TSANG can neither save the market nor rescue our people. However, once he met WEN Jiabao in Hainan, being praised that "his performance was quite good and timely", his status was strengthened again when he came back. As for grumbles, grievances and hardships of the public in Hong Kong, he can simply ignore them.

The attitude we have to rectify is that, even our officials are not elected by the public, they have to reach out to the public, buddy. When they reach out to the public, they should think about the public, rather than trying to fathom what the superiors want to do. They should feel the public pulse and do something for them. The answer given to me is that there is no introspection at all. Our request is very humble. As you have set up offices there, please kindly do something. But you refuse to do anything up to date. This is another example, showing that "a small sign can reveal many things". Also, it is an indication of a bureaucratic or political system under which officials are not required to be held accountable to the public. As such, they are bound to have such behaviour as trying to fathom what the superiors want to do and acting arbitrarily.

Honourable Members, I know you will not vote for me to turn down the granting of funds for these four offices. However, what we are facing today is not a matter on whether we should grant funds to them or not. Rather, after listening to the opinions given by a person who declares himself as the opposition, I wonder if you have good intentions toward others, not me but the public. You should care about them. Your concession will not bring any benefits to me. Do you understand? I notice that once these officials have secured enough votes, they will deal with this "Long Hair" in a perfunctory manner. However, they are absolutely reluctant to visit those detainees.

May I ask the Secretary if it is fatal for you to ask officials to visit them? Is it fatal for you to entertain me in a perfunctory manner? Is it fatal for you to strive for justice for hundreds of thousands of people who are detained in the Mainland because of poor administration by officials, lack of a legal system, venal officials and local tyrants there? Your answer is: "'Long Hair', it is really fatal for me to do so. If I have made a wrong guess, what can I do? It is really fatal. I had better put others at risk."

Therefore, Secretary Stephen LAM, you have been snared by me. Once you find this "Long Hair" so immoderate, you are determined to go for him sometimes in future. I now request that all the four offices be abolished. Is this a rebellion? I am waiting for your graceful reply. You have sent me a letter, saying that you would not do so. This is just a very humble request. A pivot can change the whole world, and I can even lend you this pivot. However, you just said, Mr LEUNG, we would handle these cases. But your idea was really very outrageous. How can we abolish all the offices? Secretary, let me teach you how to do it. I will do so, and only you have no intention to do so. That is the case. However, I have to make it clear that the comment I made earlier is still valid. If you speak again, I will further refute your argument till the end.

Mr LEUNG Kwok-hung moved the following motion:

"RESOLVED that head 144 be reduced by \$121,000,000 in respect of subhead 000."

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

MR FREDERICK FUNG (in Cantonese): Chairman, regarding the amendments moved by Members from the pan-democratic camp today, it is so exceptional for me not agreeing to them and giving my support to some policies of the SAR Government. To me, the ministerial system discussed just now and the cancellation of the funding for these four offices currently being discussed are, in fact, some recommendations I proposed to the then Chief Executive, Mr TUNG Chee-hwa, back then — in 1997 or 1998. The setting up these offices might not be attributed to our recommendations, as other people may have put forth similar recommendations as well. However, as our recommendations have already been in place now, I cannot see any reasons for us to object to the setting up of these four offices. This is the first point.

Second, I also want to say a few words on the twists and turns in the discussion within the Hong Kong Association for Democracy and People's Livelihood (ADPL) on how I should vote. "Long Hair" has left the Chamber. Actually, I want to tell him the whole story. We, the ADPL caucus only noted at the meeting on Saturday that "Long Hair" would propose this amendment, as he had not submitted it until the last minute. According to our understanding at that time, or after listening to the explanation given by his secretary, we were given to understand that "Long Hair" had proposed not to grant funds for the Secretary's salaries as the Secretary had deferred the implementation of the constitutional reform. We found it quite reasonable and agreed to it in principle. Later, it was said that he would not only refuse to grant funds for the Secretary's salaries, but also refuse to grant funds for the expenses of his office. Taking that political reason as a conclusion, we also found it quite reasonable. Therefore, the ADPL caucus told me on Saturday that we could support Mr LEUNG Kwok-hung's amendment. However, on Monday, after clarifying with the staff of Mr LEUNG Kwok-hung's office once again what he intended to do, we then noticed that he wanted to abolish all the four offices in the Mainland, which we found it not viable.

Mr LEUNG Kwok-hung considered that the Secretary had answered his question wrongly as he refused to visit those convicts sentenced to death. I do not bother whether the Secretary has such power or not, but Mr LEUNG should require senior officials, the Secretary, Under Secretaries or Political Assistants to be accountable, rather than holding those four offices responsible. Those four offices provide services on the regional level. As far as I know, the staff of those offices are civil servants. Even if he has to hold someone responsible, he should not hold civil servants responsible. If we terminate the services provided

by the four offices, where will those civil servants be deployed? As mentioned by "Long Hair" just now, it is unreasonable and really wrong for the Secretary not doing something. He should not let go the Secretary. I think the one he should target is the Secretary. But he has not done so. After realizing that this was not the case on Monday, I asked our caucus members one by one again to see if they had changed their opinions on our vote. They said that if it was not the case, we could not support "Long Hair". Therefore, it was about the evening on Monday when the ADPL changed from giving support to this amendment on Saturday to opposing it now.

Let me talk about our views on these four offices. Chairman, in 1997, we had met Mr TUNG for three times within one and a half years. As I have just mentioned, at the first meeting, I had put forth three opinions. I wish to say a few words on these offices. During our first meeting, I proposed to set up three offices, one in Beijing, one in Shanghai and one in Guangzhou. At that time, we told Mr TUNG that in order to manage Hong Kong properly, we had no worries to allow civil servants to handle the internal operation of Hong Kong, nor would we worry about the relationship between Hong Kong and other overseas countries, especially on issues relating to finance and trade. What worried us was the relationship between the SAR Government and the Mainland. It was because the SAR Government, especially civil servants, had not much contact with the Mainland since the team of civil servants had been established. Worse still, they, including us, were not familiar with the politics, culture and systems on the Mainland. Therefore, we considered that if we wanted to have long-term development, we should set up government offices at these three places, so that our Government Although Mr TUNG had extensive networks with many people, it was impossible for him to meet many people and visit different places simultaneously. As such, we should enable civil servants in Hong Kong to grasp these things. We found it necessary to set up offices at the three places mentioned just now.

Let me explain why we should set up an office in Beijing. Beijing is where the Central Government of China is. We will, at least, get some "hints" about its political culture, political policies, or its viewpoints on finance or even "one country, two systems" of the SAR Government. In particular, the Government in Beijing has stipulated some development plans for the whole nation, such as five-year plans, which will have impact on Hong Kong. I think we should get such information in a first-hand manner at the nearest location

directly, without passing through a third party. Such information is useful to the HKSAR Government, no matter on our co-operation and co-ordination with the Mainland, or our counter-proposals on anything which we do not agree.

Shanghai, according to my estimation, will sooner or later become Hong Kong's competitor in terms of its status as a financial centre and international city, or a partner in terms of co-ordination and co-operation. As it is a place with which we should co-operate, co-ordinate and even compete, we should understand each other's strengths and weaknesses. Therefore, setting up an office in Shanghai can allow the SAR Government to get hold of the development in Shanghai, especially its financial and economic development as a financial centre. As such, we would know that we should do what Shanghai will not do. On the contrary, we should enhance certain aspects, so that Shanghai will give up competing with us, and perhaps we can do something in collaboration with Shanghai as well. Many possibilities can only be grasped if we know what is happening in Shanghai.

Turning to Guangzhou, in the 1990s, according to the findings of a survey conducted by the ADPL, the economic development in cities had come to an end, with the same expanding to the regional level. That is to say, before the 1990s, as a city, such as New York, Paris, London and Hong Kong, they were all capable of providing support for those living there properly. However, during the 1990s, if we failed to build up any economic relationship with the region behind us, our city would become obscured and collapse sooner or later. In view of this, in order to have prosperous development, we considered that it was impossible for us to have no economic co-operation with Guangdong Province and the Pearl River Delta — I stressed economic co-operation. Therefore, we proposed to set up an office in Guangzhou, that is, the metropolis of Guangdong Province.

These three offices combined, no matter in terms of politics, our status as a financial centre or economic development in the region, can help the SAR Government. They can enable us to gather information, establish relationships and understand the Mainland's politics, economy and culture. What we proposed at that time was their class, not their services. We, the ADPL, did not suggest providing any service at that time. Of course, it was good to have services. It was even better for them to provide services. However, the most important point was how to develop Hong Kong's strengths under "one country, two systems", so that Hong Kong could develop its edges and maintain its status

as an international metropolis. We should grasp the opportunities in those three places as soon as possible.

At that time, we proposed to Mr TUNG that we should set up offices in these three places. Regarding Mr TUNG's reply, I should, first of all, make an apology to him, as he said, "You say what you've got to say whilst I say mine." I have to say a few words about some of his replies. He said, "Ah Kei', these three proposals are very good, but we have to proceed slowly." His answer is "slowly". Of course, we have witnessed the establishment of these three offices one after another. I stress again, this credit should not go to the ADPL. I believe many other people must have also put forth the same proposal. As we have made such a proposal, I consider that there is no reason for us to reserve our views now, saying that it is not necessary to have these three offices.

However, although these three offices have been set up, once we look back at what Secretary Stephen LAM has mentioned, we will find that the work of these three offices and their major services are basically not the same as what we have suggested, that is, how to maintain "one country, two systems". Especially, in view of the vigorous development of Shanghai, and with the five-year plans being put forth by the Central Government one after another, how can Hong Kong continue to be an international city and a financial centre — not only a regional financial centre, but also an international financial centre? If we fail to bring these offices fully into play, it is just a waste of their services.

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

One of the deficiencies is the insufficient manpower of officials in these offices. Especially, the office in Beijing, you can see the counterparts are either ministers or vice ministers — what I mean is those veritable ministers, who are really of the ministerial grade. If our offices only have heads of departments, or officials of an even lower rank, their counterparts will not know which rank of officials should be appointed to receive them, as their ranks are not "comparable". Therefore, if you ask me, I think we should not abolish these offices. On the contrary, we should upgrade the staff working there. For example, in Beijing, can our staff have dialogue with the vice ministers in Beijing or even those of the ministerial grade? Can they really get hold of the political atmosphere? In

Shanghai, are the officials in our office of such a rank that they are qualified to have dialogue with the financial officials in Shanghai without any deference to each other? In Guangzhou, can our officials have dialogue with those in Guangdong Province or even different provinces in the Pearl River Delta without any deference to each other? Of course, you may say that this job can be handled by the Secretary. However, as the Secretary has to handle affairs in Hong Kong, he may not be able to handle it intently. I think the officials of these three offices should, at least, be public officers of the directorate grade in Hong Kong, that is, they should be heads of departments.

Deputy Chairman, how was the office in Taipei established? In 1998, the Friends of Hong Kong and Macau Association in Taiwan had invited three people from Hong Kong, including Albert CHENG, Joseph CHENG and me, to give a talk and the topic was the political system in Hong Kong after 1997. At that time, I made a request. As I was more concerned and wanted to know more about the relationship between China, Hong Kong and Taiwan, I requested to meet the person-in-charge of the Straits Exchange Foundation (SEF) at that time. They had made such arrangement for me, so that I could see Secretary General ZHANG of the SEF. Before I embarked on the journey, I had gathered some information to see what the economic relationship between Hong Kong and Taipei was. According to the information at that time, we mainly engaged in trading as an intermediary, that is, from the Mainland to Taiwan via Hong Kong, and from Taiwan to the Mainland via Hong Kong. The trading volume at that time amounted to US\$23 billion. As far as I remember, the amount of last year seems to be US\$25 billion. I asked at that time, "How does Taiwan look at the relationship between Taiwan and the Mainland, and that between Taiwan and Hong Kong?" It is not convenient for me to elaborate this point here, as it is not related to the subject of today's debate.

Secretary General ZHANG told me a key point at that time. According to his estimation — which was of course incorrect — "Three Direct Links" would be established within five years. At that time, he did not know there would be the emergence of the Democratic Progressive Party. Let me make a calculation. It would be a "big deal" if "Three Direct Links" were to be established within five years. It was 1998, and five years after that would be 2003. Once "Three Direct Links" were established, our US\$23 billion would come to naught. Therefore, I asked him at that time, "Under such situation, would Taiwan think about in case Hong Kong suddenly lost its original relationship and trading,

especially the US\$23 billion, what could Hong Kong do?" Of course, he opined that as it was a matter relating to Hong Kong, we should think about it ourselves.

After hearing this news in Taiwan, I made another special appointment with Mr TUNG after I had come back. I told Mr TUNG that in view of this news, I had another suggestion, and that is, we should not only set up offices in Beijing, Shanghai and Guangzhou, but also an office in Taipei. However, I knew it was relatively sensitive to set up an office in Taipei, as we could not set up an official office there. However, there should, at least, be a semi-official or unofficial office. I had an idea at that time. In case "Three Direct Links" were really established between the Mainland and Taiwan within five years and our income of US\$23 billion was to be affected, we should have an office to link up Hong Kong and Taiwan and encourage businessmen in Hong Kong — no matter they were from the financial sector or businessmen — to trade and co-operate with them. Pending the establishment of "Three Direct Links" in future, Hong Kong people could also co-operate with Taiwan people and do business in the Mainland. You may say that this is a secret conspiracy or an "open plot". No matter what it is, I think this office should have such an effect. As expected, Mr TUNG gave me a response at that time that as it involved politics of the Mainland and Taiwan, we, Hong Kong, were not in the position to say anything. However, he did believe that even "Three Direct Links" were to be established in future, the Central Government would take care of Hong Kong's interests.

Whatever, all in all, we have to tell Members, the ADPL had proposed to Mr TUNG in 1997 and 1998 that we should set up offices in Beijing, Shanghai, Guangzhou and Taipei. It is because, if Hong Kong really wants to secure a position in China and become its powerful and leading international city and financial centre, such relationships should be established. However, after reading the paper provided to us by the Secretary, I still find that the services he mentioned are too general. In fact, we are the beneficiaries. Take the ADPL as an example. We had a deputation visiting the Mainland, and a kaifong fell sick suddenly. It was an emergency case. At first, we were told that his condition might be very critical and we should send him to the intensive care unit. We then sought assistance from the Hong Kong Office in Guangzhou right away. They did offer us help expeditiously, and sent that kaifong to hospital. If this office was closed all of a sudden, that kaifong might suffer. Therefore, I will not say that such services are not necessary. On the contrary, such services should be provided and even be upgraded.

We can all see that the Mainland already has plans to turn Shanghai into the financial centre of China now. As far as I can remember, the plan is to regard Hong Kong as a regional financial centre and Shanghai as an international financial centre. I do not know whether I have got it wrong. If I am wrong, I hope the Secretary can correct me later. I think if Hong Kong aims at maintaining its status as an international financial centre, we should upgrade those offices to meet the requirements I have just mentioned. I hope the Secretary can respond to my queries in his reply. Thank you, Deputy Chairman.

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

MR VINCENT FANG (in Cantonese): Deputy Chairman, since the reunification, the SAR Government has set up four Offices of the Government of the Hong Kong Special Administrative Region in the Mainland (Mainland Offices), with a view to enhancing liaison and communication with the Central Government and various provinces and municipalities in the Mainland; promoting economic activities with the Mainland; and providing assistance to Hong Kong residents who are in distress or need to seek assistance in the Mainland. However, Mr LEUNG Kwok-hung has proposed an amendment today to cut the funding for these four Mainland Offices and "disable" them completely. He is, indeed, singing a different tune, which is absolutely against the general trend of restoring our economy, preserving employment and protecting the interests of Hong Kong people.

As a matter of fact, the Central Government has in recent years implemented a series of measures which are conducive to the development of Hong Kong. These measures are some tailor-made policies for Hong Kong, which include allowing Hong Kong to further develop Renminbi business, intensifying the Mainland and Hong Kong Closer Economic Partnership Arrangement, enhancing the coverage of the Individual Visits Scheme and implementing the Outline of the Plan for the Reform and Development of the Pearl River Delta. In fact, we should review how best the work and functions of these Mainland Offices can be enhanced, especially the implementation of various measures which are conducive to Hong Kong, assisting Hong Kong businessmen in opening up the mainland market and supporting Hong Kong people in pursuing development in the Mainland. At the same time, we should

also examine how to further promote Hong Kong's tertiary industries such as financial services and commercial services in the Mainland, so as to attract business and investment to Hong Kong.

Moreover, there are tens of thousands of small and medium enterprises operating in the Pearl River Delta Region at present, which are in face of a severe challenge brought by the transformation of industries in the region. Worse still, with the downturn of the external economy, orders have decreased significantly and many factories have to cease their production. Under the current environment, the Hong Kong Economic and Trade Office in Guangdong is the only institution of the SAR Government responsible for providing support to Hong Kong businessmen in the Pearl River Delta Region and conveying their requests to the mainland authorities. At present, both the Guangdong and Hong Kong Governments are making efforts to help Hong Kong businesses in the region tide over their difficulties, and the three Mainland Offices are also bringing the same functions into play. In case these Mainland Offices have to cease operation with the passage of this amendment which has an ulterior intention, this will, undoubtedly, rub salt into the wounds of those Hong Kong people who have been running their businesses arduously in the Mainland, and the Hong Kong economy which is closely related to the economy in the Mainland.

Furthermore, the Mainland Offices are currently also responsible for providing assistance to Hong Kong people who are in distress in the Mainland, such as those who have lost their documents or money, encountered dangers and accidents, and even those who have been detained for no reason. However, the Liberal Party considers that the Mainland Offices can, in fact, bring the work in these aspects into play more proactively and provide better services, especially assisting those Hong Kong people who have been detained for no reason. It is because, in providing assistance to Hong Kong people who have been detained, the Mainland Offices have all along been too passive and can hardly meet their requests. In order to improve the work in this regard, the Mainland Offices should approach the relevant institutions in the Mainland and strive for sending staff to visit those Hong Kong people detained. As such, the Mainland Offices can understand their situation and needs on the spot, so as to provide information and practicable assistance to them and their families.

Deputy Chairman, the Liberal Party recognizes that there is an absolute need to have these Mainland Offices in operation, but we will not give our

support blindly. It is necessary for these Mainland Offices to improve their functions and upgrade the level of their services. However, we do not agree with Mr LEUNG to make an issue of this, using it as an excuse to cut the funding for these Mainland Offices. His amendment cannot help to solve the problem at all. On the contrary, if Mr LEUNG has his way and they cease operation completely, Hong Kong people who are in distress in the Mainland will have nowhere to turn to for assistance. Such an act is just antagonizing the public, isn't it?

With these remarks, Deputy Chairman, I object to the amendment.

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

MR ALBERT CHAN (in Cantonese): Deputy Chairman, first of all, I have to praise Frederick FUNG for his speech has fully manifested his political wisdom. As such, Secretary Stephen LAM should co-opt him to join his ruling team expeditiously. However, Mr LEUNG Kwok-hung suggested that I should alert the Secretary to the fact that Frederick FUNG, with a higher political wisdom, may replace him at any time. We do not rule out the possibility that the Secretary will become his subordinate in future.

Deputy Chairman, the speech made by Mr Vincent FANG just now is basically understandable, which is even more humane when compared to the one made by Frederick FUNG. At least, he is concerned about the hardships faced by those helpless people who are in jail.

Deputy Chairman, the amendment proposed by Mr LEUNG Kwok-hung in respect of the Budget today is actually a continuation of our discussion at a special meeting of the Finance Committee last time. The Secretary advised at that meeting that he would rather visit pandas than visiting those Hong Kong people jailed in the Mainland. His comment stirred up severe condemnations by two Members belonging to the League of Social Democrats (LSD) (including me and WONG Yuk-man) at that time, which then gave rise to a well-known remark. Even now, the Government still does it in this way.

The letter from the Secretary to Honourable Members not only further reveals the shortcomings of this Government and its being indifferent, merciless

and hypocritical, but also fully reflects that this Hong Kong Special Administrative Region Government and its senior officials only know how to flatter those bigwigs, but ignore the basic rights of Hong Kong people, including their basic right of survival. This is just a humble right, requesting to know whether those Hong Kong people are still alive.

We have this discussion because Hong Kong has wasted more than \$100 million to set up offices in four regions in China, taking up many designated work for promoting economic activities or political liaisons. I absolutely do not object to such work, including disaster relief for Sichuan. But the question is that in case Hong Kong people are in distress outside Hong Kong, or in face of false accusations or even uncertainties to their survival, should not the Hong Kong Government, being a government representing Hong Kong people there, be responsible for offering assistance to its helpless residents morally, humanely or legally and see whether they are still alive? Does it not have a moral responsibility? The Government replied that they had no such arrangement with the mainland authorities. I then asked the Government at the meeting last time, "Although you do not have such arrangement, can you make enquiries with it?" However, it advised, "If I consult the mainland authorities in this regard, it shows that I do not respect them." For a government which dares to make such comments, we should tell it to "PK", "stumble on the street" and "drop dead", shouldn't we?

Therefore, Deputy Chairman, this clearly reveals this government's being hypocritical, merciless and indifferent. In fact, the Government's reply should only show its generosity and care about Hong Kong people. It is so simple. It needs only say that it will conduct a review and endeavour to examine under this adamant political framework what can be done to protect the interests of Hong Kong residents, so that we can know whether these Hong Kong residents are still alive, or enable the relatives of those who are in distress to obtain some information or support. This is already an answer to my question, isn't it?

However, the mode of thinking of the whole Government is not like this. Public officers do not care about the life or death of Hong Kong people at all. Their life or death has already been compromised as senior officials in Hong Kong are afraid of offending senior officials in the Mainland. As for such officials, shall we ask them to "drop dead"?

Therefore, Deputy Chairman, today is a continuation of that debate. Of course, this amendment proposed by "Long Hair" will affect other work including those relating to economy. We absolutely do not want to see this happening, either. We keenly hope that the Government can show sympathy for many helpless residents in Hong Kong. The DAB had encountered many of these residents in the past. My office also receives many such cases every year. However, the cases received by the DAB are much more than those received by me, including complaints from Beijing, Shanghai, Chongqing and even Inner Mongolia. My office has also received similar complaints. Some are from drivers, some are from tourists and some are from businessmen. Among them, two are even the CPPCC delegates of the government there, who also have nowhere to turn to for assistance politically. They had sought assistance from the DAB and the Government but could not get any help. They then turned to us for assistance, and eventually, they got help through some pressure exerted by the mass media.

Therefore, it really helps. I had received a case in Shanghai. I then wrote to the Beijing Municipal Public Security Bureau direct, complaining about the illegal acts of the public security officers in Shanghai. This happened four or five years ago. Surprisingly, within one week after I had sent the letter — perhaps it was just a coincidence and had nothing to do with my letter — the Beijing Municipal Public Security Bureau immediately sent a team to the Shanghai Municipal Government to investigate the case and several local public security officers were arrested. Although this might be due to the fact the public security department in Beijing also wanted to take this opportunity to conduct a personnel reform and promote the related work to rectify the poor behaviour of its public security officers in certain regions. Perhaps, it might even be due to some political struggles. However, these messages do help sometimes.

To whom did the wealthiest and most influential person in Hong Kong turn to for assistance when his son was kidnapped? He was right. He did not turn to the Hong Kong Government for assistance, but approach JIANG Zemin direct. No matter whom the kidnapper is, he will be shot dead or arrested right away. Therefore, we should rely on the connection between governments. However, those vulnerable and the general public do not have such a great influence as Frederick FUNG who can send someone to seek assistance from the local

government right away. It is not the case for Members and residents, as they may not be able to ask someone to seek assistance from the local government immediately.

Therefore, should the Hong Kong Government take up this responsibility? Many residents do not know whether their relatives are still alive or not. The reply given by Secretary Stephen LAM was really good. He said that according to articles 28 and 31 (sic) of the Regulations on Houses of Detention in the Mainland — "Long Hair" has read it out just now — residents "may communicate with and meet their close relatives". You may ask a resident who is neither powerful nor influential to try to visit his relative detained. If he has no money, it is impossible for him to realize his hope.

Of course, the situation has been improved slightly recently. However, I handled a new case by the end of last year. A Hong Kong businessman was kidnapped in Shenzhen. After he was released by paying a ransom of \$100,000, he lodged a complaint with the public security bureau in the Mainland. But his complaint was rejected. This happened last year. Therefore, there are really a lot of similar cases. If they are handled in accordance with the Regulations on Houses of Detention, Secretary Stephen LAM, do you know there are hundreds of thousands of Hong Kong residents who have grievances in various provinces or municipalities in the Mainland? I do not want to engage in "battle of words" or "doggish argument" with you here. This is a fact cast in iron. If you do not believe in our information, please take a look at that provided by the DAB to check the number of such cases.

Being the Secretary for Constitutional and Mainland Affairs, when Hong Kong residents are in distress in the Mainland, you do indeed have a moral responsibility. You receive remuneration from us, which is the hard-earned money saved by Hong Kong people. However, you only know how to speculate in the real estate market. In possession of seven or eight properties, you seem to be so superior. Do you think that you can be so supercilious as you have hundreds of billions worth of properties? You should be responsible for taking care of the lives of Hong Kong people, as well as the plight faced by them and their relatives, Secretary. We always see at the district level these residents come to our offices for assistance. They complain in tears that even though they have spent \$10,000, \$20,000 or \$30,000, using up their "funeral savings", and

have borrowed money from their relatives and friends as well, they still do not know whether their family members are alive or not. Do you know there are such cases?

Therefore, Deputy Chairman, the outside and this Chamber are two different worlds. We have met these people at the district level. Sometimes, I really find it hard to understand why those friends in the DAB, who have received many more these cases than us, can tolerate such a political reality. They just need to make use of their influence to exert pressure on the Secretary, and the outcome will be much more effective than us arguing strenuously here. Can they exert pressure on our officials, so as to force them to do something for the life or death of Hong Kong people and the problems faced by their relatives, showing a little bit mercy? Therefore, I hope they can put forth their opinions later and not to evade from answering this question. It does matter whether they vote against this amendment or not. The Liberal Party has, at least, said something human. Regarding the question of assisting Hong Kong people to face their plight, they also think that there is room for improvement on the part of the Government. This is praiseworthy. It is really wrong for the Liberal Party to lose and have three seats left. It should be the DAB which loses and has three seats left. Am I right? They still show some sort of humanity. I wonder if the DAB will show any humanity in their speeches later on.

The amendment proposed by "Long Hair" today will definitely not be passed. However, I do want to point out that in future, it is inevitable for Hong Kong people to continue to face a lot of unreasonable treatment in various places in the Mainland. They are bound to be treated unfairly by the public security officers in commercial and private disputes, or even in land disputes. They may even be arrested, charged and jailed. Under such circumstances, many helpless ordinary members of the public do need assistance. Perhaps, we may ask them all to turn to Frederick FUNG for assistance in future. He is so marvelous. Through Frederick FUNG, they can seek assistance from offices in the Mainland right away, and can visit those Hong Kong people arrested and charged by the public security officers there. I make an appeal to the people in Hong Kong here. In case you or your relatives and friends are in distress, or jailed or wrongly accused in the Mainland and have nowhere to turn to for assistance, please contact Frederick FUNG of the ADPL, OK? I make this appeal openly. If you want to visit your relatives who are jailed in the Mainland, Frederick

FUNG of the ADPL can help you. Even the DAB, they may not be able to offer assistance for every case.

Therefore, Deputy Chairman, I hope this debate today can stimulate the commiseration of officials or other royalists today. The Liberal Party has shown such commiseration. If we can really help these people, this amendment has, basically, achieved certain objectives. Many officials always look to the North. They should take a look at officials in the Mainland. Look at WEN Jiabao, who showed care about his people during the Sichuan earthquake. He took the risk to visit the stricken areas in inclement weather and ordered the PLA to dash there without delay. But in Hong Kong, these Secretaries of Departments and Directors of Bureaux are different. They just visited Tai Po and spent a few thousands dollars to go shopping and have a cup of milk tea or coffee, simply regarding it as a way of showing concern for public sentiments. They should endeavour to visit those Hong Kong people who are jailed in the Mainland. By that time, I may change my impression of whether they have any humanity or not.

Therefore, even if Members object to the amendment proposed by "Long Hair", I hope they can show some humanity and stand up to say a few words. They may imitate or follow what the Liberal Party has said, calling on the Hong Kong Government, when granting the funds, to show sympathy for those Hong Kong residents who are caught in plights in the Mainland.

DR RAYMOND HO (in Cantonese): Deputy Chairman, I have made several trips to the SAR's Beijing Office (BJO); I have also attended the opening ceremony of the Hong Kong Economic and Trade Office in Guangdong (GDETO); and I have talked to the official in charge of the Hong Kong Economic and Trade Office in Chengdu (CDETO). I have not yet paid a visit to the Hong Kong Economic and Trade Office in Shanghai (SHETO), but I understand part of its work and terms of reference.

Perhaps I should look at the matter from another angle as I am also a Deputy to the National People's Congress (NPC). Now, we are talking about the integration between the two places, and we have a lot of work to do. First of all, although the issue of integration between the two places has been discussed since

the reunification, there are very few contacts between the two places. Many officials are not necessarily keen to travel to the Mainland to engage in communication, attend meetings, or discuss co-operation between the two places with their counterparts. I remember that about three years after the reunification, I asked the then Secretary for Transport, Mr Nicholas NG, an oral question about the number of meetings the Co-ordinating Committee on Cross-boundary Infrastructural Development (CCCID) had held. At first, he was reluctant to answer, but later he said that the CCCID had held two meetings. Of course, the contact had increased subsequently, and now the situation has improved greatly. However, we cannot solely rely on these offices to help the communication between the two places. In the very beginning, only the BJO was established. It was inadequate, and afterwards the number of similar offices has been increasing. Undoubtedly, Beijing has its geographical advantage as it is the national capital where diplomats from various countries must have established their offices and consulates there, and many industrial and commercial, professional, trade, cultural, arts and sports organizations will strive to discuss co-operation opportunities with the relevant departments and their counterparts in Beijing. Certainly, other than Beijing, consideration should also be given to other places in China, which is a vast country.

Shanghai is a city which has maintained a very rapid pace of development in recent years. We can also see that it is an emerging financial centre. Its development in other areas such as sporting events and the shipping industry has also been very rapid, so we must consider it a competitor. Be it competition or development, there will be no progress without a competitor. Even if there is progress, the progress will not be very rapid without a competitor. Therefore, I have a high regard for the Shanghai Municipality, but it does not mean that we have to follow its mode of development. Rather, we should learn from each other. Of course, Shanghai is also a key city in the Yangtze River Delta.

As for Guangzhou, it is of course more important to Hong Kong. In addition to its important location in the Pearl River Delta (PRD), since everyone of us is talking about the "Nine plus Two" policy and the development of the Greater PRD, Guangzhou will have a more important role to play. The Central Authorities have already indicated the devolution of authority to Guangdong Province for the purpose of strengthening the co-operation between Guangdong

and Hong Kong. It is a good direction, and the GDETO also has to undertake a very important task.

With regard to Chengdu, it is very important to the development of Northwest China. Sichuan is a land of abundance, which is rich in resources, and it has been developing rapidly. Unfortunately, on May 12 last year, it was hit by a devastating earthquake, leaving great impact on the Sichuan area.

I consider that in the entire report, we should set up offices in the East, South, West and North points on the Mainland, in order to help meet the various needs of Hong Kong people, which are also the several aspects I have mentioned earlier. On several occasions, I have raised the proposal that we should also set up an office in Wuhan. As it is located in the middle part of China, it is a transportation hub and the midpoint in many aspects. I consider that in view of the vastness of China, the speed of development, as well as its close relationship with Hong Kong, just setting up offices in the compass points is not enough. If there is no middle point, then some parts in Central China will be missed.

As for the problems of Hong Kong people in the Mainland, Deputy Chairman, we NPC deputies will do everything as far as possible according to the best knowledge we have, and to refer their cases to the highest judicial authorities through our petition channels in case they are facing judicial problems, in the hope of exerting our limited power to help as many of them as possible. However, as the Mainland's judicial system is quite different from ours, it is difficult for us to make comments on the right or wrong of others, because we are so far away and we do not know much about the situation. We can, at most, only serve as a communication channel. Certainly, I also know these SAR offices in the Mainland may consider that it is not the right time to make a move, or they have not yet achieved certain things, such as paying visits to Hong Kong people who have run into problems on the Mainland. Personally, I consider that we should fight for that if possible. However, I believe that Secretary Stephen LAM will definitely fight for that, and I am well aware of his affection for the Mainland, thus he will definitely try his best to strive for that. As long as Hong Kong people are in trouble in the Mainland, regardless of they are right or wrong — after all we cannot make any judgment on their right or wrong, but as a matter of common sense, if we can visit them or help their families or friends to meet them, is also something good. I believe that if the Secretary has the opportunity

to do so, he will certainly try his best to fight for it. There is no need for us to scold him, chide him, hit him or kick him, as these are rather unnecessary. I believe he will certainly do what he can do.

Granting the opportunity, I will definitely put forward my proposal, as I said on 3 September 1993 — I still remember the date because I had made this proposal twice, and it was the first day I raised my proposal to state leaders in the Hong Kong Chamber in the Great Hall of the People — that since 60 Members of the Legislative Council were Hong Kong representatives lawfully elected in accordance with the Basic Law, they should be granted the opportunity to get into contact with state leaders and to discuss and communicate matters in all aspects. I also proposed that a delegation could be led by the Chief Executive. I have put forward my proposal twice and the state leaders made it very clear at the time that the proposal could be taken into consideration. There was substantial media coverage of the matter. However, it was not achieved at that time. Perhaps the Chief Executive considered that it was not the right time, or he did not want to do that at that time, or perhaps I did not really know the actual reason. However, very often, we should not speculate whether the decision or policy made by those persons in charge or leaders on the Mainland is right or wrong with our very limited understanding. I consider that our over-subjective criticisms are rather unfair, because we know too little, and we can only look at the matter from one side.

However, at least I consider that the role and function of the Mainland Offices are very important. At present, the problem is that they are understaffed as Member have mentioned earlier, which I also agree. Owing to the shortage of manpower and resources, and the number of offices is not enough, I therefore consider that instead of abolishing them, we should increase their number, and at least one more should be added. At the same time, I also hope that we can help Hong Kong people, including those Hong Kong people who have run into troubles in the Mainland, as much as possible in a number of ways and from different perspectives. That is something I absolutely agree with. If an opportunity arises, I will seize it to put forward my personal opinions. In this regard, I certainly cannot support the motion moved by Mr LEUNG Kwok-hung, but as far as the other direction is concerned, as I said earlier, I personally believe that it is right. Thank you, Deputy Chairman.

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

MRS SOPHIE LEUNG (in Cantonese): Deputy Chairman, it is already nine o'clock in the evening while a number of Members have said that they anticipated the meeting could be finished by eight o'clock this evening, I consider that rather difficult, and I wonder if we can finish it tonight.

Just now I heard Mr Albert CHAN speak with his voice hoarse and not an ounce of strength left. I have listened carefully to every word he said. However, I consider that not everything can be hastened. Everybody understands that "one country, two systems" has only been implemented for more than a decade, yet the rest of the world considers that we have been implementing it very well. Of course, in any historical change, the tolerance between two systems and mutual tolerance need a long time. One needs not look at elsewhere, just take a look at East and West Germany. How much time did they spend? There are still hiccups in their co-operation. I consider that instead of grumbling, it would be better to do some solid work in a pragmatic way.

Of course, from my personal point of view, about Chinese people, Hong Kong people being imprisoned in the Mainland, or in some unfair cases, especially in those cases where Hong Kong people considered themselves being unfairly treated, or they grieved for being sent to the prison, I have handled many these cases before. However, we must remember that these are two different systems. Instead of urging people to go to Mr Frederick FUNG to seek his assistance, I would rather say that we should urge the people of Hong Kong to be more sensible and to make out which country they are going to. Even if you travel to Italy, only if you mumble a few more words when you are waiting for your baggage or queuing up for clearance, they can make things difficult for you and ask you to wait in a room for more than two to three hours before letting you go. This is something a magnate — Mr Michael TIEN — told me personally. However, I consider that we should respect other countries, for they have their own systems, yet I am not saying that some infamous prison conditions in the Mainland are right; I know that they are wrong. I have also handled many cases in which the complainants — we have also hugged the children or wives of the plaintiffs and cried in tears many times. However, does it mean that one should

curse others, and sacrifice other people and serve it as a warning to others? I do not think so.

(THE CHAIRMAN resumed the Chair)

In fact, our officials have been working very hard these days. I am not saying that they have done a good job. The localization of government officials only began in the 1990s. How many Chinese people would have the chance to reach the higher hierarchy of the Government in the old days? We have to appreciate that our governance culture cannot be achieved overnight. I believe if any Member in this Chamber is required to manage 10, 20 or 30 staff properly, he may not be able to manage them very well, let alone today's society? I can see "Long Hair" nod, so I know he understands what I said. We can only encourage our government officials to think about it from the perspective of improving the governance culture, but we also need to understand that they are facing the present-day Hong Kong, where there are a lot of demands on the Government and sometimes they are just split-hair demands. Officials are unable to cope with putting out all the fires in Hong Kong, thus we may just as well try to put ourselves into their shoes and think about this. How will we feel if people chide us on a daily basis? I myself can also sense that something is not right. Why is there the hostility? Today I asked some Members in the Ante-Chamber if they were Catholics. Some of them said they were. Christianity does not have the ritual of purification by sprinkling. I know that there is this ritual in Buddhism, therefore we should find someone to conduct the ritual. It will be better if we can reduce the hostility.

Chairman, in today's *Economic Times*, there is a fair and impartial comment, that is, instead of having a row on the Budget, we had better do some solid work. I think this can best describe us, it would be better for us to do some solid work. I consider that the general public have discerning eyes. Of course, it is our responsibility to urge the Government to do something, but is it necessary to end up in this state? Will it be better to speak calmly? Of course, I also consider that our public officers — just as the last time, I believe that in my speech on the Budget, I offended many people between the lines, but what I said was something I truly believed — I hope that our public officers will do some soul-searching quietly, especially those higher level officials should maintain

composure, because our entire governing team needs your leadership. How can you lead them? How can you make the team free from a feeling of isolation and compartmentalization? Why do the public have such a feeling? This we must ponder over. I genuinely wish to share my views with everybody here.

Chairman, I have never before received so many responses from SMEs which I have been taking care of. I recently sent them a questionnaire, and I really have never received so many responses before. I set five options for them to choose, and they were allowed to write down their difficulties in the remark column. Many of them have set up factories in China. They responded to the questionnaire with a lot of detailed remarks, and what I have said here is just only one tenth of their views, perhaps even less, but I do not wish to elaborate on their views here. I just want to say that we should calm down. As I said to Mr Albert CHAN, and I have also told Mr WONG Yuk-man, that we were all people over 50 years old, although we were in good health, our hearts were not necessary that healthy, thus it was not necessary to speak in a fiery temper. In fact, to speak calmly may enable Members to better understand our views.

I hope everyone of us can look at it from this perspective, in particular, after taking note of today's report published in the *Economic Times*, I believe many other media report will say this: When will the disputes end? Why not do some solid work? Chairman, I wish to share that with Members and use this as mutual encouragement.

CHAIRMAN (in Cantonese): Members, I intend to finish all the procedures that deal with the Appropriation Bill 2009 tonight, but I believe it will be late in the night by then. Therefore, we will deal with the next item on the agenda, that is, the proposed resolution under the Product Eco-responsibility Ordinance and the Interpretation and General Clauses Ordinance, by 9 am tomorrow. Does any other Member wish to speak? Dr Priscilla LEUNG.

DR PRISCILLA LEUNG (in Cantonese): Chairman, in respect of Mr LEUNG Kwok-hung's amendment today, I have listened to the debate very carefully. I would like to point out one thing, that is, I mentioned more than once in the motion debate during the Council meeting on 11 February that I hoped the Government would provide more support, especially legal assistance to Hong Kong people who were facing legal problems in the Mainland. My office has

handled many cases, thus I think Members have also raised some practical issues just now. Indeed, Hong Kong people in the Mainland are complete strangers; even if they have been doing business in the Mainland for a long time, they are still at a loss in case they run into problems. The worst situation is that if they are facing financial difficulties, actually they cannot afford to seek the most basic legal assistance. Therefore, under this circumstance, as far as the roles of the four Mainland Offices are concerned, I really agree that they are far from adequate.

However, my view is different from Mr LEUNG Kwok-hung's in this regard. The number of cases I have handled or cases successfully solved after my assistance was sought should be much more than theirs, because I have been engaging in this kind of work for almost 20 years. I believe the Mainland Offices can play a better role. They should go ahead without much hesitation. In fact, I believe that even if the Mainland Offices play a more active role, such a role will not conflict with the principle of "one country, two systems". I would like to reiterate that we are not trying to interfere in the judicial authorities of the Mainland, or to ask Hong Kong lawyers to provide advice in the Mainland. There are some common observations between Mr LEUNG Kwok-hung and I, but we come to different conclusions. I think that as the Mainland Offices are currently understaffed, they should be allocated more resources. If the resources can be increased, I consider that the Government may consider making arrangements for each Mainland Office to provide basic and quality legal advice to Hong Kong residents seeking their assistance at regular intervals, with the help of some legal experts or lawyers on the Mainland.

Today, we are not going to discuss the issue of whether there are any imperfections in the mainland laws. What we have to consider is, under reasonable and legitimate circumstances and in the context of the Mainland's legal framework, how we can provide more effective assistance to Hong Kong people caught in troubles in the Mainland. Of course, assistance is not just confined to the legal aspect. A number of Members have mentioned just now that Hong Kong people may seek help from the Mainland Offices on business operations, liaison, and even other civil matters. Therefore, I consider that instead of obliterating the Mainland Offices, we should strengthen their services. In the strengthening process and the strengthened role, as I have just mentioned earlier, I consider that when Hong Kong people are caught in troubles in the

Mainland, or when their families in Hong Kong are unable to visit their detained relatives in the Mainland, the SAR Government may provide assistance and facilitate their visits. We will be happy to assist the Hong Kong Government in convincing relevant mainland authorities, including the Ministry of Public Security, in the hope of regularizing this channel. Everybody understands that when a person is detained in a far-off place, in addition to the fact that they are physically frightened, they are prone to nervous breakdown, or will even suffer from psychological problems. Therefore, if we can provide a regularized channel at an earlier stage which allows their families to visit him, or to let him feel that the Hong Kong Government can provide him some normal and necessary assistance, I believe it will make the relevant party feel better, and the people of Hong Kong will very much support this measure. I do not consider that we should downsize our Mainland Offices, instead, we should increase their number. However, on the premise of allocating additional resources, the role of these offices should be more diversified so that they can really play the role needed by the people of Hong Kong need.

In this regard, I have also received some views — I do not know whether or not Dr Raymond HO has mentioned them earlier — many members of the public have told me that in addition to the existing four Mainland Offices, Wuhan is also a city where an office of the SAR is badly needed. Although we are discussing Mainland Offices today, I still wish to mention this in passing. Because we have all along been talking about legal assistance and the hope that the Government will allocate additional resources, or at least the Legal Aid Department will be reformed by vesting the Director of Legal Aid (DLA) with the most basic discretion. If we cannot have an across-the-board reform, the DLA may still exercise discretion to consider individual cases which are worthy of assistance, in order to provide some basic legal assistance or even to provide legal assistance from the beginning to the end of the entire procedure. I consider this a direction we should head.

We have learnt from the Panel on Administration of Justice and Legal Services that the legal aid scheme review which the Home Affairs Bureau would originally spend five years to conduct will be shortened to one year. The remaining four years will be used to gauge public views, including whether there are some other ways to assist Hong Kong people caught in troubles in the Mainland. I have proposed a number of specific proposals, that is, if the DLA is vested with discretion, then it is possible that the subject matter can be included

in the scope of legal aid, which is a very good start. Of course, we also need to allocate additional resources in this area.

Therefore, I am glad that Mr LEUNG Kwok-hung has moved the amendment for debate today, thereby allowing us to discuss it afresh. While I believe that the majority of Members have actually put forward views in the Budget debate and motion debates of the Council, we hope that the Government can be more courageous and make more commitment. I believe more and more people wish to see the Hong Kong Government while Hong Kong people are engaging in normal activities on the Mainland, they should enjoy the necessary protection and assistance. I hope that this spirit can be maintained in this Council and the Government at the same time, while we support your work, you can also support the views gathered by us. We have actually come into contact with many pitiful cases, and I consider those cases worthy of support. For that reason, I also agree with the point made by many Members, that is, there are inadequacies in the work our Mainland Offices which needs to be enhanced. Nevertheless, I do not think we should discuss the closure of these offices at this stage. Instead, I consider that they should be strengthened. I hope the Government will listen more to the views of the public so that the Mainland Offices can bring their functions into better play.

MR WONG TING-KWONG (in Cantonese): Chairman, originally, I did not intend to speak today, but having heard Mr Albert CHAN make some unreasonable accusations of the work of the SAR offices in the Mainland, I must get it off my chest.

In fact, the four SAR offices in the Mainland have been trying their best and they have done a lot of work. Let us take the Guangzhou office as an example. Mr Peter LEUNG, Director of the Guangzhou office, has been maintaining close contact with our industry. He has been providing enormous assistance to Hong Kong compatriots and members of the Hong Kong business sector who face the difficulties in doing business in the Mainland. Our relationship is very cordial and very close. Here, every one of us is still reluctant to part with the already retired Mr LEUNG. We also anticipate the newly appointed director can maintain his working style. He does not only acquaint himself with the Hong Kong business sector, but also many Hong Kong NGO offices in the Mainland he has also helped these NGOs to deal with a number of cases and solved many problems. They have been very busy. They

will receive many cases every day, and there are many practical problems to solve. These are facts cast in iron that I saw with my own eyes through personal contact.

In addition, as I said earlier, while the SAR Government has done a lot of work in the past, I also wish that it could take such work further forward. In view of the vastness of the Mainland, there are more and more places in the Mainland that see Hong Kong and Macao compatriots carrying out activities. These places are not limited to the Southeast coastal provinces, for we can even find Hong Kong and Macao compatriots living and working in the far-flung Northwest region. If resources and other circumstances permit, I hope the SAR Government will expand our offices in the Mainland and increase the number of their locations.

I must get it off my chest here. Thank you, Chairman.

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

MR ALBERT HO (in Cantonese): Chairman, I think we cannot deny that the overseas offices, including the office in Beijing or Macao, serve specific functions. However, even though Members expressed support for the continued funding of these offices, they commented on the inadequacies of the work of these offices, as well as their dissatisfactions.

However, I would like to make one point in particular, that is, with regard to the establishment of these officials, I always feel hesitant and I am always puzzled about it. Just now a Member has mentioned Mr Peter LEUNG of the Guangdong office, who has been an Administrative Officer for many years. According to my memory, he is remunerated at Directorate Pay Scale D2 or D3. The director of the BJO is an Administrative Officer ranked at D6, but the BJO was once headed by an officer ranked at D8, namely Mr Bowen LEUNG who was ranked at D8. The rank of the head of the Economic and Trade Office (ETO) in North America is also the same, that is, by the time Mr WIGGHAM took up the post, he was ranked at D8 and later the post was arbitrarily downgraded to D6 and D5, leaving it up to the Government to appoint officers of whatever rank to take up the post, thus there is no clear establishment at all. With regard to this, can these offices really play their roles as everybody has expected? If so, officers of what rank should be appointed? We cannot see a clear standard at all.

For that reason, I consider that the most undeniable facts which make us feel the inadequacies in the work of these overseas offices are as follows: insofar as macro-economic co-operation is concerned, they need not to deal with it, right? The Chief Executive may go and perform the publicity work, or the Financial Secretary or Directors of Bureaux may do that, too. But these offices are unable to deal with many matters related to the RMB business in Hong Kong. For that reason, macro-economic co-operation shall be negotiated by the governments in both places. Well, if we are not talking about this level of co-operation, but just the regional level, I have heard a lot of business operators say that the Mainland Offices would not help them much, because such Mainland Offices would not explore the market for them, and would not help them to solve a lot of commercial disputes. Of course, perhaps they have done part of the work. Just now Mr Frederick FUNG has also said that should anyone be involved in an accident, he may turn to them for assistance, and they could contact insurance companies for the help seeker and assist the help seeker having cash flow problems to contact their families. However, is it necessary to set up offices of this scale for the purpose of providing these types of services? I really do not know.

To put it more bluntly, to people who are caught in serious troubles, especially those people who are detained, I have said many times that we consider what the Mainland Offices can do is barely satisfactory. We consider that the most basic requirement is to make visits and to fight for the right to make visits. In this regard, we have been talking about it for at least eight, if not ten years. I cannot help but ask why we cannot get even the most basic work done. If one says that a visit by families is a breach of mainland laws, or lest that after families have visited those relatives detained without trial the public security authorities may consider that the release of some news to the public should be prohibited. Well, why can government officials not visit them? They may visit the detainees and see what the detainees want, or if they need the officials to convey message to their families, with a view to showing sympathy and care, right? In fact, we all know that when foreign nationals are in similar situations, their consulates will at least do such things.

In addition, before the reunification, if we were detained in the Mainland in case something had gone wrong, according to my understanding, visits could be made via the British Embassy. But after the reunification, it has got worse in this regard. I consider that we should at least not retrogress, right? So far, I do not consider that the Hong Kong Government has spared no efforts to secure right

to visit or provided assistance and support to detainees in need at the most critical moment. I consider this of the utmost importance.

Today, of course I know the chances of Mr LEUNG Kwok-hung's amendment being are zero, we are well aware of that; but we have to convey a message of practicability, the fact that we cast votes is because we wish to convey this message. Therefore, we support the amendment moved by Mr LEUNG Kwok-hung.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): Secretary for Constitutional and Mainland Affairs, do you wish to speak again?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Chairman, on behalf of the SAR Government, I respond to the amendment moved by Mr LEUNG Kwok-hung to the Appropriation Bill 2009.

Mr LEUNG proposed to cut the funding for the Constitutional and Mainland Affairs Bureau by \$121,000,000, which is an amount equivalent to the annual estimated expenditure of our Mainland Offices. This is an important part of our work, accounting for 26% of our annual provision.

I think Mr LEUNG's amendment is rather unusual in that our past arguments with related political parties and groupings mainly related to political and constitutional issues. I do not hope that today's debate will set a precedent. Because over the years, our work in the Mainland and our Mainland Offices have gained the support of different political parties and groupings, and I very much hope that this general situation can be maintained.

In fact, over the years, we have achieved concrete and substantial results in handling mainland affairs. For instance, in 2003, the Central Government consented to sign the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) with the Hong Kong SAR Government. In the past few

years, over HK\$16 billion worth of goods have enjoyed zero-tariff access to the mainland market under CEPA. Our departments concerned have also signed over 2 000 Certificates of Hong Kong Service Supplier to facilitate Hong Kong companies in gaining access to the mainland market. Under Supplement V to CEPA, our local professionals and service sectors are covered by the liberalization and facilitation measures for early and pilot implementation in Guangdong Province.

Moreover, we have made the best of Hong Kong as the platform for mainland enterprises to go global. To date, over 220 mainland enterprises have set up regional offices in Hong Kong and about 500 mainland enterprises have set up other offices in Hong Kong; and over 460 enterprises have become Hong Kong-listed companies, representing a mark-to-market value of over US\$780 billion in end 2008.

In the past few years, we have also initiated the 24 hour-opening of the Lok Ma Chau-Huanggang Border Crossing, opened up the Shenzhen Bay Port and commissioned the Lok Ma Chau Spur Line. These have improved the service arrangement of our cross-boundary infrastructure.

In addition, since the launch of the Individual Visits Scheme in mid-2003, over 35 million people from 46 mainland municipalities have visited Hong Kong. Our Mainland Offices in Beijing, Shanghai, Chengdu and Guangzhou have played an active role in all these efforts, which are indispensable when we take forward these established central policies with provincial and municipal governments and central ministries and commissions and expand the effect of these policies to local governments.

Mr LEUNG Kwok-hung's amendment, which seeks to slash the funding for the four Mainland Offices, is basically unfounded. Apart from the work done over the past years, which I introduced to Members just now, new projects will also be taken forward next year.

For instance, our Mainland Office in Guangdong will play a part in our collaboration with the Guangdong Provincial Government to further implement the Framework for Development and Reform Planning for Pearl River Delta Region. Our four Mainland Offices will spare no effort to assist Hong Kong enterprises in the Mainland to transform from exporting goods to domestic sales.

Our Mainland Office in Chengdu will initiate the reconstruction support work in Sichuan Province with the funding endorsed by Members. Our Mainland Office in Shanghai will assist relevant departments here to promote Hong Kong's participation in the Shanghai Expo 2010, and make use of this opportunity to promote Hong Kong's latest developments to local communities and their people and enable other foreign visitors going to Shanghai to gain a better understanding of Hong Kong. Meanwhile, our Mainland Office in Beijing will work in conjunction with Policy Bureaux and departments here to communicate with the National Development and Reform Commission on examining how best the Hong Kong SAR can complement Central Authorities in planning the start of the 12th Five-Year Plan. All four Mainland Offices will participate in mainland celebration activities for the 60th Anniversary of the founding of the People's Republic of China.

Members have discussed just now the issue raised by the League of Social Democrats, the Democratic Party and other Members at the Special Meeting of the Finance Committee in March 2009, namely whether Mainland Offices of the SAR Government can provide further services to Hong Kong people detained or serving a sentence in the Mainland, such as visits of these people. However, under articles 28 and 32 of the Regulations on Houses of Detention in the Mainland, a detainee may communicate with or be visited by his lawyer; and he may also communicate with or be visited by his close relatives upon consent of the authority handling his case and approval of the public security authorities. Moreover, under article 48 of the Prison Law in the Mainland, an offender doing his time in prison may be visited by his close relatives or guardians under this provision.

Under the relevant laws, the SAR Government has no right to visit the detainees. We have reflected the proposal of allowing the SAR Government to visit these people to relevant mainland authorities, but the proposal has been rejected. We will examine whether there is any new possibility to further reflect this proposal, and we will make more effort on this. As the SAR Government, we have to act in compliance with the mainland laws and regulations.

In the meantime, our Mainland Offices will continue to provide practical and feasible assistance to these people and their relatives under the principle of "one country, two systems". Such assistance includes reflecting their views and aspirations to the authorities concerned, explaining relevant procedures and

related information to people seeking our assistance, and providing to them contacts of local lawyer associations, so that they can seek suitable legal advice and representation.

In discussing our Mainland Offices, Mr Frederick FUNG stressed Taiwan affairs. Our Mainland Offices do not directly engage in such work, but appropriate liaison has been established between our Mainland Office in Beijing and the Taiwan Affairs Office of the State Council. Ongoing efforts are being made in this area. Regarding Taiwan affairs under the purview of the Constitutional and Mainland Affairs Bureau, I hold that from now on extra efforts should be made to promote Hong Kong-Taiwan relations to a tangible level. Hence, in October 2008 (Appendix 1), we set up the Taipei Office of the Hong Kong Trade Development Council; next, we will discuss with the Taiwan authorities the possibility of setting up an office of the Hong Kong Tourism Board in Taiwan. The SAR Government does not rule out the possibility of setting up an official or semi-official office in Taiwan if appropriate conditions and the environment permit.

However, regarding Members' suggestion of elevating the ranking of the officials taking charge of the four Mainland Offices, in fact, when the Mainland Office in Beijing was initially established, the relevant Director was a directorate civil servant at D8. A few years ago, we adjusted downward the post to D6 after the Office had operated for a few years and listening to Members' views. When we established the Mainland Offices in Shanghai and Chengdu, we had also come to this Council to listen to Members' views and the debates before setting the ranks of the Directors.

In summary, first of all, I believe different political parties and groupings and different Members may have different expectations of the Mainland. But it should be apparent that in the past 30 years since the launch of the four modernizations in 1978 and after the reforms and economic liberalization initiated by our nation, the Mainland has been making continued progress. Not only on the economic front, progress can be seen at the level of the Central Government which now attaches great importance to the rule of law and also places much emphasis on anti-corruption. Hence, if we wish to follow up these political or legal cases in the Mainland, we can do so as long as we respect the laws and regulations there and we will do so as far as feasible. The second point I wish to say is that if Members have views on the present policies, we are very willing to listen; even if Members have criticisms about the political-appointed

officials, we are equally prepared to listen because this is part of our role. However, to be fair, I wish to say a few words for the Bureau and our civil servant colleagues in the Mainland Offices. Our relationship with the Mainland is developing rapidly. At present, we have to receive many visiting delegations, conduct studies on various areas, maintain liaison with provinces and municipalities and formulate numerous agreements. Our team of civil servants has been performing these duties day and night. The amendment moved by the League of Social Democrats today is thus too generalized. Members may have opinion about whether we can visit Hong Kong people detained in mainland prisons under mainland laws and regulations. But Members should not infinitely magnify the problem just because of this point, that is, the discontent towards the present mainland laws and regulations, and erase the efforts of our four Mainland Offices over the years. This is neither fair to Hong Kong nor the team of civil servants under the Constitutional and Mainland Affairs Bureau.

With these remarks, Chairman, I hope that Members will oppose Mr LEUNG Kwok-hung's amendment.

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, what is the crux of the whole issue? Secretary Stephen LAM did not conduct any feasibility study after our argument. In other words, he had not verified whether there is any mainland law or administrative provision which permits visits of Hong Kong people detained in the Mainland. This is a key. We only ask for the exercise of this humble right. We are under "one country, two systems" after the reunification. That is, we are closer in relationship with the Mainland; we are reunited with our mother, or returned to the Motherland. Why is it that this right which our people can enjoy in other countries cannot be exercised in the Mainland? What is the reason for that?

I acknowledge that mainland polices come out of different authorities, and that the Communist Party is above the law in the Mainland. I have said so long ago. The concept of "Public Security Bureau-Procuratorate-Court" means that the Public Security Bureau arrests the suspect; the Procuratorate works with the Bureau, and the Court tries the case. What is the problem then? We, the League of Social Democrats, hold that as the platforms are already there and that these platforms need money, and as you said that you have already done a lot of

work, I certainly will not argue with you. I cannot go to the Mainland to see what you have done. How could I argue with you? Later, I will take the time to ask you what exactly you have done.

What is the crux of this issue then? We have four Mainland Offices. Now Members have asked whether people in charge of these Offices can do something for those Hong Kong people who have been deprived of freedom in the Mainland due to no demarcation of politics and the law, and obsolete and undesirable practices, and so on. Frankly, if you say no, I am not sure whether you have got this answer from the Central Government? Which level of the Central Government told you so? In fact, by saying no, you have humiliated Chinese people. I feel sad for the people of our nation when I mention this incident here.

Today, as incapable as I am, I am elected by some people of Hong Kong as a Legislative Council Member. I must say that I have failed Hong Kong people on this count. When I received cases of people seek redress, I do not know where to relay their cases. Members may think that I have digressed from today's topic. In fact, I am not speaking for a particular political party or grouping, nor am I speaking for myself. I only wish to state a fact, that an institution operated by public money should try the utmost to find every possible way to cater for the needs of the people who provide it with the public money, and they are the general public. This is my argument.

In fact, I have also received similar cases from mainland compatriots visiting Hong Kong. I had relayed the cases to Mrs Rita FAN, but then she told me that this is not possible because the Central Authorities have instructed local Deputies to the NPC not to entertain complaints lodged by mainlanders. This was possible in the past but not now. There is nothing we can do if our local deputies to the NPC have to follow this order because, buddy, for they are not elected by me. But public officers are paid by the people of Hong Kong to perform public duties. I do not understand why my request is regarded as excessive.

Let me say it again. Secretary, do you think that my request In fact, my request can be logically interpreted at three levels. The first level is that it is simply unachievable. Do you think that the mainland leaders may say to the people of Hong Kong that if the 7 million people here in Hong Kong have any

demand, they may make their demand through the Government-authorized public officers (that is, the reliable officials), in order to exercise the rights conferred on the offices in every jurisdiction in the world? Be they the commercial counsels or the officials at ambassadorial and consular level, they may exercise this right. We all know that. Are you saying that the Central Government will definitely not allow this? Or, have you asked the Central Government about this in the first place? I am very suspicious about this.

Now is April and it was then March. Another month has passed. Many Members today accused me of compromising the position of the Hong Kong people who are now in the Mainland seeking help from the four Mainland Offices. My logic is simple. What is more precious than human dignity and freedom? Secretary, you are a Christian. Money is unimportant. Jesus also says so. We are now talking about dignity and life here. What is more important than those? You are a Christian. Do you not know that however important money may be, it is never more important than human life and dignity? What am I asking you to do now? I am not asking you to strongly condemn the Central Government, nor am I asking you to deliver a note to it and demand it to release these people as soon as possible, or otherwise, you will impose economic sanction on it. Buddy, I am only hoping that you can visit them. If you can open this narrow door, we will have a chance to hire a lawyer to represent them in the Mainland, despite the full knowledge that these human rights lawyers are also having a hard time, too. This is a narrow door; and you are a Christian. Can you not open this narrow door first? You have been listening to my views, but you remain completely aloof.

I tell you, my approach may have indeed been overboard, but why do I have to do so? If I did not do so, you would not engage in a discussion on this matter. If I only cut your funding by a few thousand dollars, or cut your funding by proportion, I am trying to say that if you do not visit these people, I will propose to cut your staff. Will you discuss this matter? I tell you, this is a political debate.

Honourable Members, I now return to the question. Members please do not mistake the functions of these four Mainland Offices. They do not only handle commercial matters. We have this misconception because we think that money is the most important. Can these offices help our small and medium enterprises (SMEs)? I once quipped in this Council that Hong Kong's SMEs had

been put out of business in Dongguan. Thus, they certainly should seek help from Premier WEN. Policy and resources are under his purview. He should be the one to help them to transform. Can we rescue them? Can our humble public officers rescue them?

We have not yet settle accounts with CEPA which is still underway, nor have we evaluated the portion of consumer market lost to the Mainland and the number of people who went to work there. I recently conducted a survey on the Hong Kong people returning here. Some of them practically got nothing after working in the Mainland for 10-odd years and had to return to Hong Kong. But you have changed the policy. Only people who have been unemployed for 309 days are eligible to apply for CSSA. Now that they are homeless, should you not be a little more practical and help these people who have returned to Hong Kong? The CEPA is as different as any other policy and regulation. Only those who are able to get onto the stage will be given the services. All public services are like this.

Honourable Members, you said that many mainland enterprises have gone international through Hong Kong. In fact, they come here to do business. This is fair trade. Why do we think that they have tilted their policy towards us? Actually, we should put this right, should we not? Hong Kong people are now being told that we are good-for-nothing; that we have been declining since 1997 till now in 2009; and that for 12 years we have to rely on the Motherland to feed us and the Motherland has to feed 1.3 billion people many of whom do not have a chance to be fed.

What are we talking about now? Let me tell you. We are discussing topics like deepening Guangdong-Hong Kong co-operation to implement the Framework for Development and Reform Planning for Pearl River Delta Region. How to deepen such co-operation? Why do we have to follow the policies laid down by the Guangdong Provincial Government? Who formulates the framework planning for Guangdong Province? Have the Guangdong delegates to the Chinese People's Political Consultative Conference and Guangdong Deputies to the NPC participated in the formulation? And there are topics like assisting Hong Kong enterprises in the Mainland to restructure and upgrade and developing domestic sales to tide over the crisis of the financial tsunami. Buddy, you should take a look at the situation in Dongguan. Can you help them? If so, these people would not grumble that they had to get a mortgage and settle the amount in Dongguan for their property bought there. Some of

them even claimed that they had been cheated and they would rather get a mortgage loan in Hong Kong. Am I correct?

Moreover, the intent of topics like assisting the SAR Government to take forward post-quake restoration and reconstruction work in Sichuan is good. I do not object to it. All I have asked is that we need to investigate those jerry-built construction projects. I was barred from returning to the Mainland because of such a request. As for promoting Hong Kong's participation in the World Expo 2010 in Shanghai, this is simply a topic casually added to the list. The World Expo is a celebration event organized by another place, and we are only participating in it.

I wish to raise another issue relating to the Hong Kong-Zhuhai-Macao Bridge. The cost that we have shouldered for constructing the bridge is very high. Is there anyone fighting for us? Let me tell you. At present, we do not have any platform to reasonably uphold our interests relating to transactions between the two places.

Secretaries of Departments, and Directors of Bureaux, do our four Mainland Offices have the actual powers to perform these tasks? We can only try our luck, hoping that our banking system will not fall apart. As long as it can maintain its firm footing, we can continue with our speculation activities. The economy of Guangdong now lags behind considerably. It only recorded slightly over 6%. Can you rescue it? Hong Kong businessmen cannot sustain their industries in Guangzhou and have to move to a cheaper location northward. Can you rescue them? Please do not fool us. The CEPA created by us today has become a platform showing how we devour each other under financial capitalism. We are going to buy bonds from our nation, so that our nation will go and buy American bonds. Buddy, in the past, ZHU Rongji said, "You issue bonds, and I will buy them." But now our nation says, "We issue bonds, and you have to buy them."

We have not yet discussed these issues. As Members of the Legislative Council, we are at the service of the Hong Kong people. But we have not yet discussed these major issues. What more can we say? What are our different ranks of public officers saying? Our financial policy has been changed time and again, sometimes advocating the Islamic securities and now promoting national bonds. We are talking about the problem of the ever changing policy here.

I recently saw on television someone mention that we should learn from the Islamic banks because they are not that rapacious. Do you want to learn from them? Let me tell you. The commercial platforms now in Hong Kong and the Mainland are accessible only to the rich. You can try and find a small enterprise such as the Kee Wah Bakery (*The buzzer sounded*) to market its bakery to the Mainland and see if it can enjoy zero tariff. Now we need to create a platform to rescue the small enterprises, but it turns out that we have created a platform monopolized by the large enterprises which use the platform to make more money for themselves. This is in itself a paradox. This is why you always say that you need to rescue the market before rescuing the people. But the public still think that you are neither capable of rescuing the market, nor powerful enough to rescue the people.

Chairman, I only wish to share my humble opinion. I think the crux of the whole problem is that the SAR Government does not have the heart or the ability to serve Hong Kong people. That being the case, I am left with no choice but adopt drastic measures to lead it to this debate. Today it finally exposes its true self, that it is never willing to listen. Other than offering a platform, it is unwilling to go a little further (*The buzzer sounded*) Members, should I not criticize it?

MR JAMES TO (in Cantonese): Chairman, over the past 10 years or so, I can be considered as one of the Members in this Chamber who has handled the greatest number of cases in which Hong Kong people have encountered problems in the Mainland. Despite the fact that in various times, people had various requests and there were cases that aroused different levels of concern, in reality, according to my rough estimation, several hundreds of cases of this nature have been reported to the Complaints Division of the Legislative Council Secretariat since 1997. Ok. Of course, in my view, the SAR Government will care more about those cases that are of greater concern to the public and Members of this Council. Moreover, the methods adopted by the Government are minimalist, and, as mentioned just now, will be repeated in a manner comparable to a tape recorder, so I do not intend to repeat them. That said, as far as I understand it, the Government will also conduct high-level mediation through various channels. For example, I am aware that Directors of Bureaux, Secretaries of Departments, perhaps two or the three Secretaries of Departments, and even the Chief Executive have brought some cases to the attention of the Central Authorities and followed them up.

However, to my understanding, our discussion today and the request made by Mr LEUNG Kwok-hung or members of the League of Social Democrats seem to centre on the question of "whether or not you can undertake to direct efforts to lobbying for more". Even Mr Albert CHAN, who was agitated just now, also said words to this effect when explaining his position. However, the Government appears to remain unwilling to reach a consensus with Members on this matter. In other words, for example, even if you have made efforts to lobby for something, eventually, your attempts may possibly end up in vain, right? This situation is comparable to the one in which the Government has striven to develop Hong Kong into a RMB clearing centre, issue bonds in Hong Kong or make Hong Kong play the role of an offshore centre. All these issues have undergone years of discussion, right? Nevertheless, the outcome depends not only on the discussion on our part. Officials of the Central Authorities may ask, "For what reason have you come up with such a plan? Now that you have made it known to the public prior to its implementation, that means you are forcing our hand." I do not think this will bring any fruits because when officials from various provincial and municipal governments lobby leaders of the Central Authorities, they may have to fight tooth and nail. Why? Because various provinces and municipalities really have their respective economic interests. Given that these officials are serving their own governments, they will only lobby for the best interest and protection for the people of their respective provinces or municipalities. This is justifiable and reasonable. Members of the public in the Mainland are also accustomed to this game. For that reason, I do not understand the reason for our officials' adoption of such an approach in handling this matter.

The second point relates to something that Mrs Regina IP may find it inappropriate to talk about here. However, insofar as I am aware, the truth is that Mrs Regina IP, when still holding office as Secretary, had in fact paid visits in her capacity of Secretary to those Hong Kong people who were imprisoned in the Mainland. For that reason, if there had been such occasions, I do not know whether or not Secretary Ambrose LEE has also done the same. Perhaps he can give us a brief account on this. However, if Mrs Regina IP could really do this when she was still in office as Secretary, I have no idea as to whether or not the same also applies to Secretary Stephen LAM. Maybe Secretary Stephen LAM can elaborate a bit on whether or not he has done so because he is responsible for overseeing those Offices now, right? Given that Secretary Ambrose LEE always travels to the Mainland and liaises with officials from the Public Security Bureaux in various provinces and municipalities, if it comes to his knowledge

that some Hong Kong people are imprisoned and that he is able to pay visits to them so as to understand their situation, I strongly believe that those Hong Kong people can receive greater protection. In other words, officials of the Central Authorities will carefully handle matters relating to their treatment and treat them with care. Even if they do not render special treatment to them, at least they do not dare to (to employ a vulgar term) bully them. Therefore, to put it bluntly, I hold that this is in fact a matter of no big deal. Of course, such visits have already been made in some high-profile cases, for example, the CHING Cheong case.

Lastly, I do not know whether or not the Government is concerned that this situation may arise. For example, Members from the business sector care so much about incidents of this nature that they may possibly split into opposing camps. Why? Because the staff of our Mainland Offices very often play the role of establishing a friendly relationship with officials of various ranks in those provincial and municipal governments. That is to say, the former have to "keep friends" and attend social functions with the latter. They do this not for their personal advantage, but for the benefit of the entire SAR and that of those Hong Kong people who need assistance in the special circumstances. However, when it comes to paying visits to those imprisoned Hong Kong people or even making allegations that officials in the Mainland do not carry out their duty in accordance with the law, I have no idea as to what kind of conflict will be caused. It is of course an easy task to attract businesses — after a business delegation's arrival in Hong Kong, the exploration of business opportunities will naturally involve social functions. On some occasions, businessmen from the Mainland will come to Hong Kong to attend interviews. Or, sometimes, it is the other way round. The atmosphere will of course be friendly because what they are doing is something happy.

On the contrary, when this is not the case, for example, when a staff member from our Office in Guangdong or that in Beijing relays an allegation to an official from a provincial or municipal government that "someone from Hong Kong has accused you of abuse of power and given an account on how you maltreated him and that of the treatment received by him in prison", conflicts will arise, right? As for Secretary Stephen LAM, will he hold the thought that "Hey! In that case, it will be difficult for the staff of the Offices to carry out their duty! We still have to wear a smile on our faces when dealing with other people.". That said, I think to myself, these two matters are neither incompatible with nor contradictory to each other. Why? Frankly speaking, as an old saying goes,

"Soldiers are trained for years for a few days' battle." What ultimate purpose does it serve to establish a friendly relationship with leaders in provincial and municipal governments and even officials ranging from the upper to the lower echelons at various levels? The reason for so doing is that when Hong Kong people encounter difficulties, they may stand up for them, right?

For that reason, the officials' refusal to pay visits, not to mention making efforts to strive for more, reflects their passive attitude. That being the case, in my view, it is understandable that people ask, "Hey! Is it that you only undertake positive work and will not address our criticisms and challenges raised against provincial or municipal governments or matters that have aroused our concern? Or, even if you are willing to handle such matters, is it that it is necessary for you to wear a smile on your faces in so doing? Or, will requests for visits cause discord or conflicts?" In my view, the Hong Kong public will find it difficult to believe that the SAR Government has already exerted its utmost to protect the interest of Hong Kong people.

I have not spoken of other areas, for example, the fact that the consulates in Hong Kong enjoy consular protection, to highlight a contrast. Although I am not making a request for reciprocal treatment, I opine that provincial and municipal governments should assume the basic obligation of protecting the interest of their people by all means. When they are able to speak out against anything wrong, they should do so. The same also applies in the situation in which they are able to stand up for their people. I hold that the Government should adopt a proactive attitude and only by so doing can it inspire confidence in members of the public. Our officials should not merely mention secretly or implicitly their hope of rendering assistance in each case. Despite the fact that on some occasions, they are justified in so doing, generally speaking, the Administration should, at least, discharge its basic duty and obligation.

MR WONG YUK-MAN (in Cantonese): Since it is already late in the evening, I might as well speak for some 10 minutes. How can I afford to give up the opportunity of dealing with this eunuch, right?

All the requests raised by us are complaint with the humanitarian principle. Just now, he kept on referring us to matters relating to Christians and so, let me introduce a book to Members. There are many Christians in this Chamber.

Ambrose LEE, Secretary, WONG Yan-lung, and so on, are all Christians. Although I am a Christian, many people call me a fake solely because they consider me to be a trouble-maker.

Stephen LAM, Jesus cleared up the temple when cleansing the place. "My house shall be called of all nations the house of prayer, but ye have made it a den of thieves." Despite the fact that we, as human beings, of course have to make a living, lives are also very important, right? Making a living and leading a life are different, buddy. The poor, when offering their prayers, of course pray for their living, right? The grassroots of course also pray for the same, right? However, when it comes to the Secretary, who is a high-ranking official who holds power, he really has to have the spirit of praying for lives, buddy. Is that right? Christians always carry on their lips the remark of "I will pray for you" and we really have to be thankful to them for their so doing. Back in those days, in spite of the prayers offered for Mr TUNG Chee-hwa, he still had to step down because of the pain in his legs, had he not? We all loved him and that was why we prayed for him. That said, we should pray for lives even more.

Now, what is the number of Hong Kong people who are detained in the Mainland? Although I have no idea as to whether or not you have the figure in this regard, we feel strange that people always knock on the door of our office and report to us cases of this nature. Some time later, this will happen again We can do nothing about it. We always say aloud that we have to do our duty in coming to the rescue and assistance of the poor and the disadvantaged. However, when we encounter such a situation, we can do nothing about it at all. How do we feel in the face of this? Just imagine you are a family member of one of those detainees, you do not have any idea as to why a goods vehicle will go missing for no reason after its arrival in the Mainland. You have even lost track of him for an entire week and his whereabouts are a mystery to you. Do we have any means to find out the respective numbers of Hong Kong people who are in detention, serving their sentences or even placed under investigation in a specified place and at a specified time now? We all know this very interesting game in the Mainland, right? Recently, many such cases happened in which a person was placed under investigation in a specified place and at a specified time. However, the exact location was not known. Even if someone wants to pay visits to him, he is unable to do so. Are there any Hong Kong people who are involved in such a situation? Do we not need to find this out by making enquiries? We are only asking him to handle this matter and our request is very

simple. Yet, he still fails to do so. Worse still, he subsequently fools us with his officialese.

According to articles 28 and 32 of the Regulations on Houses of Detention in the Mainland, "a detainee may communicate with his defender by means of correspondence or meeting". There is no need for him to mention these two provisions because I can find them on the Internet. It is of no use to follow these provisions and it is not necessary for him to teach Hong Kong people or Members these provisions. On the contrary, he can tell those miserable people or family members of those in detention what to do by saying, "According to articles 28 and 32 of the Regulations on Houses of Detention". Does it mean that those detainees can meet their family members and guardians under these provisions? According to the law concerned, members of the SAR Government are not entitled to visiting those detainees. Buddy, we are requesting not only for paying visits to them. Can enquiries be made about their situation? Is that practicable? When someone comes to lodge a complaint, can the Secretary make enquiries, buddy? However, we are not entitled to so doing. Can the Secretary lobby on humanitarian grounds? In contrast, in such overseas countries as Canada, Britain or other countries, Chinese diplomatic and consular missions have been established for us to make enquiries.

The truth is that under the same sovereignty, if a permanent resident from the SAR of the People's Republic of China has committed an offence in the Mainland or is even caught in a situation in which he has not committed any offence but has fallen victim to the miscarriage of justice Will you tell me what kind of legal system is in place in the Mainland to deal with such incidents? The Central Commission for Discipline Inspection (CCDI) of the Communist Party of China will apprehend such high-ranking officials as you are. The CCDI comprises members of the Communist Party of China, with HE Guoqiang, a member of the Politburo Standing Committee, being the person in charge of it. A large group of people is under his supervision and he can instruct public security officers to apprehend you. Provided that you are an official and have been found in connection with corruption and bribery, these public security officers will arrest you.

Recently, Chairman of the Guangdong Provincial Committee of Chinese People's Political Consultative Conference was apprehended and placed under investigation in a specified place and at a specified time. In Guangdong Province, he is the highest-ranking official in history who was apprehended.

However, China has its own laws because it is a totalitarian country. That is the way it is. Now, the Communist Party has decided to penalize corrupt officials and for that reason, the CCDI can take up the work of so doing. Is that right? The situation in China is not comparable to that in Hong Kong because we have the Independent Commission Against Corruption. Is that right? What judicial system has been put in place in China? We always laugh at the situation in Taiwan At least, CHEN Shuibian is now under detention, right? Our discussion centres on the issue of judicial and human rights and everyone is now arguing about whether or not he should be kept under such detention prior to his trial and conviction. Everyone is arguing about this and some of the arguments have gone beyond this point. In our great Motherland in which socialism is practised, the CCDI alone can make arrests at will and apprehend people who are suspected of having a certain connection. However, nobody is allowed to pay visits to these arrestees, not to mention having any idea as to the locations of their detention. The same also happens to political prisoners. LIU Xiaobo, the initiator of Charter 08, was arrested for no reason. I had also signed jointly this Charter 08, strange that the CCDI has not come to arrest me. Perhaps this is due to the fact that I am a resident of the SAR. Therefore, it is dangerous for me to travel to the Mainland because I had signed jointly Charter 08. Buddy, the contents of that document are so mild that they pertain only to common knowledge. It relates to nothing more than human rights, democracy, equality, freedom and the rule of law However, those people who have connection with this document have been arrested.

Even family members are not allowed to make visits to those detainees. LIU Xiaobo's wife had to approach OBAMA and basically, this brings disgrace upon us. Even though LIU Xiaobo has violated the law, you still have to have Therefore, this is what we treasure most and for that reason, we have to uphold it with desperate effort. That "buck-toothed" could lose a lawsuit regardless of the fact that his father is LI Ka-shing. We have to uphold this for that reason. Upon my arrest, the authorities should either lay a charge against me or release me within 48 hours, right? If WONG Yan-lung orders that a charge be pressed against me, then I will be brought before the Court and I can make an application for bail, as well as engaging a lawyer, right? However, such an arrangement is absent in the Mainland and everyone is well aware of that. In the light of this, should a remedy not be worked out? Should some form of assistance not be rendered? Should someone not make enquiries about the development of the situation? Lawyers are also available in the Mainland, are they not? Should our Mainland Offices not render assistance on humanitarian

grounds? Secretary, our request is as simple as that. What are we requesting you to do? Subsequently, you talked nonsense and said such a load of words as "we have to offer support to the work of these Offices because apart from the promotion of the abovementioned work, these Offices also serve to enhance the co-operation between Guangdong and Hong Kong and implement something relating to the Pearl River Delta" We are not engaging in a discussion with you on these issues now.

Mr LEUNG Kwok-hung proposed this amendment because both of us were expelled earlier from a meeting of the Finance Committee — Ms Emily LAU said, "This is not the case. One of you left the meeting voluntarily and the other one, following the Chairman's ruling, was expelled from the meeting." We are wearing this T-shirt today, "Nimen zhen de bugai. Nimen zhen de bugai (*in Putonghua*)". That day, I said off the cuff such words as "bugai (*in Putonghua*)" because I became agitated at that fleeting moment. At that time, "Hulk" kept on blasting you and asked you whether or not something had gone wrong. How come you could take all the trouble to travel to the Mainland just for the purpose of visiting those pandas? Despite the fact that there are many Hong Kong people who are bearing pains and sufferings in the Mainland, you remain indifferent to such a situation. For that reason, he scolded you.

As you are aware, he becomes furious upon seeing Secretary Stephen LAM. He has a "particular liking" for the Secretary and it is strange that he becomes furious whenever he sees Stephen LAM. However, I do not have the same feeling, only that I am infected by him. See? Therefore, I uttered such words as "bugai (*in Putonghua*)", which caused a public uproar. Subsequently, you made use of this crack and chided us, trying to deal a deadly blow to us with this one-off incident. Prof LAU Siu-kai, who is now present in this Chamber, even said, "We have grasped the mainstream public opinion." What kind of mainstream public opinion was he talking about? The mainstream public opinion reveals that members of the public do not want to have this perverse Government. Despite the fact that it hoards a fiscal reserve amounting to some \$1,000 billion, whom has it rescued?

I found that Edmund HO really does not like Donald TSANG very much. Not only did he refuse our entry to Macao, the Macao Government even handed out money to the members of the public in Macao on the eve of Members voting

on the Budget. Obviously, it did so to embarrass and exert pressure on our Government

CHAIRMAN (in Cantonese): Mr WONG Yuk-man, will you please speak to the question?

MR WONG YUK-MAN (in Cantonese): I am only citing examples. Chairman, sometimes, when a Member speaks, he really has to, Otherwise, how can we withstand these 15 minutes, right? When I speak, I sound so pleasant that Members have not dozed off, right? I really cannot figure out why "Long Hair" suddenly became such a gentleman just now, trying to give an impression to people that he is a gentle, temperate, kind, courteous, restrained and magnanimous person. However, buddy, we are talking about a humanitarian issue and those are Hong Kong people! You are caring and benevolent officials. Alright, even though you were not elected by me, you are receiving salaries paid out from the public coffers. Given that you receive a monthly remuneration of several hundred thousand dollars, can you not undertake some work? Can you not assist in making enquiries and ask members of the staff of the Mainland Offices for information? Can a notification system not be established? For example, the Mainland can inform Hong Kong that "two Hong Kong people will be apprehended at present". Can such a notification system not be put in place?

Members are aware that victims in some cases are subjected to unfair accusation. When it comes to some commercial disputes in the Mainland, the other party to a dispute, which is wealthy and influential, can have public security officers storm the victim's place of residence and make an arrest directly. Secretary, let me tell you this: Similar incidents really happen every day. Can you render them assistance? With the passage of time, public discontent accumulates. In fact, it is an appropriate time to propose this amendment now because so doing affords us an opportunity to talk nonsense while ten or so Directors of Bureaux and Secretaries of Departments have to sit in this Chamber and listen to our remarks. How enjoyable it is and I of course will not shut up! For that reason, I have already figured out why "Long Hair" has spoken for some two hours in total today. I have come to realize that a Member is allowed to speak on each motion for 15 minutes and having done so, he can speak for the second time. In a moment, after I have sat down and the next Member has spoken, I can raise my hand and speak again. I am a newcomer to this Chamber

and I really have no idea that there is such an arrangement. Today, I have not stopped my colleagues from speaking and that is why I have only spoken for some 15 minutes from beginning to end. Even the Chairman has praised me for my good behaviour because I have not caused any interruption to this meeting. However, when I think about it again, I realize that in any case, we will have to meet until the small hours. Albert HO has also pointed his finger at me, saying that I have promised to adopt a middle-of-the-road approach with regard to the Third Reading debate. In this way, the Financial Secretary will not have to attend this meeting tomorrow. Consequently, we will have to finish the second half tonight and the motion on plastic bag levy can be left until tomorrow for discussion.

Initially, I had the thought of not speaking, so that Members could return home earlier for a rest. However, as I listen along, I find something not quite right. It will be good that the Secretary can give a reply with sincerity. However, he has not done so. Alright, after we had sat down in this Chamber, he again gave us the same answer. Chairman, do you not think his so doing will evoke a reaction among Members which is comparable to spitting blood? I find myself always hear the same reply and with the passage of time, this has caused degradation in our bodies. Originally, I had a good memory, but I find that after I have joined this Council for some half a year, my memory has been failing at an appalling speed. Whenever I meet Stephen LAM, who speaks like a human tape recorder, he keeps on repeating the same reply. In fact, I can give an answer on his behalf. His behaviour really gives rise to a feeling of impatience in Members. If the Secretary has some new or creative ideas, we can still engage in arguments, right?

So far, only those several higher-ranking officials who sit in the front have not argued with me and we do not have many opportunities for conversation. I really want to find an opportunity to engage WONG Yan-lung in conversation because the Secretary for Justice has not had any conversation with me. When he sees me, his jaw drops and he appears to be on the verge of making a move against me. In fact, this is no big deal. Despite the fact that we met with scathing criticisms after staging protests in this Chamber, we have never felt frightened. While this episode has not yet subsided, a suspected case involving foul language happened, but we have never felt frightened. This T-shirt can be sold at \$1,000 each but still, everyone joins in the scramble for one. It can be said that we have found our way out of the impasse and you can also say that we are flexible, buddy, right? Sometimes, bad incidents can bring about good

results. Why do we not render assistance to those Hong Kong people who are subjected to oppression in the Mainland and their family members?

As a matter of fact, Members are aware of the fact that this amendment will not be passed, but it is proposed only for Member's discussion and as a reminder for the Administration to offer some form of assistance on humanitarian grounds. Although a large number of Hong Kong people are subject to unfair judicial treatment in the Mainland and our present discussion revolves around the issue of administration of justice and human rights, we do not have any means to make a request for discussion to be conducted between the SAR Government and the Central People's Government on this issue, be it provincial governments or the Central Government. Frankly speaking, they do not understand these terms. The system in place in the Mainland is very simple, in that some high-profile cases will be transferred from procuratorates to the courts for handling after the CCDI has handed down its findings on those cases. The passing of a 10, 20 or five years' term of imprisonment rests with the CCDI instead of the trial judge, buddy, because, in addition to the CCDI, there are posts of Secretary of Party Committee in courts and procuratorates. Their system functions this way. Our system is diametrically different in that we uphold the principle of presumption of innocence and a suspect is considered to be innocent before conviction. He is entitled to defending himself in trial for his so-called interest. However, the situation in the Mainland is not the same and the judicial systems in Hong Kong and in the Mainland are utterly different. If Hong Kong people encounter these so-called persecutions in the Mainland, namely, judicial or political persecution, can they do anything about it? No, they cannot.

Now, the Secretary fools me with his officialese by referring to the Regulations on Houses of Detention. He adds that the relevant Mainland Offices will, in accordance with the principle of "one country, two systems", continue to render practicable assistance to those people and their family members, for example, reflecting their opinions and requests to the relevant departments and explaining to assistance seekers the relevant procedures and such other related information as the contact details of law societies in the Mainland — I initially thought that he referred to the provision of assistance through assigning mainland lawyers. Or, was he talking about law societies? You are so smart because only contact details will be given — to facilitate their consideration of seeking appropriate legal representation. Alright, assuming what you have said in this regard is correct, what is the number of cases you have handled? Cite

some of those cases, will you? Please also provide the names in question. Or, refer Members to some of the cases handled by the Security Bureau. Secretary, do not say empty words again or mention the procedures. Even if there are procedures in place, they are useless. In substance, you have failed to offer assistance, right? What is more, what is the outcome of the handled cases? Please tell us clearly the number of cases. If you do not do so, that means you have failed to discharge your duty. For that reason, no more resources should be allocated to the Mainland Offices (*The buzzer sounded*)

MR ALBERT CHAN (in Cantonese): Chairman, just now our party leader called "Eunuch LAM" the "human tape recorder". This is too respectful of him for he should actually be called a "lame recorder".

Chairman, after listening to the Government's response about its attitude towards Hong Kong people encountering difficulties on the Mainland, I find Hong Kong people pretty miserable. Not only are Hong Kong people not second-class citizens on the Mainland, they are indeed inferior citizens. If any Hong Kong people holding SAR passports encounter difficulties abroad, they can seek help from the local Chinese diplomatic and consular mission (CDCM). I have previously heard of many cases in which Hong Kong people in difficulties abroad made enquiries to or sought help from the local CDCM, which provided them with certain degree of assistance. And yet, what the SAR Government has done for Hong Kong people in different parts of the world is much worse than the assistance provided by the CDCM. Is this not pathetic for Hong Kong people?

Do Hong Kong people feel pathetic about the performance of the Government? We can always find a government that represents us anywhere else in this world, except the Mainland. Is this not a misery of Hong Kong people living under "one country, two systems"? How sarcastic this is. No matter what happens, be it criminal or whatever, and regardless of whether you are in Africa, Canada, the South Pole or Argentina, holding an SAR passport allows us to seek help from the local CDCM whenever we are in difficulties so long as there is one. However, when Hong Kong people encounter difficulties and adversities on our great Motherland, where the population stands at 1.3 billion and the "one country" under the principle of "one country, two systems" prevails, the only thing that the SAR Government can do is providing information. Although you have screamed and shouted in prison, or faced cruel

torture and pain that has endangered your life, and your family has no idea about your survival, the SAR Government still turned a cold shoulder to you. What kind of Government is this? What kind of regime would cause such sufferings to its people? This is too ridiculous, indeed the greatest sarcasm and a political phenomenon that Hong Kong people find very hard to accept under the principle of "one country, two systems". I wonder what the case is in Macao. If I come across Edmund HO, I will try to find out if the case of Macao is as bad as Hong Kong. Certainly, there are many alternative ways but not necessarily the official channels through which Macao can resolve these problems for its people.

Chairman, I wish to elucidate the position of the League of Social Democrats. We have never expressed disagreement to what Hong Kong offices in the Mainland have done — either assisting Hong Kong people to make money, supporting the SMEs, facilitating the senior officials in establishing more networks on the Mainland or enhancing their capabilities by establishing connections to pave the way for future retirement. We have never stopped them from abusing their powers for personal gains. Like the former head of the Office of the Government of the HKSAR in Beijing, he is still making a lot of money by working as an adviser in Beijing. Having been stationed in Beijing for so many years, he now belittles Hong Kong as he has established an extensive network in Beijing. Many consortium and international organizations invited him to be their adviser, so he can simply stay there and not return to Hong Kong. While these people abuse their power for personal gains, make money and establish their political connections, they should not forget the sufferings of Hong Kong people. This is precisely why Hong Kong people are so pathetic and miserable.

Looking back at the response given by the Government, I find it worse than pigs and dogs. First of all, anyone making such a response is really worse than pigs and dogs. How did he treat Hong Kong people? In his eyes, members of the public are also worse than pigs and dogs. And yet, we should have compassion for even pigs and dogs. So, in view of the sufferings of Hong Kong people, how can he be so indifferent as to show no intention of — I am not asking for the establishment of a formal mechanism — caring for their survival? This is, after all, the basic responsibility — the basic responsibility of a human being, not a public officer, and it is the fundamental attitude of any humanitarian man. How can he make such a response and how can Members accept it? Are you not human beings? Are you monitoring government administration in this Chamber

on behalf of Hong Kong people? It is indeed very sad to hear the Government responding in this way, but I feel even more saddened to see how many Members have acted in this Chamber. I wonder what protection Hong Kong people can have by entrusting themselves to these representatives of public opinion and lackeys.

Regarding the present situation, just as many people have said, our offices will come across many such cases every day, and they are never-ending. I now call on people and family members who have encountered difficulties on the Mainland that the only way to express their feelings is to take to the streets on 1 July. Apart from the Lehman Brothers victims — the situation may be better as the minority shareholders of PCCW have won the lawsuit against PCCW and might organize a celebration party on 1 July — people and family members who have been punished on the Mainland can also organize themselves and take to the streets on 1 July, hoisting another banner to condemn our unscrupulous and mean Government. Only by voicing our angers on 1 July can we make the Central Government aware of how bad our Government is and send a waking call to our executive. Otherwise, Hong Kong people will still be subject to unreasonable treatment on the Mainland, whereas officials will continue to get promoted and make a fortune out of their unscrupulous and mean attitude.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr LEUNG Kwok-hung be passed. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr Albert CHAN and Mr LEUNG Kwok-hung rose to claim a division.

CHAIRMAN (in Cantonese): Mr Albert CHAN and Mr LEUNG Kwok-hung have claimed a division. The division bell will ring for one minute.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Margaret NG and Mr CHEUNG Man-kwong voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted against the amendment.

Mr CHEUNG Kwok-che abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM

Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 28 were present, two were in favour of the amendment, 25 against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 17 were in favour of the amendment and 11 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

CHAIRMAN (in Cantonese): I now propose the question to you and that is

(Mr LEE Cheuk-yan raised his hand in indication)

CHAIRMAN (in Cantonese): Mr LEE Cheuk-yan, do you have a point of order?

MR LEE CHEUK-YAN (in Cantonese): It is now 10.40 pm, will the Chairman follow the standing practice by adjourning the meeting now and continuing with it at 9 am tomorrow morning? I know that you have conducted a consultation, but some of us here have not been consulted. In addition, it is now 10.40 pm, and there are other Members who wish to speak. When we come to dealing with the question of whether clauses 1 and 2 should stand part of the Bill, I believe that many Honourable colleagues will wish to speak, and after they have finished speaking, midnight will probably have passed, and it may even be 2 am or 3 am before dawn. In short, you are not going to follow the standing practice of

suspending the meeting. Under such circumstances, will the Chairman please consider suspending today's meeting, and then let us continue at 9 am tomorrow morning? Thank you, Chairman.

CHAIRMAN (in Cantonese): I would like to thank Mr LEE Cheuk-yan for his views. I have fully considered all the possible options to deal with today's meeting procedure. We have to admit that we have underestimated the time that would be spent on today's proceedings, thus some meetings have been arranged for tomorrow (Thursday), including a joint meeting with two district councils. We did not expect that we might need to reschedule them, because we have not estimated in advance that we might have to spend the whole morning tomorrow to continue the meeting of today.

Now, we know that we cannot finish all the items on the agenda before midnight today, but after discussing with a number of Members, I consider that we should strive to finish all the procedures of the Appropriation Bill 2009, leaving the motion on plastic bags levy to tomorrow morning, such that we can minimize the impact on all aspects. If we leave a major part of the remaining procedure to be continued until tomorrow morning, we would not be able to hold the joint meeting with two district councils as scheduled. I hope Members will co-operate.

I know that the practice this time around has deviated from the past practice, that is, if we cannot finish all the agenda items before midnight, I will suspend the meeting by 10 pm. But I hope Members will display your tolerance for the decision I have made.

DR MARGARET NG (in Cantonese): Chairman, may I ask if there is any restriction? Shall we continue with our meeting until 2 am if we have not finished dealing with the said matter by midnight, and shall we continue until 3 am if we have not finished dealing with it by 2 am, or will a timeline be drawn?

CHAIRMAN (in Cantonese): I guess we will be able to complete the examination of the Appropriation Bill, so there is no need to take it to dawn. However, as we have made a mistake in our initial evaluation, so if Members

have a very strong view and consider that when we should have completed whatever task at whatever point in time, I would be glad to listen to your views.

MR LEUNG YIU-CHUNG (in Cantonese): Chairman, I am afraid your estimation about tomorrow may be wrong. You have estimated that the motion on plastic bag levy will be able to complete by 9 am to 10.30 am tomorrow morning, but what can we do if we cannot finish it? The joint meeting with members of the two district councils will also be affected. Therefore, I am concerned that your wish may not be fulfilled.

CHAIRMAN (in Cantonese): Let me listen to the views of Mr LEE Wing-tat also.

MR LEE WING-TAT (in Cantonese): In accordance with the relevant procedure, when the question is proposed on clauses 1 and 2 stand part of the Bill, a number of colleagues will speak, and Members are aware of this procedure. I have asked some colleagues in the Ante-Chamber, by rough count, almost 10 Members said they might wish to speak. With regard to today's resumption of Second Reading of the Bill, only the Financial Secretary has responded, and there is no procedure which allows us to respond. We will have the opportunity to speak shortly before the Third Reading and when the question is put on clauses 1 and 2 stand part of the Bill. I have asked more than a dozen Members, and 10 Members have indicated their wish to speak, while there are other Members that I have not asked. In other words, our debate may continue until 3 am or 4 am. I wish to tell the Chairman that a five-hour meeting of a select committee will be held by 2.30 pm tomorrow. I believe that in addition to this Council meeting, the meeting of the select committee is also very solemn, and it is impossible for us to take a nap.

In addition, Chairman, to some Honourable colleagues living in the remote areas, if the debate drags on till 3 am or 4 am, whether they should go home to take a shower and change their clothes

CHAIRMAN (in Cantonese): Your views are noted.

MR LEE WING-TAT (in Cantonese): Thank you, Chairman.

MR CHEUNG MAN-KWONG (in Cantonese): Chairman, you estimate that the meeting will not go on till dawn, but it does not mean that we do not have to struggle to open our debilitated eyes. In addition to the 15-minute speech that each Member may speak on the question of clauses 1 and 2 stand part of the Bill, the meeting will be further prolonged to the very early hours, as I consider that many members may wish to speak.

Therefore, if you make a wrong estimate again, I would prefer you taking the decisive action now. In fact, district council members will watch television newscast, and they are well aware of us still having a debate here. If so, I would prefer to inform the district councils concerned to reschedule tomorrow's meeting, which is better than simply dragging on and on. Now, we have a never-ending meeting before us. Granting the right circumstances, we are in fact prepared to meet well after 10 pm, but this is obviously not the case now. Will the Chairman please decide whether or not the decision you have just announced is unchangeable and whether it is a wise decision.

MR TAM YIU-CHUNG (in Cantonese): Chairman, just now I was in your office, discussing the issue with other Members, and you had proposed a number of solutions. We consider that the approach you have just proposed is acceptable. The DAB is psychologically prepared because we know that we have a 15-minute speaking time today, and we may even speak several times, so the meeting will be longer. However, we consider that since we have come to this stage, it is an appropriate approach if we can complete the Appropriation Bill 2009.

MR WONG KWOK-HING (in Cantonese): Chairman, your original decision is that we will finish dealing with the Appropriation Bill 2009, regardless of the relevant debate and voting taking us to 2 am or 3 am, or even 3 am or 4 am, and the meeting will resume at 9 am tomorrow morning. If so, I suggest that we should continue to discuss the motion on plastic bag levy, so that we need not go

home and sleep and then come back a little bit later, as it is meaningless to do so. If Members go home in the small hours of the night by 2 am or 3 am, they will only get home by 4 am in the morning, and then they have to come back before 9 am, otherwise the meeting will be aborted. Therefore, Chairman, I hope that

CHAIRMAN (in Cantonese): I see your point.

MR WONG KWOK-HING (in Cantonese): We have to continue the meeting, shall we persist until all agenda items are dealt with, please?

(Some Members applauded loudly)

CHAIRMAN (in Cantonese): I see your point. Members, that it is now almost 10.50 pm, I do not wish to spend another half hour on the issue of the meeting time.

Members, I think that we should first finish the voting process required on the following two items. As some Members have suggested just now that when we come to dealing with the question of clauses 1 and 2 stand part of the Bill, before the relevant debate session commences, I will ask Mrs Miriam LAU again to chair the meeting for me, and then I will consult Members on the next move. I beg your indulgence for 10 more minutes, so that we can make a decision. In fact, just now I had consulted some Members before I made the previous decision. Therefore, we shall continue with the meeting now.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the sum for head 144 stand part of the schedule. Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the sum for head 144 stand part of the schedule. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the schedule stand part of the Bill. According to Rule 68(4) of the Rules of Procedure, this question is neither amendable nor debatable.

CHAIRMAN (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): We now consider the clauses of the Bill. I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 and 2.

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

MR LEE WING-TAT (in Cantonese): Chairman, just now I said that according to the rules, we might speak on the question of clauses 1 and 2 stand part of the Bill. Chairman, in the resumption of the Second Reading debate of the Bill, the Financial Secretary explained in great detail the reasons why he did not accept the request made by many members of the public as well as the pan-democratic camp on allocating additional funding in the Budget. Since the Secretary's speech was dispatched to us only this morning, we can only respond to the content of his speech. As for many figures and data, we are not yet able to study them.

Chairman, in the Financial Secretary's speech, some of his views are consistent with that of members of the public and us. Firstly, he considered that the current economic condition was very critical; he did not deny this point. He also pointed out the likelihood of further deterioration in the current situation; he did not deny this. However, as to how we should face up to this problem, it seems that there is a gap between his thoughts and that of the general public as well as the pan-democratic camp.

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

First, in the second paragraph of the Financial Secretary's speech, he said the Government must maintain its flexibility to cope with the economic crisis. As for this principle, we will not argue over it, but I hope the Financial Secretary will understand that no matter how flexible the Government is, and no matter how prompt our measures are, the measures launched and implemented are actually not as prompt as the Financial Secretary has conceived. Let me cite an example. From last year to now, we have been talking about the financial crisis. We have proposed the launching of many job-creation projects. But the example cited in his Budget speech was that this year's number of large-scale projects were greater than before, valued at nearly \$30 billion. We all seem rather excited at hearing the figure, nevertheless, Financial Secretary — your colleagues, Secretary Mrs Carrie LAM and the Permanent Secretary sitting behind you may probably

concur — most of the funding cannot be used immediately. All the money earmarked for public works projects should follow a prescribed procedure. Generally speaking, the funds allocated will only reach the peak of expenditure in more than one year or even two years. In other words, the portion of this year's \$30-odd billion that can be used is relatively small, and perhaps the pace of spending will pick up within two years.

Secondly, even if we say that instead of depending too much on large-scale projects this year, we should carry out some smaller-scale projects, but is it possible? Let me cite another example. As for the \$1 billion for minor works as mentioned by the Government, the Government will conduct maintenance works of aged buildings in co-operation with the Hong Kong Housing Society (HS), with a view to helping construction workers and low-skilled workers to find jobs expeditiously. If I remember it correctly, the relevant works are already in progress, but how does the Government do that? First of all, an owners corporation (OC) needs to file an application, and after collecting all the applications, the HS will examine them in May or June and consider which applications are in greater need of funding. Sometimes the matter will be decided by drawing lots ultimately. Then, the relevant committee, owners or OCs will be notified if their applications have been approved by the HS. Upon learning about the news, they of course may issue tenders and then hire contractors to carry out the works. If we follow this process, no matter how fast we are, unless we act as quickly as Edmund HO did by making the announcement today and allocating the funds in two weeks or a month's time later before giving away the money to the people, otherwise, no matter how rapid we are, even if no environmental assessment and consultation are needed as the only thing we should do is to act in accordance with the procedure, it still takes at least four to five months or even a longer period of six to seven months to complete the process. Therefore, even though the Financial Secretary said in the second paragraph of his speech that the highest flexibility and mobility is maintained, I still do not understand how we can achieve that shortly after an undesirable situation has arisen.

I often cite this example. A hungry child is on the verge of collapsing but he has not yet passed out and needs not to be admitted to the intensive care unit (ICU), so we say he needs not panic for he can still hang on for a while. Well, by the time he really collapses and is taken to the ICU, of course, he will be given the medication and intravenous drip, he will be fed with porridge, but then his body function and brain may have already suffered damage. In fact, these issues

have also been discussed within the Government. I do not quite understand the meaning of mobility and promptness mentioned by the Financial Secretary. He seemed to say that he had seen the problem coming in middle of this year Assuming that the problem was identified in June, he seemed to imply to the general public and us that the measures could be launched by June. Sorry, I cannot see the Government has put in place any procedure which allows us to launch some counter-measures shortly after — or two weeks after something very serious has occurred. Just take the example cited by me earlier, the simplest public works project which does not need to go through any procedure will still take four to six months. Therefore, I do not quite understand how the Financial Secretary can tell us in his speech that the Government can act in a flexible way.

Deputy Chairman, my second point is that when we carry out the tasks, would we address the crisis with enormous vigour? I have discussed with your colleagues the request made by the Democratic Party and the pan-democratic camp in relation to the Budget for the allocation of some additional funding. In fact, we all know that when the Democratic Party put forward its proposal, it had already exercised self-restraint and controlled itself. We only hope that the proposed measures can be used as a short-term solution to the problem. It means that we do not want to put forward too many proposals involving long-term and recurrent spending which will compromise our own fiscal discipline. We have achieved this goal. Therefore, many of the proposals are just short-term and one-off measures, so they will not turn into some recurring funding that we have to spend this year, and the next. However, the Financial Secretary is still very much worried about this problem arising. I do not quite understand why the Financial Secretary is still worried about our proposals?

The third point is that when we discussed the fiscal reserves, the Financial Secretary responded that the Administration had spent a lot of money during this period of time, so if the fiscal reserve were to be drawn down once again, he would be very concerned that the level of fiscal reserves will reach an alarming level. I remember that many years ago, when we were financially well-off than we are now, the Government debated with the community on what level of fiscal reserves should be kept by a country or region to be considered healthy? Of course, there will be no unanimous view in such a debate. However, as a matter of fact, the Financial Secretary does not need us to remind him that finance ministers of many other countries envy Hong Kong's fiscal reserves, because we

have a sound and ample fiscal reserve. Which country can have a fiscal reserve equivalent to the expenditure for 1 year to 1.5 years? Many countries do not have such a level of reserve, which some countries even have deficits or even huge foreign debts.

In addition to deficits and foreign debts, I remember a few years ago when Mr Antony LEUNG was the Financial Secretary, he had also argued about the question of how much money would be sufficient. He said that to play safe, a reserve equal to the expenditure for 12 months would be enough, or 18 months will be better. How much would it be if it equals to the expenditure for 18 months? It will be something more than \$400 billion, that will be enough to us. Why should the Administration be so panicky with just spending a few dollars more? One year is made up of 12 months — that is just about \$300 billion. I do not understand why the Financial Secretary seemed to imply in his speech that if we spend a few dollars more, it would undermine the level of fiscal reserves, and he was worried that we would be affected? Of course, insufficient fiscal reserves will lead to other problems and impacts, but we do not agree with this view. Frankly speaking, now the general public and the pan-democratic camp are only asking the Government to spend \$20 billion more. With regard to this year's deficit of \$30 billion to \$50 billion, I do not see any additional pressure will be imposed on the fiscal reserves by just a \$20 billion spending.

Deputy Chairman, the fourth point I have to talk about is that when I discussed this issue with his colleagues, I found that the training received by the civil servants and Administrative Officers had been very good. However, there is a shortcoming, that is, when they deal with some major issues, they are simply too meticulous. Of course, to a financially prudent person, he would consider that Edmund HO is just like an ordinary gang leader who gives away \$5,000 and then \$1,000 more, looking as though he needs not do any calculations at all. Certainly, I think that Macao has done the calculations, but just in a rather broad-brush manner. When I had discussions with his colleagues, they spoke scrupulously as if they had to think it over. For example, is this item viable? Is that item workable? What is wrong with this approach? If they are preparing the routine budget, I do not consider that there are problems with such an approach. Quite the contrary, the approach is correct, and the approach is disciplined, the sound discipline which has allowed our Government to keep the accounts in good order over the years. However, I consider that when we face

big problems and a major crisis, I do not agree with such a meticulous approach, because it would overshadow the major and strategic considerations.

I do not know what the thinking of the Financial Secretary at this moment is. The public do not think at present that the Government has sufficient confidence and courage to tide over the difficult time with us. They consider that the Government is too indecisive, over circumspect, and too accustomed to the scrupulous mathematical calculations, rather than just focusing on handling and addressing major problems. As I said in the Budget debate, I do not consider that the Financial Secretary could secure the confidence of the general public in tying over the difficult time with him. Neither do I think that during the period from the announcement of this year's Budget to the resumption of the Second Reading, the Secretary can feel that the public consider the Government is concerned about them in times of an economic downturn and is prepared to tide over the difficult time with them.

As a matter of fact, information is everything. Nobody knows how an Administrative Officer immerses himself in calculations and tries to be exact and makes not the smallest error. When we deal with a major issue, the most important message is to reassure the general public that the Government can arrest the downturn. If you look at OBAMA, can you say that he has done the calculations clearly? I don't think so. Has he wasted any money? Perhaps there is some wastage, I will not challenge him for wasting some money in all the major expenditure. It is not surprising that he may have been imprudent in preparing the spending. However, we are not dealing with the issue of spending \$5 million or \$10 million, but the question of whether or not the Government is able to tide over the difficulties with the public and understand the current situation of the people. Deputy Chairman, I know that the Financial Secretary has secured sufficient votes to support him, but as I said in the debate, the Financial Secretary has lost one more chance, for he fails to join members of the public in the same boat and to tie over the economic predicament with them. Thank you, Deputy Chairman.

MR ALBERT HO (in Cantonese): Deputy Chairman, after announcing the Budget, the Financial Secretary should be able to feel the strong response from society immediately. The public voiced their intense disappointment or even rage towards the seriously inadequate Budget. I think the situation today is

self-explanatory. We are dealing with a financial turmoil coming at full strength. We can envisage that the unemployment rate will rise and we will have many crises to overcome. Actually, the Financial Secretary has also expressed the same in his speech today. The public is well aware of the situation and has given the Financial Secretary an opportunity to rectify the situation. Hence, it is hoped that the Financial Secretary will make further efforts to communicate with political parties and groupings and then make adjustments to the Budget. In difficult times like this, it is common aspiration that we can build a consensus with the Government, and on the basis of this consensus, we can work together to overcome the difficulties in the future.

Deputy Chairman, it is with this mindset that in the past few weeks, the Democratic Party has readily engaged in constructive and interactive dialogues with the Financial Secretary and his representatives. The pan-democratic camp, including the Democratic Party, has demanded after the discussion that he should make a clear commitment at the resumption of the Second Reading debate to increase public expenditure by no less than \$20 billion. The additional public expenditure should be used on creating job opportunities and providing unemployment relief (albeit provisional in nature) to the unemployed including the middle class, and on increasing the transport subsidy to cover low-income earners in the whole territory. The demand is clear. The proposal of beefing up public expenditure by \$200 billion is moderate. We definitely have the capacity to increase public expenditure. Even if public expenditure is increased by \$200 billion, the overall expenditure as a share of our GDP will only increase by one percentage point to 21%. Actually, this does not deviate greatly from the Government's golden rule of not exceeding 20%. But it must be borne in mind that we are dealing with a once-in-a-century financial crisis here. Why can we not do so? Why is the Financial Secretary unwilling to heed good advice and establish a consensus so as to secure greater support from Members for this Budget and make it possible for different political parties and groupings to work in concert to overcome future difficulties together with the Government and do our utmost to help Hong Kong people tide over the difficult time ahead?

Deputy Chairman, we are very disappointed that the time spent and sincerity shown in the past few weeks have ultimately turned into a waste of our youth and energy. The Government simply has no interest in listening to our views. We have provided a lot of detailed information and views, and the Government responded that our rationale is correct, and that creating employment

opportunities is a macro policy consistent with the government policy of the United States as well as the Mainland. We have the common goal of suppressing the surging unemployment rate. But the Government always says that it is unable to do so. We have provided many specific suggestions, but we have yet to get any constructive feedback. What mindset is this? I do not understand. Why did discussion have to be held in the first place?

Today, the Financial Secretary has explicitly said that he will not launch additional relief measures, but he will remain flexible to cope with changes in the situation and he expects to announce new measures in two months' time. Deputy Chairman, in the past few months, we have spared no efforts in discussions with the Government. Together with the consultation period, it has been four to five months. The Government should know very well what we are thinking and it should also know very well what it needs to do. But to date, it remains hesitant and indecisive, still playing the role of a conservative tightwad. What new data can the Government obtain in the coming two months that can convince it to make a crisp decision? Certainly, some may say that this is actually not the case because the Financial Secretary looks as if he has well-thought-out measures up his sleeve ready to be launched in June. If that is the case, why does the Financial Secretary not make a clear commitment and spell out his conceived plan before the resumption of the Second Reading debate or in this debate today, so as to win the support of the 20-odd pan-democratic Members? Why does he have to do so? I really do not have a clue. After hearing his argument and logic in the motion debate, I find his conclusion even more inconceivable.

After some painstaking reflection on the subject, we think that there is only one possibility, that is, the Financial Secretary has to launch additional measures, but he will not launch them today. He has to launch additional measures, but he will not do it in collaboration with Members of the democratic camp. He has to launch additional measures, but he definitely will not give an impression that he has been pressurized by the democratic camp to do so. He has to launch additional measures because he may have to give the credit to the pro-government camp, acknowledging that the Government is ultimately willing to roll out these new proposals because of the constructive dialogues made with the pro-government camp. Deputy Chairman, this is obvious. A couple of days ago we were still having telephone conversation with the subordinates of the Financial Secretary, but in the past two days we have had no more news from them. Then, a reporter told us today that the Financial Secretary had already

invited Members of the pro-government camp and other political parties and groupings to discuss the measures to be launched in June except the 20-odd Members here.

Deputy Chairman, what kind of government is this? It has no principle, no regulation and practices affinity differentiation. It cares not about being right or wrong, correct or incorrect, or whether it should or should not be done. It targets on the person and not on the matter. If this goes on, I do not know how it can sustain in the long run. It now acts counter to public opinions and goes against people who are willing to co-operate with it. It cannot continue like this. Such antagonism is the Government's own making. I do believe that some measures will be rolled out in June, but not by Financial Secretary John TSANG, but by his superior the Chief Executive. He may have the pro-government Members standing by his side when he announces the measures, claiming that the measures have come from their constructive proposals, which seek to cool off the controversy of the 1 July march. I think there is such a possibility.

In fact, the Government does not need to do so. I have made it clear with the representative of the Financial Secretary that if the Government is going to launch any proposal today or if it would do so a few days ago, there is no need to give credit to the democrats. Even if he said that the proposal was made after discussion with TAM Yiu-chung of the DAB, or that he was glad to take on board his suggestion, it is fine with us. Just give them the credit. Even if he said that he had discussed with the Liberal Party and The Alliance and found their view constructive, we are fine with it as long as their view can create job opportunities, relieve the plight of the people and assist the unemployed, and we will vote for it. We are not narrow-minded. We have no interest in fighting for illusory fame and claiming those measures as our credit. We will not do that. I have made this point clear with the aide of the Financial Secretary. The Financial Secretary might as well say that this wish list comes from the Hong Kong Federation of Trade Unions and the DAB on my left. It does not matter. Just give them the credit. Why not? All we want are results, and that the Government will let the public know today that it has not disregarded or turned a deaf ear or a blind eye to their aspirations.

Finally, I need to tell the Financial Secretary and the whole Government solemnly that by playing with public opinion like this, he is actually playing with fire and he will eventually burn his fingers. The whole community is looking up to the Government, hoping that it can do something. Now, lying before us are

such a moderate proposal and a golden opportunity for which majority Members of the Legislative Council can come to a consensus, but the Government has to let slip the opportunity. What kind of government is it? It is a government lacking free will and ability to lead Hong Kong; it is a government without the capacity and confidence to transcend partisan politics and guide Hong Kong through this trying pass. It remains a government practicing affinity differentiation and drawing clear lines with enemies. It does not have to do this in realizing its ambition and governance.

Deputy Chairman, I do not know what the future bodes, nor do I know what will happen in the next two months. Many reporters have asked me today whether we could maintain dialogue with the Financial Secretary. We always If the dialogue concerns matters conducive to the people of Hong Kong, we will not give up doing so and we will continue to fight for them. We act in an open and aboveboard manner, sticking to principle. We will not antagonize the Financial Secretary or refuse to co-operate with him because of the way in which he has handled this matter. We will not do this. But I have told him that this would greatly undermine the foundation of our co-operation and mutual trust.

(THE CHAIRMAN resumed the Chair)

I have no more to say. Today we are left with no choice. We made it clear two months ago that if he did not beef up public expenditure by \$20 billion to answer public aspirations, it is impossible for us to not vote against the motion. We spelt this out clearly in our meeting with the Financial Secretary. In the days to come, he had better perform his duties well. We, however, will spare no efforts to play our part and fight for the due rights and interests of the people. I so submit.

CHAIRMAN (in Cantonese): Before the next Member speaks, I wish to announce my decision. We will not adjourn the Council until we have finished all the business on the Agenda. This will have the least impact on our original arrangement tomorrow. This may be hard to Members, but I hope Members will bear with me and finish all the business together.

MS CYD HO (in Cantonese): Chairman, a quorum is not present.

MR LEE CHEUK-YAN (in Cantonese): I will let her raise a point of order first.

(After a head count, the Clerk indicated that a quorum was present)

MR LEE CHEUK-YAN (in Cantonese): Chairman, I have not listened to the whole debate by Members and the public officers, I do not know the real reason behind it all. However, one reason is that Chief Secretary for Administration Henry TANG and some Members will have to meet WANG Yang tomorrow. If this is the reason and if there is always some hidden agenda, why do we not speak the truth? Chairman, I am not sure if you are informed of this reason. Is it truly because Chief Secretary Henry TANG needs to meet WANG Yang tomorrow that you have made this decision?

CHAIRMAN (in Cantonese): Mr LEE Cheuk-yan, I have made the decision. If Members have any opinion about my decision, I am happy to discuss with Members again outside the Chamber. Inside the Chamber, however, I hope Members will accept my decision.

Does any other Member wish to speak?

MR FREDERICK FUNG (in Cantonese): Chairman, there are two very important debates in the Legislative Council meetings every year. One is the debate on the policy address and the other is the debate on the Budget. Members may still recall that in the era of Chief Executive Donald TSANG after 1997, he has pushed back the delivery of the policy address to January such that the debates are now conducted in October and some time between February and March respectively. The Government is thus worried that these two important debates would provide two occasions for Members to exert pressure and make their demands on the Government. This in turn would have an impact on government policy and exert pressure on its finances. Now, Chief Executive Donald TSANG has reverted to the practice adopted before 1991, meaning that the two debates are further apart.

I feel strange that there is basically no new idea proposed in this Budget. Faced with the problems brought by the financial tsunami, particularly problems of unemployment and declining incomes, the Government has not tackled them immediately, nor has it proposed any new long-term measure. In fact, the Financial Secretary has admitted a lot of things in his speech. First of all, he admits that there are crises lying ahead and society is unstable, and that he can adopt short-term measures but has to be prudent about the long-term implications of such measures.

Moreover, the most important thing is to preserve employment. Members can actually see that the employment rate is rising rapidly. The Financial Secretary pointed out in paragraph 22 that the unemployment rate in the fourth quarter of 2008 was 4.1% and it climbed to 5.2% in the first quarter this year. In other words, it has risen by 1.2% in one quarter. If we have not mistaken or remembered the unemployment rate wrongly, the latest figure announced last week is 5.3%. Unemployment will unquestionably be the most serious problem that Hong Kong community has to face in the coming year. Nowhere can I find in the Financial Secretary's speech that he has mentioned this point. And in terms of policy, he has not amended his original Budget to step up actions against the unemployment problem, so as to mitigate or lower the unemployment rate and increase job opportunities and types. Hence, both the speech delivered by the Financial Secretary today and the one he delivered previously are equally disappointing to me.

Actually, no new idea has been proposed in the entire speech. In today's debate, will the Financial Secretary amend the speech he is going to deliver before the vote? Can it be amended? Yes, it can. When the incumbent Chief Secretary for Administration, Henry TANG, was the Financial Secretary, he amended his speech before the vote, which was different from his first speech. The speech can be amended. I remembered it very well. It related to the transport subsidy which we had fought hard for and the cigarette duty which was a few years further back in time when Mr TUNG was still in office. The speech could be amended at that time. Hence, the Financial Secretary now should not refuse to amend his speech just because of his concern for losing face or other issues. What I wish not to see is that, as Mr Albert HO has pointed out, he refuses to do so because he has to accommodate the views of the pro-establishment camp. Of course, another question, which I will have, is whether everything has to go back to the Chief Executive, and whether everything has to be announced by him, but not the Financial Secretary. This is

another possibility. Hence, if there are new measures to be announced in the future, we can then speculate again whether they will be announced by Financial Secretary John TSANG or Chief Executive Donald TSANG.

Chairman, the unemployment problem is really very serious. The proposal put forth by the Financial Secretary to tackle unemployment this time has not dealt with the proposals we made in the motion debate or at the meetings of the Finance Committee. Not only the proposal which I or the Association for Democracy and People's Livelihood (ADPL) tabled has not been dealt with, but also similar proposals tabled by the pro-establishment Members. Take the 10 major infrastructure projects as an example. We proposed that these projects be led by a committee at the Secretary of Department level, so that the committee can resolve the conflicts and procedural frictions among different bureaux. At first, I had a beautiful misunderstanding, thinking that the Development Opportunities Office (DOO) under the Development Bureau would be playing this role. The Secretary for Development later clarified that the DOO would seek to assist private enterprises to develop usable government sites in a "through-train" mode. In this regard, we can see that at the bureau level, a new mechanism has been established for private enterprises to speed up their development projects, but on the contrary, the Government itself, being the leader of the 10 major infrastructure projects, does not have a mechanism to expedite the commencement of the projects. For mechanisms which are the less the better, it would be better to have a Secretary of Department to effect co-ordination among various Bureaux. I certainly hope that Chief Secretary for Administration Henry TANG can be the leader, but will he agree to do so? It has come as a disappointment to me.

The second disappointment is that Today, I will concentrate on discussing employment, as time is running short. Insofar as employment is concerned, we always insist on three points, and we call them preservation, creation and assistance. What is preservation? It means preserving existing employment opportunities. In fact, talking about preserving existing employment opportunities, we think the most important thing is to preserve the small and medium enterprises (SMEs) because they have employed the majority of the wage earners. If SMEs have to cut staff, I cannot imagine how many employees will get the sack. Hence, in this regard, our demand has been the same or even consistent with that of the Members of the Liberal Party, that is, to make it possible for the Government to take forward the \$100 billion loan guarantee at a faster pace and more effectively so as to benefit more enterprises.

At that time, I asked whether the Government would draw reference from the national development bank in Canada. For instance, as the loan interest rate offered by banks in general is P+3, P+4 or P+5, I asked whether people could be offered loans at P-? People may ask who is going to pay for the difference if the loan interest rate is offered at P-. Can the Government subsidize the difference? Banks certainly will not pay for it. Then, can the Government subsidize the difference? For example, if banks offer loans at P+3, our loans will be offered at P-2, making a difference of 5%. The subsidy certainly has to be subject to a ceiling, such as for a period of one year or two years.

The second point is about the repayment period. At present, banks generally allow a repayment period of three to five years, but the national development bank in Canada manages to set the repayment period at 10 years. As the repayment period is doubled, the monthly repayment amount will be less. This will naturally be a great help to the SMEs. I hold that if the Government can step in, it will be easier for the SMEs to secure a higher credit. And we will be able to preserve the SMEs and they in turn can preserve the jobs for the workers.

According to the latest figures I know, although I do not know if they are correct or up-to-date as these figures were provided by the Government in the past two to three weeks, applications approved under the \$100 billion loan guarantee scheme account for about \$9 billion, which is 10%. To me, the usage rate is rather low for it has taken so long to use only 10% of the funding. I think this is a way of preservation.

The second means is creation, that is, creating job opportunities. Talking about creating job opportunities, among the 620 000 job opportunities mentioned by the Financial Secretary, 350 000 are in fact training opportunities. I will not regard them as job opportunities. I will only regard people who truly go to work as having a real job. If we really have to create job opportunities, this is precisely something we have to deal with as the future unemployment situation will worsen. The Financial Secretary also recognizes this problem, but he has not formulated any policy to address it. I think this is informed inertia. In this connection, if I may put it in a bit more exaggerated way, he simply has not tried his utmost to tackle this problem. Certainly, there may be tens of thousands of ways to create more jobs, and he may reject the proposal put forth by the ADPL, but he has not even offered us a direction, nor has he mentioned any solution in his speech.

We suggested if it is feasible to consider the district councils individually and allocate to each of them 2 000 job opportunities. Of course, this shall be co-ordinated by the district council concerned or together with the District Officer because different districts may need different kinds of jobs. For example, Sham Shui Po is an older district and the workers there are older, ranging from 30-odd to 50-odd years of age, while workers in Wan Chai are younger and those in Tin Shui Wai even younger. As the types of jobs needed in different districts may be different, we certainly need to resort to the district councils and District Offices for co-ordination. We have committees of the industrial and commercial sectors and schools as well as liaison committees of social workers. All these committees can get together and discuss the types of jobs or new posts that can be created in the local districts and then table the proposal on the number of jobs to be created to the Government, subject to an average ceiling of 2 000 jobs per district. This project can be launched earlier, which can mobilize people in all the 18 districts to show concern for their own district and find out the actual needs of their districts, thereby turning the needs into jobs.

Of course, the Financial Secretary may say that this is not feasible. The proposal is too generalized and unrealistic. Then, he can think of some proposals which are feasible to the Government. Despite the fact that employment is an important issue, he has not offered any solution in his entire speech. What I find unacceptable is that being the Financial Secretary who has huge resources under his control, he did not offer any solution after confirming the problem and informing us of it.

My other proposal is about social enterprises. All along, social enterprises mainly obtain funding through the Enhancing Self-Reliance Through District Partnership Programme (the Programme). The funding is about \$1 million every two years, which is about \$40,000 monthly on average. Having \$40,000 in your hand every month Members know that there may be conflicts of interest, but on pecuniary terms, I do not have any conflict of interest; that is, I do not get any money from social enterprises, but three social enterprises are operated under the welfare organizations of which I am the chairman. In fact, a monthly funding of \$40,000 is not enough even for operating a grocery store. Anyhow, we have tried our utmost to sustain the business. But now the Programme only manages to create tiny social enterprises. The word "enterprise" in "social enterprise" cannot reflect the reality. In general, an "enterprise" should have at least a staff of dozens of

people, but these enterprises in reality only have three staff members. Thus, the trend of social enterprises cannot be established with such funding support.

We did repeatedly ask the Financial Secretary to draw reference from the United Kingdom and Spain, or take a look at closer countries like Taiwan and Korea. They have very good experience in operating social enterprises which can serve as reference for us. Apart from providing funding, the most important thing which the Government should do is to have a policy to tie in with the funding, and special public works projects should be designed in such a way that they can meet the WTO requirements and can be awarded to social enterprises as well. The United Kingdom is able to do so. I have cited the examples and I will not repeat them here. This can allow companies, which truly seek to preserve and create jobs, to tailor jobs suitable for the unemployed people in their forties or fifties. But the Government did not respond to us. This is in fact under its policy purview. The Programme only provides money. It does not involve policy. I thus suggested the setting up of a parent company for social enterprises to the subordinates of the Financial Secretary. But they said that the suggestion is not feasible. I then suggested the setting up of a social enterprise committee which, apart from handling the funding, can implement policies to effect co-ordination among government departments, in a bid to help social enterprises to grow in number and achieve better and faster development. The suggestion has been made, but there has been no response to date.

Last but not least, apart from preservation and creation which I have mentioned just now, the third point is assistance. What does assistance mean? However hard we may have offered assistance, the financial tsunami will leave some people jobless. We always hope that there can be a subsidy for short-term unemployment. If people lose their jobs because the financial tsunami and they can pass some simple means tests, such as the means test and assets test for applying public housing, we can grant them a short-term (six months) subsidy equivalent to 70% of the CSSA payment, so that they can sustain their living for the time being.

Chairman, the aforesaid are the basic suggestions made by the ADPL on employment and these basic suggestions respond to the Financial Secretary's speech today, particularly the large heading of Preserving Jobs. But he has no new measures on preserving jobs. If the Financial Secretary will roll out new measures in mid-2009, I am not sure whether he will still discuss with us, or

whether he will let us know which of our suggestions he may consider, or which suggestions he may not consider at all, or which suggestions he is now considering, and whether there is any suggestion which he may consider after some adjustment.

I hold that the Government has to discuss with us. We are prepared to do so. Only through discussion can there be healthy progress and positive suggestions. I believe such suggestions which are the outcome of mutual discussion have a higher chance of being endorsed in this Chamber and there can be room for amendment even if other political parties and groupings have similar suggestions. This can prevent Members from engaging in arguments every time when similar meetings are convened, not knowing what the discussion outcome is even after the vote. Moreover, the Government should not practise affinity differentiation. If we think that each individual is part of society, we should hold the Government responsible for co-ordinating and collecting views from all political parties and Members and turning such views into a pie for everyone to share. This is what I call a successful Budget. Such a Budget can successfully deal with Hong Kong's future problems and turn such problems into a force to merge the views of different political parties and groupings into the Budget. Thank you, Chairman.

MR LEE CHEUK-YAN (in Cantonese): I consider the response made by the Financial Secretary today most disappointing because, after all, the Government still refuses to admit its faults and is unwilling to heed public views. While all Members in this Council support the introduction of additional measures, I have no idea why the Financial Secretary has stubbornly clung to his position and refused to beef up funding. Some people asked me the reason for this, but this is just too baffling. What makes it so difficult for the Secretary to beef up funding for the well-being of the general public so as to think what people think and address their pressing needs at this critical moment? I have been thinking over this, and the only explanation must be the Government's refusal to admit its faults and therefore the need to cling to the announcement. It also stated that thorough consideration had been made and the outcome was thus the best. According to the Government, criticisms against the Government were simply made out of our ignorance. People criticizing the Government are trouble-makers who only know how to criticize the Government, whereas Members criticizing the Government and asking for more funding just want to amass political capital. I

wonder if this is what he thinks. Otherwise, I cannot explain why the Secretary still clings to his position, and refuses to heed public views and beef up funding.

We said that the economy is in a very bad state. In fact, we are not the only one who said this. The most ridiculous and stupid act of the Government including the Secretaries of Departments and the Chief Executive I remember very clearly that the Chief Executive has said publicly that the economic situation of Hong Kong this year is the worst since the War. If the current economic situation is the worst since the War, why does the Government not introduce measures that can genuinely help the general public? We have not asked the Government to "hand out candies". Neither do we call on the Government to distribute \$6,000, just as what Edmund HO did to make Macao people so happy. This is not the point. Instead of asking the Government to "hand out candies", the pan-democrats merely hope that it will introduce measures to help the most needy at this critical moment.

Obviously, the most needy people are the unemployed, including the grassroots and the middle class, and among them the most needy ones are the low-income earners. We have therefore put forth three requests, which are all very humble. They are not requests for candies, but life-saving boosters to create job opportunities. We hope that 60 000 jobs will be created in each of the following two years.

The figures just now mentioned by the Government in the section discussing job preservation are pretty much exaggerated. It said that the situation is very bad with the unemployment rate of the construction sector having risen sharply from 6.3% to 11.2%, whereas that of the fitting-out sector also reaches as high as 17.2%. Why did he not implement more measures if the situation is so bad? He said that 67 000 jobs relating to infrastructure and fitting-out works have been created, but I have exposed the hypocrisy of him. Earlier, he said that some 50 000 jobs had been created, which is not the case. Deducting the 30 000-odd jobs that have been cut, the 50 000-odd newly created jobs relating to infrastructure projects have merely brought an additional 10 000-odd jobs. How can these mere 10 000-odd jobs address the rising unemployment rates of the fitting-out and construction sectors, which have risen to 17.2% and 11.2% respectively? What he said is pretty much exaggerated, simply to make people think that 67 000 jobs have been created. During the deliberations of the Legislative Council Finance Committee, Secretary Mrs Carrie LAM also admitted that there was an additional 10 000-odd jobs only after some

30 000 jobs relating to the infrastructural projects of the construction industry have been cut. While the Financial Secretary acknowledged that the situation is so bad, why did he refuse to beef up funding when the issue of job creation was discussed? The conclusion that has been drawn is that no additional measure is planned.

My second request is for the Government to relax the means test imposed on the unemployed middle-class and grassroots, and provide them with unemployment assistance. Certainly, we are not suggesting the Government to hand out money to the unemployed. We have two options. One is should an applicant pass the means test — I mean the relaxed means test but not the existing test for CSSA applicants, which is so harsh that most applicants cannot pass. A truck driver, for example, who has been unemployed for many years, also failed to receive CSSA because he owned a truck, which is regarded as part of his assets — where his only means of living and owner-occupied property are excluded and the \$150,000 asset limit is removed, assistance should be given to help him tide over a short period of time, say six months. But if the asset value exceeded the limit, the Government may instead provide him with a loan to save his life. How brilliant our Financial Secretary is to advise people to borrow money from the bank. I do not bother to say anymore as all Hong Kong people are laughing at him, so I am not doing this. And yet, the Government should do something now.

My third request is the introduction of a low-income transport allowance territory-wide. Nowadays, wages have been reduced, the number of working days has been cut and many people are taking no-pay leave. Instead of not being paid, the no-pay leave here actually means underemployment and the employees can barely make ends meet. Given that so many people can barely make ends meet, the provision of a transport allowance can subsidize the transportation cost and hence encourage them to go out to work again. Although they can barely make ends meet, they will be able to survive through this difficult period with government support.

The three requests made by us are in no way suggesting the Government to hand out money in the same way as Edmund HO did. We only hope that the Government will properly implement these three measures, that is, our request for additional measures. However, the Financial Secretary has yet to make any response. How can he shy away from making responses? I think he is actually

finding his way out with the help of Members from the pro-establishment or royalist parties, so perhaps the royalist party should make an elucidation later on.

Earlier, the Financial Secretary said that Members have agreed to introduce some measures, and then in the fifth paragraph, he said that "In the Budget debate, I noted that Members agreed with the direction in addressing the financial crisis, but there were two different views among them on the intensity of the economic stimulus measures. One view was that we should introduce additional measures immediately." — We have very strong views about this point — "The other view was that we should take stock of the latest situation first". Just now I said that we have very strong views about the former view stated by the Secretary. But everyone has strong views before the vote and show of stance. We are not the only one having strong views. The Liberal Party called on the Government to beef up funding, so did the FTU. Even the DAB said in a radio programme that funding should be beefed up as the efforts made were far from enough. Therefore, with regard to the Secretary's remark that "we should take stock of the latest situation first", I would like to ask: "Whose idea is this?". I do not know. Nor did I see anyone saying this. No one has ever asked the Secretary to slow down and take stock of the latest situation. I have not heard of that. So, I wonder if the Financial Secretary will make an elucidation later on. If he will, please explain to us. Otherwise, he is abusing public opinion. It is nonetheless not bad for him to abuse public opinion, because if the royalist party remains silent even though the Government has imposed its will on it, what can I say? What can I say if they are so prepared to let the Government impose its will on them? Members of the royalist party, you have been framed by the Government, saying that you have agreed that there is no need to beef up funding. How can you still vote for it? All I want to say is to remind you that you have promised the general public to fight for this and that, but they are now seen to be nothing but lies.

The FTU has previously requested the provision of unemployment assistance and extra funding, and Mr WONG Kwok-kin even sacrificed his family just to vote in support of the Budget. However, after being framed, they got nothing in return. Despite the Government failing to respond to their request for unemployment assistance, they have to support it anyway. Not to mention the air ticket that has been sacrificed. Is their previous remark not too hypocritical? If we really want to show our loyalty, we should join hands to

request the Government for more funding. Otherwise, we should vote against the Budget together, and I think the Government would have discussed with us long ago. The royalist party is still saying complacently that the Government would meet them very soon to discuss the proposal to beef up funding. What nonsense, have they not had enough so far?

Frankly, no one knows if the Government will really beef up funding in June. According to the Government Unless there is an insider to ascertain that the Government will definitely beef up funding in June because of the 1 July march, such that it will hand out "candies" anyway before 1 July, otherwise, I think that we had better not mention 1 July anymore. We should instead organize a large-scale procession on 1 May so as to force the Government to beef up funding today (that is 22 April). Perhaps we should advance the procession so that the Government will not wait until 1 July to beef up funding.

Nonetheless, it is still not known if funding will be beefed up in view of the lame remarks made by the Government today. In the 26th paragraph, "If the situation deteriorates rapidly, I will introduce"; this means that the present situation is not considered to be very bad, and appropriate measures will only be introduced in response to the prevailing needs when the situation further deteriorates. Therefore, we still cannot tell if additional measures will be introduced. The Government may say that the prevailing situation is yet to be the worst for the present situation is not considered very bad by it. While it has previously said that the prevailing situation was bad, it later said that the situation was not that bad. Therefore, it may say in June that the situation is bad, but it has yet to be the worst. Chairman, how can I tell when the situation is the worst? There is no way we can tell whether funding will be beefed up in June.

The way how the Government deals with this matter also demonstrates affinity differentiation. It now says that there will not be any discussion with the opposition party, so in the phrase "will continue to discuss and exchange views on formulating appropriate measures with Members who are concerned about these matters as well as with other interested parties", the pro-democrats are probably not included as we oppose the Budget. How can the Government do that? How can the Government refuse to discuss with Members who oppose it, but only discuss with those who support it? Honestly, it is a waste of time to discuss with its supporters for the final say rests with the Government. It has looked down

upon these people because no matter how it abuses public opinion and frames them, they will stand on its side. I wonder if the Western District has blown the whistle.

Chairman, in this circumstance, I really do not understand why Members can still vote in support of the Budget. Not only does this Budget offer nothing, it also achieves nothing. So, I think Members should wait and see what additional measures will be introduced in June, and whether they include the three requests made by us earlier. The Government may just indiscriminately step up its effort by then. In fact, during our discussions, the Government stated very clearly that it does not support the establishment of an unemployment assistance scheme. I remember clearly that Prof TANG Shu-hung of the Baptist University said it is now the time to establish an unemployment assistance scheme in view of the seriously volatile economy. He even challenged the FTU publicly, saying that if it is seriously fighting for unemployment assistance, it should vote against the Budget. Yet, I believe the Third Reading of the Bill will yield the same voting result and there will be nothing new. We can only wait and see what additional measures will be introduced in June.

I think that members of the public should not have any expectation and they should be prepared to take to the streets on 1 July for the additional measures will only be very limited. The Government could have introduced additional measures now if it intended to. It would be too late to wait until June. In times of an economic crisis, it is better early than late to introduce measures to imbue greater public confidence. Any delay in the introduction of measures will only aggravate the situation, and make it more difficult to deal with. In other words, should the Government decide not to introduce additional measures before June, it will have to further step up its effort. Why worth it? The earlier the measures can be introduced, the earlier the public will receive assistance. I think that Hong Kong people are pathetic because no matter how hard they live, the Government does not care at all. TUNG Chee-hwa said "sense the urgency of the people", but he was "fastidious but incompetent" at that time. The existing Government, however, has deliberately not to be fastidious, which is even worse. Hong Kong people have been fooled around by the Government, yet no one knows how much longer we will have to be fooled before we can find a way out.

I hope Members will reinstate their dignity. The royalist party, despite being framed, still supports its principle of financial prudence. So, no more

mention of either the additional measures or other suggestions. Thank you, Chairman.

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

MR LEUNG YIU-CHUNG (in Cantonese): Chairman, I think that the thrust of the speech made by the Financial Secretary today lies in the sixth paragraph. In this paragraph, he stated that, "some Members insist that the current situation warrants immediate additional measures". While he appreciates such a view, he said, "..... they believe that the fiscal stimulus measures proposed in the Budget are inadequate and not counter-cyclical". He has expressed his disagreement and I think this is where the spirit of the whole response lies.

Chairman, I have two viewpoints concerning this remark. The first viewpoint is that since Members consider the new stimulus measures inadequate, and the Government has reiterated the importance of listening to public views and be people-centred, then why did he still refuse to listen and heed public views according to these spirits? Why did he not make an attempt to listen to other people's advice while many members of the public and Members have pointed out the inadequacy of the proposed economic measures? He might consider the relevant strategy effective, but in view of the public aspirations and opinions expressed, should he not be more accommodating and address the situation by introducing additional measures? Why did he still insist on his own point? This is the first point I wish to make.

The second point is, how he should respond when other people think that there is something wrong. Is it enough by merely saying that efforts have been made? This is not the point. It is most regrettable that the measures proposed by him are nothing but ordinary policy initiatives that have only attracted the criticisms of Members from different political parties and groupings. Why did he not review his policies but insist on his own point instead? This is the worst attitude. It appears that he has insisted on his own point, but is that what is really in his mind? No, and this is even worse. Why did I say so? Because the Financial Secretary said in the 27th paragraph that, "I would like to emphasize two points. First, if we need the Finance Committee's approval for new measures as soon as possible, we will endeavour to obtain the approval before the summer recess of this Council." Chairman, he planned to introduce the new

measures in mid-June on the one hand, but he considered a review necessary on the other. It is nearly the end of April now, so how much time is left for him to conduct the policy review? How can he find out if the measures introduced are appropriate and can resolve the problem in just a couple of months? This is impossible within such a short timeframe. Knowing that this is impossible, he intends to introduce some new measures as a solution. What is the reason for this?

Mr LEE Cheuk-yan also raised a point earlier, highlighting that the only explanation for the Financial Secretary's self-contradictory remark is the refusal to admit his own faults. In other words, he is so reluctant to withdraw what has been said or admit his own faults. This is a possible reason. I nonetheless consider the point highlighted by Mr Albert HO more important, and that is, the intention to cool down the heat of 1 July by "sprinkling water". He feels pretty worried. Why? Because this is not simply a matter of policy initiatives, but it has something to do with our administration's plummeting popularity rating as well. He is afraid that this would give rise to another 1 July procession, which he does not know how to deal with. He therefore tries to refrain from sprinkling water too early, say now, worrying what else could be done then. Hence, the water must be saved for future use. It is expected that the water would be used to extinguish the fire in mid-June, which is actually the most important viewpoint.

If this is really the case, I would feel very pathetic. If this is the way to save ourselves from a crisis, the Government had better think carefully whether it has the ability to face the needs of the community and members of the public at large, as well as overcoming an economic crisis.

Mr LEE Cheuk-yan just now also cited the 26th paragraph, which I also consider very questionable. It says, "If the situation deteriorates rapidly, I will introduce further appropriate measures immediately in response to the needs during such exceptional times. Such measures may include those designed to assist the small and medium enterprises, relieve unemployment, and help members of our community, including the middle class and those in need, to tide over the present difficulties. I will try my best to ensure that these measures are appropriate, timely and effective to prepare for our economic recovery." Chairman, these remarks reflected that the Government is not unaware of the problems, only that it wishes to convince us by saying that action will be taken if the situation unfortunately deteriorates rapidly. In fact, there has been no improvement in our situation, and it is so bad that action should actually be taken

right away. Action has been held up simply to save his face and to save ammunition for putting out the kindling fire on 1 July. However, Chairman, we may have to pay a higher price if action has to be taken at a later time. This is because the longer the delay, the more difficult the rescue action will become, and greater efforts will be required to make any achievement. So, why prompt action is not taken such that resources have to be laid to waste? Why did he prolong the difficult times of these needy people such that they have to suffer more pain and distress? Is this an appropriate course of action?

From whatever angle we are looking at it, and whether or not the economy is good or bad, a long-standing problem of our economy, which we have been discussing in the past, is the disparity between the rich and the poor. This phenomenon existed when the economy was good in the past few years, but it still persists when our economy turns bad. Therefore, in the face of the present economic problem, simply tackling the financial crisis or the financial difficulties is not enough. There is still an inherent problem to be addressed, and that is, alleviating the disparity between the rich and the poor. Most regrettably, no corresponding actions have been taken by the Government. In fact, the problem still exists and is even deteriorating. Why do we not beef up funding to address this problem? Beefing up funding can actually cut both ways. Not only can it overcome the present crisis, it can also improve the living standard of the poor people and address the situation. In our opinion, the purpose of beefing up funding is to help improve the lot of the poor. One improvement initiative we propose is, for example, an extension of the transport allowance to cover different areas because many workers are earning a very low income that can barely meet the cost of living, especially the high transportation cost. We hope that the Government can implement these measures.

Even in the absence of a crisis, these measures are still essential. Why do we not do so? Why do we not tackle these problems? I eagerly hope that the Financial Secretary will grasp this opportunity to reconsider it before we cast our votes, because this Budget is not just the answer to the present economic predicament, what is more, it should also help improve the standard and quality of living of the poor in society. This is an important consideration.

Chairman, I have no idea how the Financial Secretary arrived at the conclusion that measures should only be introduced when the situation deteriorates rapidly. Just as Secretary Matthew CHEUNG said, the latest

unemployment rate published is more stable than expected. It turns out that it is not as bad as forecasted and the drop is less significant than before. And yet, what prevails is that the rate of unemployment is climbing. This is indisputable and the problem must be tackled right away. Unfortunately, after reading the Budget from cover to cover, I fail to see how the Government can successfully turn the situation around at this stage. If we really want to be people-centred and take heed of public aspirations and needs, there should not be regression and perversion of policy. What can be done should be done expeditiously, and efforts should be made to avoid aggravating the problem with further delays.

Chairman, I wonder if you notice the phenomenon that prevails in the community is quite different from that of the past. For example, we see an upsurge of street sleepers. These people were previously middle-level managers or holders of decent jobs, but they have now become street sleepers. The poor or unemployed still fail to get a job, and this situation has persisted for some time. How can we turn a cold shoulder to this and watch with our arms folded?

Today, I am not going to read out again the proposals made by the Financial Secretary. I only think that there is a genuine need for the Government to introduce additional measures at this stage, without which the problems cannot be resolved. I therefore hope that the Secretary will genuinely reconsider the matter.

Chairman, I so submit.

MS AUDREY EU (in Cantonese): Chairman, I am speaking to express a few points of regrets. The first regret is about the fact that some Members will be out of town tomorrow morning, they have therefore objected to following the conventional practice of this Council to continue with the meeting at 9 am on the next day when it cannot finish by 10.00 pm tonight. Members have broken the convention of this Council simply because they will be leaving Hong Kong. This is the first point of regret.

Chairman, the second point of regret is, after reading the script of the speech made by the Financial Secretary this morning, I discovered that there is a sub-heading "Responding Proactively to the Current Situation" preceding the sixth paragraph. "Proactively" means doing nothing and no additional measure

is required, and it also means maintaining the status quo. This is the so-called "proactively", a new interpretation of the word.

Chairman, in the sixth paragraph, the Financial Secretary mentioned the request for additional measures, and said "I understand that the suggestion of additional measures is based on concerns that our already weak economy will deteriorate further." He went on to say that he shared these concerns and would continue to closely monitor the changes in the global economy as well as the local economy. This reminds me of the response made by Prof K C CHAN when he attended the public hearing relating to the Lehman Brothers incident. He always used the words "proactively" and "closely monitor", meaning that nothing would be done for the time being. His remarks seem to mean that the current situation is not very bad, but I wish to highlight something to the Financial Secretary now that Mr Matthew CHEUNG is also present. I was looking at the webpage of the Labour Department and discovered an employment advertisement of a dish-washer, file number 9344CL. This is an advertisement of the catering industry and the date of posting is 7 April 2009. The working hour of this job is as long as this Council, from 7 am until 1 am the following day and six days a week. The duty is to wash dishes. There is no requirement for academic qualification, except being hard-working and punctual, and the place of work is in Tai Hang. The advertisement also provides the telephone number and name of the contact person. Chairman, guess what is the salary? It is \$4,000 and I have done some simple arithmetics. While the daily working hours are 18 from 7 am to 1 am the following day, and six days a week, so simply multiplying 18 by six and by four, we get 432 hours. Given that the monthly salary is 4,000, the hourly rate is therefore less than \$10. Perhaps the Financial Secretary should explain to us whether this situation is bad enough, whereas the Secretary for Labour and Welfare should also explain why would there be such a job on the webpage of the Labour Department. Does it intend to illustrate that in spite of the huge unemployment ranks, jobs are indeed available if one can accept an hourly rate of a little over \$9?

Chairman, the third point of regret is, one of the reasons for the Financial Secretary not wishing to introduce additional measures at this moment is that "We should not make any hasty decisions on proposals with long-term financial implications before the community has thoroughly discussed them and we are fully prepared for them." This is quoted from the 28th paragraph. Chairman, I think that insofar as this year's Budget is concerned, the democratic camp has

actually been very considerate to the Financial Secretary, knowing that it would be difficult for him to please everyone when different people make different demands. So, the enhanced proposal submitted to the Financial Secretary is our consensus on the necessary amount and items after discussion. The Financial Secretary is only required to choose from it. Furthermore, I have also said that discussion is possible if the Secretary can tell us the exact amount of additional funding involved before the Budget is put to the vote. What is more, Chairman, among the proposals about which consensus have been reached, many are not merely the consensus of the pro-democrats. We have also obtained consensus on the proposals put forward by Members of the FTU in relation to transport allowance and job preservation during the Budget debate. I therefore do not understand why the Secretary stated in the 28th paragraph that the community did not have thorough discussion and was not fully prepared. Can you figure out why the Financial Secretary still maintains that there is an absence of thorough discussion and consensus, and hence refused to introduce additional measures when all Legislative Council Members are elected and the majority of them have reached a consensus on certain issues? Like what many Members have said earlier, I am not going to repeat the details, which are mainly mild proposals. But no matter how mild they are, the Secretary has refused to accept them and not a single cent has been added to the funding.

Also, Chairman, what I consider regrettable is the remark made by the Financial Secretary in the 30th paragraph. I wonder if it is because of the Civic Party that the Secretary has highlighted the green economy in this paragraph. While the Civic Party has all along advocated the green and low-carbon economy, the term "green economy" is also mentioned time and again by the Financial Secretary in the Budget. However, I feel very regrettable after reading the 30th paragraph because it says, "Furthermore, the Government is making every effort to prepare for economic recovery and pave the way for the long-term development of Hong Kong. We will deepen our integration with the Mainland, consolidate our strategic position in the Pearl River Delta, promote pillar industries, tap emerging markets and develop new growth areas such as the green economy, which is of special concern for many Members." Chairman, the reason why I feel regrettable is that, according to him, the talk on green economy should come after economic recovery. And yet, it is totally wrong for him to think in this way. The Civic Party advocates the green economy because all rescue plans around the world contain numerous economic stimulus measures,

which all relate to green economy. The creation of employment is actually the creation of green employment, and they think it is now the best time to promote green economy. Even Obama's proposed replacement of light bulbs relates to green employment, not to mention other research and development projects. However, the 30th paragraph demonstrated that the Secretary has put the issue in the wrong light. He thought that the talk on green economy should come after economic recovery, which really makes the Civic Party feels extremely disappointed and regrettable. It seems that he is entirely detached from the rest of the world. Just take a look at the environmental proposal put forward by the United Nations, "every developed OECD country should spend 1% of their GDP to promote green economy". It is obviously not necessary to wait until the economy recovers. Rather, we should make use of the green economy to promote economic recovery. I therefore feel so disappointed at the remark made by the Secretary in the 30th paragraph. Not only did he fail to listen carefully to what the Civic Party advocates, he failed to look carefully at the green economy proposals implemented by the United Nations and such countries as South Korea, Japan and the United States. Chairman, this is the point that I must highlight in particular.

I very much agree with what many Members have pointed out earlier in their speeches, concerning the reason why the Secretary has refused to consider introducing additional measures until the middle of this year. This is obviously his political consideration. Taking into account the factor of 1 July, new economic initiatives will not be introduced until around June for the purpose of minimizing the number of people taking to the streets. This shows clearly that the Government is actually considering the issue from a political rather than practical perspective.

I saw the Secretary hurrying into this Chamber this morning when there were plenty of people and members of the public staging a protest outside. They were hoisting banners and slogans, just to tell the Secretary that the disadvantaged groups had encountered particular difficulties in times of an economic downturn. They therefore have very high expectation on the Secretary. But regrettably, while we think that the Government should at least make some responses here, like what Mr Albert HO and I think, he could adopt others' proposals if the democratic camp's proposal to introduce additional measure is not accepted. Yet, he has not considered the issue from a practical

perspective so as to genuinely relieve members of the public who are caught in a predicament. Rather, he simply looked at it from the political perspective and shelved all additional measures until June.

Therefore, Chairman, because of the above points and my earlier explanation, the Civic Party would like to express our regret and grave disappointment at the speech made by the Financial Secretary today. Thank you, Chairman.

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

MR LEUNG KWOK-HUNG (in Cantonese): Chairman, the Financial Secretary has a script entitled "Responding Proactively to the Current Situation". What are we doing today? One of the topics of his speech is about responding proactively to the current situation. So, what exactly is the current situation? He did mention, such as rising unemployment and many people are facing different pressure. Today, I it should be yesterday but not today, when I entered the Legislative Council Building, some Tin Shui Wai residents asked me to give this to him. It says, "Improving Tin Shui Wai" — but you turned a blind eye to them and walked away — "Improving Tin Shui Wai" is the voice of me. Why did I support a reduction of their expenditure? Because the Government can use the money thus saved to improve Tin Shui Wai, which can hopefully last for a certain period of time.

I often went to Tin Shui Wai lately to perform community service, and discovered that there is nothing to write home about at all. Among the things I heard of in Tin Shui Wai is the low wages. The Financial Secretary said that no additional measure is required, but his predecessor "Ah TANG" — Henry TANG had introduced the so-called transport allowance in order to canvass votes. The transport allowance can be used to subsidize the low-wage workers because the high transportation cost has greatly reduced their income. I wish to ask the Secretary: Is the wage of low-wage workers rising rapidly when compared with that of two years ago, such that the problem has been resolved? Is the increase in wage brought about by full employment in the job market? Both are in the negative. Economic data undoubtedly point out that there is also the

so-called paid leave. It is most exploitative to ask the employees to take paid leave

CHAIRMAN (in Cantonese): It should be no-pay leave.

MR LEUNG KWOK-HUNG (in Cantonese): Yes, no-pay leave. The Chairman is really great. Sorry, it should be no-pay leave. I have been saying it wrongly for so long, it should be no-pay leave, Sorry, I got it wrong just now. I have to apologize that I have got it wrong. Taking no-pay leave is very simple indeed, which is actually a pay cut. Is this a new scenario that developed lately? Yes, obviously.

Since the outbreak of the financial tsunami in September, so far the accumulated effect, Although it cannot be said to be "ripe", it has nonetheless entered a new stage — the swelling unemployed ranks and falling wages together have further pushed up Hong Kong's Gini Coefficient, which is already second to none. Now the Secretary is telling me that the first heading is "Responding Proactively to the Current Situation", but what kind of situation is he responding to? Is Hong Kong being a speculation centre of financial capital required to tide over a risk crisis of the banking system? Is it necessary for Hong Kong to continue selling or buying national bonds? Is this what he is waiting for? The issue under discussion is about human beings. Is the Secretary trying to tell this Council that even if he insists on not to introduce additional measures, the situation of the poor would be just the same as what Donald TSANG said when he was contesting the election against Alan LEONG: "Those who did not have a vote will soon have a vote, and those penniless people will have money in the future." During the election, the Financial Secretary also participated in electioneering activities of Donald TSANG. Where was his post-dated cheque? It has gone. And yet, he still shamelessly talks about responding proactively to the current situation.

My reasoning is very simple. This Council is a place for human beings, so people must be saved in the first place. A government that fails to save the people must be sick and it therefore needs medication. It should come here to take the medicine — good medicine tastes bitter. This Council is like a herbal medicine shop where all medicines are put before him, and he can choose

whatever he likes. But he said he did not see anything, not the DAB, not the FTU, not the independent Members, not the "five odd ones", not the Democratic Party nor the League of Social Democrats. What is he doing here then? What has he come here for? He came to the herbal medicine shop but refused to take any medicine. He just kept saying that the patients being diagnosed are fine. They may have two bowls of rice fewer than before, but they will not die of hunger.

Frankly, I hate writing speaking notes. However, I almost have an impulse to write one myself after reading his speaking note. Is this not serious? He went on to say that: "... and that the Government must maintain its flexibility". What is meant by "flexibility"? Does it mean to wait until the end of May or early June to "hand out candies"? Is that what he thinks? Does he intend to stem the tide of procession on 1 July? If he does, he should let us know and give us assurances. But the Financial Secretary did not do so. He merely said that the Government must maintain flexibility. That is why I asked him how to cope with the situation flexibly, what kind of flexibility is that and what will be achieved. We really do not know what he is doing.

When Chief Executive Donald TSANG was in Hainan Province, Premier WEN Jiabao actually gave us some hints — it is the national bonds. This is tantamount to absorbing Hong Kong people's savings and using them to engage in a new round of speculation. Either bringing the money back to the Mainland for the purchase of national bonds in the United States, or allowing the red chip companies to rush to Hong Kong to buy our stocks after turning Hong Kong people's money into national bonds. This is what you are doing, which can only boost the market. How about those who are unemployed or earning low wages? Secretary for Justice WONG Yan-lung's father used to be an ice-cream vendor, but even the licence for ice-cream vendors has been cancelled. What is there to sell then? In fact, the fate of the Secretary for Justice is pretty special. He was raised by his father, who sells ice-cream, and he used to push the ice-cream cart happily with his father. But now the ice-cream vendors are unhappy, because you have driven them into extinction. So are the newspaper vendors. Secretary, Legislative Council Members belonging to the opposition party or not, have asked you to do something to respond to our aspirations. But you simply turned a deaf ear to them. How arrogant you are — it should be peremptory rather than arrogant. Sorry, it is incorrect to say arrogant, but should be peremptory. We whispered our aspirations to you, entered your office one after another to have a nice chat with you, or even shouted at you in this Chamber or

persuaded you very hard, hoping to give you our vote in return for \$10 billion to \$20 billion to save the poor people, but none of them work.

The League of Social Democrats asked why you did not create employment, because in that alleged submission of incorrect figures, money was spent but no explanation was given. You have included the jobs that have already existed. After that, have you introduced any good initiatives to address this Council's concern? No. What did you do to respond then? Some kaifongs have told me that the SAR Government's initiative to preserve employment is nothing but a scam, because all the employment opportunities are short-term. What is the characteristic of these short-term employment opportunities? A job that lasts for only three months is also counted. If we divide one year by four and there are 40 000 jobs, actually only 10 000 people will be employed throughout the year. Can these measures genuinely help Hong Kong people? The so-called internship opportunities provided are said to cater for the young people, especially new comers of the job market. But what does it actually mean? "University graduates worth \$4,000 and the SAR Government is insane". I invented this riddle, which is now pretty popular. I have asked you several times, but your argument is that the Government paid \$2,000 whereas the business sector is also required to pay at least \$2,000. But why is the business sector not required to pay at least \$4,000? To carry out a reform, we should start with the apprenticeship system. In other words, there must be an apprenticeship period, say, three years, two years or one year, and be they cake apprentices or sushi apprentices. However, the Government has not done so, but it has indiscriminately handed each of them a job. Financial Secretary, we are not only asking you to hand out money. And yet, you refused when I ask for it now.

When I returned to my office today, someone called after I had washed my face. He said, "How about that \$6,000, Mr LEUNG? Are we still going to get it?" I said it was cancelled long ago. He said, "The SAR Government said very clearly that it would set aside \$9 billion, but why have I not received the money so far? Everyone needs the money desperately for meals." Financial Secretary, if you are genuinely responding to the new situation, then why did you not stop at the last moment when the "advisers" suggested that the distribution of \$6,000 might cause inflation, which has already been proved invalid? Is the dignity of the SAR Government more important than people who are preparing to commit suicide by burning charcoal?

I went farther to Sham Shui Po and discovered that the problem of homelessness has also deteriorated. People who returned to Hong Kong have nowhere to live. The day before yesterday, I called for help when 20 homeless people were expelled. Again, this is attributable to your good initiatives. In 2004, you required the Social Welfare Department (SWD) to abolish all hostels costing some \$400, thereby forcing the occupants there to move to hostels provided by the voluntary agencies or rent a flat with the CSSA. You have nonetheless not paid the deposits for them and assistance was only made available after 309 days. Chairman, your former constituency is now full of homeless people. In the abovementioned incident, 20 people were expelled in one go and I was asked to call a particular Deputy Director of the SWD to stop that action. The Deputy Director concerned was very kind, and when I asked him to abort the action, he said that first of all, these people should not be told to leave. Financial Secretary, there you are, have you done anything in their interest? Is this an emergency initiative? Was it intended to maintain livelihood and preserve employment?

Financial Secretary, I have sought your advice on how Hong Kong's fiscal reserves can be better utilized. Does anywhere else in the world have financial strength as sound as ours? No. How can you be so mean as to tell me that, "The average amount as advised by the IMF is only slightly more than two, hence the sum of money set aside is already much more than that." But have you made any horizontal comparison? Assuming that we are very rich, among these wealthy families are numerous very poor people. Are you doing them a disservice if they are not saved?

Honourable Members, we all understand the meaning of seeking self-protection in times of danger, but even a fierce tiger would not harm its cubs. Today, we are living under autocratic politics, meaning that I love you but you cannot choose your own father. All you need to know is that I love you. And yet, the children started to have nothing to eat. Should you not feed them? In "The poem of a swallow", it also says "the swallow held some mud in its mouth and left it between the rafters, leaving four baby swallows in the nest", meaning that the parent swallows have to find food for their four baby swallows. Now that you are leading a good life with all material needs fulfilled, and even the duty on red wine has been reduced, then why do you not collect some duty for the elderly and the poor? I do not care when the proposed warehouse for red wine will come into operation for it should not be developed in the first place. Is the red liquid you drink blood? If you save up the duty on red wine, and use it to save I have created another riddle: "Alleviating poverty in a piecemeal

manner and making empty promises about saving people, such a Government is really too bad."

Financial Secretary John TSANG, you had better respond to us. How can you come here to beg for our approval of your Budget today when you are so indifferent to the numerous requests made by all of us to save the people? In fact, I also wish to grant approval to your Budget provided that you introduce additional measures. If not, Chairman, how can I vote in favour of it? I have no choice but to take this opportunity to talk to him first.

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

MS CYD HO (in Cantonese): Chairman, insofar as this year's Budget is concerned, it is really not easy for the pan-democrats to form viewpoints that tally with public aspirations. This shows that Members returned by direct elections are indeed more than prepared to listen to and represent public views. Also, we are ready to seek consensus, unlike what some officials have said, simply to prevent this Budget from being approved by a majority vote. Rather, we eagerly hope that it can be approved, but of course not in a hasty manner. It is hoped that the Budget can genuinely address the present situation under the financial tsunami and relieve the predicament currently faced by the public. We have put forward three very specific requirements, which are substantiated with figures. These three specific requirements do comply with the direction of the Government, and are not far from it.

Firstly, it is the cross-district transport allowance. This initiative, which was introduced by the SAR Government, is due to expire in June or July. By then, the cross-district transport allowance currently provided to some people will cease. We hope that the validity period of this allowance can be prolonged and further extended to 18 districts because at present, only employees living in Tuen Mun and Yuen Long are entitled to this allowance. However, from another angle, we cannot discuss the possibility that some grass-root workers have to travel from some traditional urban areas to work in the more remote suburban areas. Therefore, the recipients of this cross-district allowance should not be confined to the residents of Northwest New Territories. Anyone living in the 18

districts of Hong Kong should be entitled to it should they have such need. Therefore, my first proposal is completely in line with government policy.

Secondly, it is about employment. The Government did mention employment, and so did we. But I wonder why employment initiatives proposed by the Government will certainly be supported and approved even though they may be exaggerated and contain incorrect figures. The Government has not accepted the requests made by the democratic camp, so I wonder if our employment proposal was not accepted because it actually means the creation of exactly 60 000 jobs without any exaggeration.

The Secretary was right in saying that the relevant initiatives are not one-off. We have been very frank and honest to admit that they are long-term. Why? Because we have learnt a lesson from the financial turmoil between 1999 and 2003, knowing that the implementation of short-term initiatives could do nothing to change the present mode of economic activities. Given that no changes can be made and Hong Kong's economic prosperity is only made possible by passively relying on external factors, we can easily survive through any financial turmoil and tsunami. Nonetheless, we may commit the same mistakes should there be another earthquake. Therefore, frankly, the employment initiatives proposed by us do not merely aim at providing short-term employment opportunities, for many of them are actually intended to change our lifestyle and mode of economic activities. Just as the former Financial Secretary Antony LEUNG said, this is called a paradigm shift, a kind of future investment. However, our Government is still so short-sighted.

The employment opportunities proposed by us can also supplement the inadequacies of the Government. I have said time and again that the Government's employment initiatives focus on infrastructure and the employment opportunities are mainly for men. However, at least 8 000 employment opportunities proposed by us are for women, which help to promote gender equality. In fact, during one of the special meetings held to discuss the Budget, Ms Emily LAU and I put a relevant question to Secretary Matthew CHEUNG, who is responsible for labour affairs. He said that apart from printing brochures for the civil servants, there are also leaflets telling them what is meant by "gender mainstreaming". This phrase may sound a bit strange, but it is actually about imbuing the concept of gender equality in the formulation of policies. I had raised one question: Whether or not other civil servants are trained may not be a cause for concern, but has the Financial Secretary received any relevant training?

Perhaps the Financial Secretary later on should tell me if he has received any relevant training, or he has only read the leaflets. Why does the present Budget not contain elements of "gender mainstreaming"? Why did he forget about gender equality in the formulation of the Budget? We are actually supplementing the inadequacies of the Government, and we have proposed some very specific employment opportunities. It is so regrettable that they also cannot escape the fate of being turned down.

Our third proposal is the only brand new initiative, and that is, the provision of an unemployment loan and the introduction of a temporary unemployment relief system for the lower sandwich class. The FTU has also mentioned this point, but indicated that it would decide whether or not to support the Financial Secretary after listening to the wordings of his speech. However, when the FTU had yet to listen to the Secretary's speech, it gave its full support last night. The proposed loan and temporary relief aim to make fundamental changes to a community's system. Whenever there is a turmoil or tsunami, a group of people will be rendered unemployed and they are very miserable. We hope that the provision of loan or a temporary relief system can be developed into an unemployment insurance system. Will both the employees and employers be required to make contributions? This is negotiable. If the system can be successfully developed into an insurance system supported by contributions from the community, this will offer a very good safety net for the middle class even if they are made unemployed in a volatile environment in future, hence saving them from falling to the grass-root level right away. Unfortunately, the Government has all along turned a deaf ear to this, reluctant to discuss with us.

Just now a Member suggested a number of reasons why the Government has been so reluctant to talk, and one of the reasons is its own political needs. The Secretary said that this is considered on a need basis, and decisive actions will be taken when such a need arises. So, Members may deduce that the Chief Executive has shelved the plan to "hand out candies" until June because of the political need to avoid having too many people taking to the streets on 1 July with a view to putting out the fire then. Is affinity differentiation another possible reason? Has the Government been accustomed to discussing only with its supporting political parties, whereas proposals put forward by the democratic camp will have no room for discussion regardless of whether they are in line with government policies?

I have a third interpretation, which is borrowed from a movie that fully displays Chinese political culture. The movie is called "Curse of the Golden Flower". Chairman, while my Putonghua is not good, I would like to try reading out a quote from the movie: "Wo bu gei, ni buneng na.(in Putonghua)" It means that if I am not happy to give it to you, you will not have it even if you ask for it. It will not be given to you even if it is intended for you. Why? Because the Government wants to maintain its authority. Should the Government say yes whenever the democratic camp seeks an empowerment and expresses public views or puts forward proposals on behalf of members of the public? The Government is so afraid of setting precedents, especially a precedent in relation to empowerment, because it is natural to see one thing lead to another, and then on and on. And yet, I think the truth is that the Government wishes to maintain its autocracy.

Let us take a look at the speech made by the Financial Secretary. He is more willing than reluctant. The fact is that he is only willing to make broad rather than concrete undertakings. He said that all the data would be reviewed in the middle of this year and a prompt decision will be made on the necessary measures to be adopted by then. Today is 22 April, which is only two months before mid-June — it should be 23 April, right, today is 23 April. This shows that Members have not fallen asleep. Today is 23 April, and if he wants to put out the fire, he should state the measures to be adopted by mid-June. What could be the change in the data within these two months? What else could it be if not getting worse? I do not get it. Knowing that the financial tsunami will only make the situation worse than show improvement in these two months, or even stroll at the bottom for some time, but today, the Secretary still refuses to grant our requests. No matter what the public say, the Government insists on not to give, nor can they take it.

Recently, I have listened to the radio more often and I always heard the recording of the Chief Executive. He said that a politician must be humble, and have to come down off the high horse and wear more smiles. In my opinion, coming down off one's high horse is not as simple as eating fish balls in the district, buying a pack of oranges or hugging the kids. Being truly humble and really coming down off one's high horse means respecting and responding to public aspirations. Even if the good proposal is not formulated by the politician himself, but by members of the public or the democratic camp, so long as it can

alleviate the plights of the people, he should come down off his high horse and listen because he is accountable to Hong Kong people.

In his speech today, the Financial Secretary stressed that the Government is flexible. In the fifth paragraph, he pointed out that given the volatility of the financial crisis, he has to grasp the time for policy formulation and attach importance to the rationality of policies before deciding on the implementation timetable. Just as we have said earlier, one thing that we can be sure of is that the financial crisis will only be worsening, which I think Members will not disagree. Why has the Government not done anything? Insofar as policy rationality is concerned, what is irrational when even a cross-district transport allowance has been introduced? Regarding the creation of employment opportunities, why is it irrational to create 60 000 jobs? Why is it that irrational to promote a system that will sooner or later provide unemployment insurance and protection without the need for financial support from the Government, but still enjoys stable financial support? The only difference is that there is a lead time of two months for making a specific undertaking, which can only be done two months later. This is how the Government maintains its authority, which is really very pitiable.

Today, if the Budget is put to a referendum, members of the public will certainly tell the Government that it is not up to standard and will not be passed. And yet, in this Council where the public will is not represented, it will surely be passed. The same thing happens every time. After a budget is released, all political parties would point their fingers at it, but vote in favour of it eventually. I have no idea why they did not give green light to the Budget in the first place but have to inveigh it. So, how can the political parties tell the public that they have votes but no authority? LAU Kong-wah always likes saying that this Council has votes but no authority. This is the divine moment. We do have the authority to work for different causes for the people and ask for more from the Government on behalf of Hong Kong people, but why was there an abstention. Is this not a disservice to the constituents?

The pan-democrats have already put their votes on the deck. We are not working against the Government; we have simply kept our faith in the philosophy of public finance management. We know that laying our 22 votes on the table will certainly enable the other six to seven Members to bargain. Chairman, while your vote cannot be used in this way, our 22 votes can. As long as there are six to seven Members indicating their wish to negotiate with the Government,

they may trade the votes for benefits. This is nonetheless fine with us. There is absolutely no problem for Members to use these 22 votes as a chip. So long as the discussion concerns people's livelihood and can achieve a certain degree of improvement, we do not mind if other political parties claim credit for the achievements. And yet, appointments to public offices should not be used as political rewards. The Government has already had too much experience with this and it can sustain no more. Therefore, I must say to the officers that dealing with these six to seven Members may still end up betraying public aspirations, so why did they not directly accede to public requests? Even though the pan-democrats' proposals cannot be entirely accepted, public requests should be answered.

Chairman, on the one hand, the Government has still turned a blind eye to the predicaments of the people and a deaf ear to their cries, but on the other, it said that there is an absence of an extended mature discussion. Nonetheless, the Government should be very well-versed in the proposals as the relevant discussions started in October last year. But it has yet to respond to the public. Therefore, Chairman, I cannot vote in favour of it and will vote against it at the Third Reading.

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

MR RONNY TONG (in Cantonese): Chairman, originally, I did not intend to speak, but now I am going to speak for a few minutes. I promise I will not use up the whole 15 minutes. I have been compelled to speak. Many colleagues, particularly Ms Cyd HO just now, have mentioned that the pro-democracy camp has put forward many "good ideas" for the Government to consider. But no matter how good they are, the Government would not listen. I am sorry, Ms HO, I do not agree because ours are not "good ideas", they are not even "ideas". Hence, we cannot say whether they are "good ideas".

What we put forward is neither our vision nor insight, it is simply what the people have told us about what they need, what they urgently need. When we talk about support for the unemployed, no matter it is some kind of temporary loan or other "candies" handed out by the Government, we only want to help some of the unemployed in Hong Kong. At present, the unemployment rate is already higher than 5% and some even say it could reach 6% or higher. There is

nothing more important than what the people need and what they want. They simply want the Government to help alleviate their hardship. Chairman, it is a race to save lives and every second counts. But the Financial Secretary said the Government will wait and see. Many colleagues have speculated on the reasons why the Financial Secretary has to wait and see. Some say it is because of "July 1". Some say it is out of political reasons. Some even say it is because of affinity differentiation. Chairman, I do not want to speculate at all. I just want to put this question to the Financial Secretary. What does he think he can achieve by waiting two months or more? I do not want to consider, from a political point of view, whether his decision is completely underpinned by political reasons. I think no matter what other people say, the Financial Secretary has the answer loud and clear in his heart. But coming back to the reality, who will stand to benefit in two months' time? Is the Government going to get a higher return from investment of the Exchange Fund in two months' time? Or is it going to save some interest payments? However, for a man who has been unemployed for several months, what will happen in two months' time? Two months could mean survival or otherwise for him. For a man whose job is on the line, he is going to get ever more worried in two months' time. Say if this man is one of the 100 employees laid off by the Hong Kong and Shanghai Banking Corporation, and the Government now tells him that it is going to take care of the unemployed and that there are additional measures to help him tide over the difficult time, would those words from the Government not make him less worried about his future?

Chairman, I am not being evil-minded nor do I want to see any tragedies happening in Hong Kong while the Financial Secretary is taking time to make up his mind about proposing additional measures to help alleviate the hardship of the unemployed. I really do not want to see any tragedy. But I am sure the Financial Secretary has considered the possibility and he knows very well that should any tragedies happen in the interim before June because some unemployed citizen fails to get timely assistance from the Government, the Financial Secretary is going to live with the guilt forever.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1 and 2 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

CHAIRMAN (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr Albert HO rose to claim a division.

CHAIRMAN (in Cantonese): Mr Albert HO claimed a division. The division bell will ring for one minute, after which the division will begin.

CHAIRMAN (in Cantonese): Will Members please proceed to vote.

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Dr Raymond HO, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Kong-wah, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr TAM Yiu-chung, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHEUNG Hok-ming, Mr WONG Ting-kwong, Prof Patrick LAU, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Dr Priscilla LEUNG, Dr LEUNG Ka-lau, Mr WONG Kwok-kin, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the motion.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Dr Margaret NG, Mr James TO, Mr CHEUNG Man-kwong, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Dr Joseph LEE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr CHEUNG Kwok-che, Mr WONG Sing-chi and Mr WONG Yuk-man voted against the motion.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that there were 58 Members present, 34 were in favour of the motion and 23 against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bills: Third Reading.

APPROPRIATION BILL 2009

FINANCIAL SECRETARY (in Cantonese): President, the

Appropriation Bill 2009

has passed through Committee without amendment. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Appropriation Bill 2009 be read the Third time and do pass.

According to Rule 70 of the Rules of Procedure, this question shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Dr Raymond HO, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Kong-wah, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr TAM Yiu-chung, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHEUNG Hok-ming, Mr WONG Ting-kwong, Prof Patrick LAU, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Dr Priscilla LEUNG, Dr LEUNG

Ka-lau, Mr WONG Kwok-kin, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the motion.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Dr Margaret NG, Mr James TO, Mr CHEUNG Man-kwong, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr CHEUNG Kwok-che, Mr WONG Sing-chi and Mr WONG Yuk-man voted against the motion.

Dr Joseph LEE abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 58 Members present, 34 were in favour of the motion, 22 against it and one abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Appropriation Bill 2009.

MOTIONS

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Product Eco-responsibility Ordinance and the Interpretation and General Clauses Ordinance to approve the Product Eco-responsibility (Plastic Shopping Bags) Regulation.

I now call upon the Secretary for the Environment to speak and move his motion.

**PROPOSED RESOLUTION UNDER THE PRODUCT
ECO-RESPONSIBILITY ORDINANCE AND THE INTERPRETATION
AND GENERAL CLAUSES ORDINANCE**

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Honourable Members, I move that the motion under my name, as printed on the Agenda, be passed. The proposed resolution is to approve a regulation that provides for the implementation details of the environmental levy scheme on plastic shopping bags (the levy scheme) under the Product Eco-responsibility Ordinance (the Ordinance).

The Ordinance was enacted by the Legislative Council in July last year. It is a piece of framework legislation that provides a legal basis for implementing producer responsibility schemes in Hong Kong. It can be said that this environmental policy is a milestone on our agenda in this regard and reflects precisely the importance and urgency that the Legislative Council and the community attach to environmental protection and even the development of sustainable waste management.

The levy scheme is the first producer responsibility scheme to be implemented under the Ordinance, with a view to reducing the indiscriminate use of plastic shopping bags. I believe Members may recall that when the Ordinance was enacted last year, there was a clear consensus among Members that the levy scheme should be implemented as soon as possible. Our recent opinion survey also indicates that more than 90% of the members of the public agree that it is necessary to reduce the indiscriminate use of plastic shopping bags while some 80% still strongly support the introduction of this levy scheme so as to address the problem. In response to this public aspiration for environmental protection, the Administration intends to implement the levy scheme first. I am particularly grateful to Ms Audrey EU, Chairman of the Subcommittee on the Product Eco-responsibility (Plastic Shopping Bags) Regulation (the Subcommittee) under the House Committee, and all the members of the Subcommittee because they had held six subcommittee meetings and finished the scrutiny of the Product Eco-responsibility (Plastic Shopping Bags) Regulation (the Regulation) with great efficiency.

As I had made an undertaking at the resumption of the Second Reading debate of the Product Eco-responsibility Bill in July last year in this Chamber, the implementation details of the levy scheme are worked out in close and detailed

consultation with the retail trade. In particular, we have organized meetings with the Business Facilitation Advisory Committee and its Retail Task Force. Moreover, we have met with representatives from the Hong Kong Retail Management Association and major retailers to be covered by the levy scheme. We have also conducted site visits to six warehouses and 10 retail outlets of the relevant retailers, so as to better understand their actual operation. We are dedicated to developing an effective and business-friendly levy scheme and the submission of the Regulation today represents the fruits of the discussion among the trade, the public and us.

I am also thankful to the members of the Subcommittee for their various suggestions, which help further improve this regulatory regime. In particular, we have proposed amendments to the Regulation, so as to take on board the views expressed by Members of the Subcommittee. These amendments include giving an applicant or a registered retailer an opportunity to make representations before the Director of Environmental Protection rejects his application for registration, deregistration or partial exemption or imposes additional conditions for an exemption or revokes an exemption. We also agree to provide for a second type of exemption in the Regulation, so that an area used for the business of a third party within a qualified retail outlet, for instance, a cosmetic counter operated by a third party within a department store, may be exempted from the first phase of the levy scheme. To further ensure ease of compliance by the trade, we have also obviated the need of registered retailers to report in quarterly returns and keep records on the number of plastic shopping bags distributed from exempted areas.

Members of the Subcommittee have constantly reminded us of the dynamic nature of the retail trade. To facilitate and go in line with the operation of the trade, we have pledged to process an application for the registration of a newly qualified retail outlet under a registered retailer within 10 working days. To accommodate the special needs of an applicant arising from unforeseeable circumstances, the Administration also agrees to further expedite the processing of urgent cases. In addition, we have pledged to process within 21 working days an initial application for the registration of a prescribed retailer. With these performance pledges, as well as the proposed amendments to the Regulation, we trust that we could achieve our environmental goal of reducing the indiscriminate use of plastic shopping bags while minimizing the impact posed on the trade.

I must emphasize that the first phase of the levy scheme is only a beginning. After the implementation of the levy scheme, we will consider as soon as practicable how to extend the levy scheme to other retailers in the subsequent phases of the scheme. In the meantime, we highly encourage retailers not yet covered by the levy scheme, including newspaper vendors mentioned by some Members, to launch initiatives to reduce the use of plastic bags through co-operation with green groups. We promise to conduct a review simultaneously with the implementation of the levy scheme and make improvement to the scheme where necessary. Through concerted efforts, we hope to make the abuse of plastic shopping bags an episode in the past and make Bring Your Own Bag part of our green living.

President, Hong Kong is facing a serious solid waste problem. The implementation of the levy scheme is a key cornerstone of our sustainable waste management strategy. We just cannot afford to wait any longer. I therefore earnestly call on this Council to support this motion. Subject to the approval of this Council, we plan to commence the initial registration of retailers within this month and start charging the environmental levy on 7 July 2009.

President, with these remarks, I move the motion. Thank you.

The Secretary for the Environment moved the following motion:

"RESOLVED that the Product Eco-responsibility (Plastic Shopping Bags) Regulation, made by the Secretary for the Environment on 31 December 2008, be approved, subject to the following amendments –

(a) in section 2(1), in the Chinese text, in the definition of "登記冊", by deleting the full stop and substituting a semicolon;

(b) in section 2(1), by adding –

""criteria for a Type 1 exemption" (第1類豁免準則) means the criteria specified in section 8(3);

"criteria for a Type 2 exemption" (第2類豁免準則) means the criteria specified in section 8(5);

"exempted area" (獲豁免範圍), in relation to a registered retail outlet, means an area of the retail outlet that is exempted by the Director for the purposes of section 23 of the Ordinance.";

(c) by deleting section 3(4) and substituting –

"(4) The Director may, by notice in writing, require the applicant to provide further information and documents in connection with the application.";

(d) by deleting section 4(2)(a) and substituting –

"(a) the applicant has not complied with a requirement under section 3(1), (3) or (4);";

(e) in section 4, by adding –

"(5) Before rejecting an application, the Director must –

(a) give the applicant prior notice in writing of the Director's intention to do so and the reasons; and

(b) give the applicant an opportunity to make representations.";

(f) by deleting section 6(4) and substituting –

"(4) The Director may, by notice in writing, require the applicant to provide further information and documents in connection with the application.";

(g) by deleting section 7(2)(a) and substituting –

"(a) the applicant has not complied with a requirement under section 6(1), (3) or (4);";

(h) in section 7, by adding –

"(5) Before rejecting an application, the Director must –

(a) give the applicant prior notice in writing of the Director's intention to do so and the reasons; and

(b) give the applicant an opportunity to make representations.";

(i) by deleting sections 8 and 9 and substituting –

"8. Application for exemption of part of the area of registered retail outlets or variation of exemption

(1) For the purposes of section 23(2) of the Ordinance, a registered retailer may apply to the Director for the exemption of part of the area of a registered retail outlet of that retailer, or for the variation of an exemption, based on the criteria for a Type 1 exemption or the criteria for a Type 2 exemption.

(2) An application under subsection (1) must be made in writing and in the specified form.

(3) The following are specified as the criteria for a Type 1 exemption in relation to a registered retail outlet –

(a) the total floor area of the retail outlet in which only non-specified goods are displayed or offered for sale is more than 50% of the retail floor area of the retail outlet; and

- (b) each part of the area to be exempted is a cashier's counter that accepts payment for non-specified goods only.

(4) For the purposes of subsection (3), "retail floor area" (零售樓面面積) has the same meaning as in Schedule 4 to the Ordinance.

(5) The following are specified as the criteria for a Type 2 exemption in relation to a registered retail outlet –

- (a) the part of the area of the retail outlet to be exempted is used for the purposes of a business of a third party (not being the registered retailer) registered under the Business Registration Ordinance (Cap. 310);
- (b) that area is demarcated clearly by a counter and is used exclusively for the purposes of the third party's business;
- (c) the name, trade name, trade mark or brand name of the third party is displayed conspicuously in that area;
- (d) that area is staffed by an employee of the third party; and
- (e) all plastic shopping bags provided from that area bear the name, trade name, trade mark or brand name of the third party.

(6) For an application based on the criteria for a Type 1 exemption, the specified form must be accompanied by a floor plan of the retail outlet indicating –

- (a) any area in which only non-specified goods are displayed or offered for sale; and
- (b) which part of the area of the retail outlet is intended to be exempted, or how an exempted area is intended to be varied, according to the criteria for a Type 1 exemption.

(7) For an application based on the criteria for a Type 2 exemption, the specified form must be accompanied by a floor plan of the retail outlet indicating which part of the area of the retail outlet is intended to be exempted, or how an exempted area is intended to be varied, according to the criteria for a Type 2 exemption.

(8) The applicant may, by giving the Director notice in writing, withdraw the application under this section at any time before it is determined under section 9.

(9) If a change in the information provided to the Director under this section occurs before the determination of the application, the applicant must, as soon as reasonably practicable, give the Director notice of the change in writing unless the application has been withdrawn.

(10) The Director may, by notice in writing, require the applicant to provide further information and documents in connection with the application.

9. Determination of application for exemption or variation of exemption

(1) For the purposes of section 23(3) of the Ordinance, the Director must approve an application under section 8 unless it is rejected under subsection (2).

(2) The Director may reject the application if the Director considers that –

- (a) the applicant has not complied with a requirement under section 8(1), (2), (6), (7), (9) or (10);
- (b) the information provided in relation to the application is incorrect or misleading; or
- (c) the retail outlet does not meet the following –
 - (i) (if the application is based on the criteria for a Type 1 exemption) any of the criteria for a Type 1 exemption; or
 - (ii) (if the application is based on the criteria for a Type 2 exemption) any of the criteria for a Type 2 exemption.

(3) If an application is approved, the Director must –

- (a) for the purposes of section 23 of the Ordinance, exempt the part of the area of the registered retail outlet, or vary the exemption, as indicated in the application subject to the following conditions –
 - (i) (if the application is based on the criteria for a Type 1 exemption) all the conditions set out in subsection (4); or
 - (ii) (if the application is based on the criteria for a Type 2 exemption) all

the conditions set out in subsection (5);

- (b) give the applicant notice in writing of the decision; and
- (c) specify in the notice the conditions to which the exemption or the variation of the exemption is subject.

(4) For the purposes of subsection (3)(a)(i), if the application is based on the criteria for a Type 1 exemption, the following are the conditions to which the exemption, or variation of the exemption, of part of the area of the registered retail outlet is subject –

- (a) the retail outlet continues to meet the criteria for a Type 1 exemption;
- (b) plastic shopping bags may be provided from such an exempted area without payment of the charge required by section 23(1) of the Ordinance only if –
 - (i) they are provided to customers who make payment for non-specified goods in that area; and
 - (ii) the number of bags so provided is not more than necessary for carrying those goods; and
- (c) such other conditions as the Director may reasonably impose from time to time.

(5) For the purposes of subsection (3)(a)(ii), if the application is based on the criteria for a Type 2 exemption, the following are the conditions to which the exemption, or

variation of the exemption, of part of the area of the registered retail outlet is subject –

- (a) the retail outlet continues to meet the criteria for a Type 2 exemption;
- (b) plastic shopping bags may be provided from such an exempted area without payment of the charge required by section 23(1) of the Ordinance only if –
 - (i) they are provided to customers who purchase the goods offered for sale by the third party concerned in that area; and
 - (ii) the number of bags so provided is not more than necessary for carrying those goods; and
- (c) such other conditions as the Director may reasonably impose from time to time.

(6) The Director must also give the applicant notice in writing of any conditions imposed under subsection (4)(c) or (5)(c).

(7) Before imposing any conditions under subsection (4)(c) or (5)(c), the Director must –

- (a) give the applicant prior notice in writing of the conditions that the Director intends to impose; and
- (b) give the applicant an opportunity to make representations as to why the conditions should not be imposed.

- (8) If an application is rejected, the Director must –
- (a) give the applicant notice in writing of the decision; and
 - (b) include in the notice a statement setting out the reasons for the decision.
- (9) Before rejecting an application, the Director must –
- (a) give the applicant prior notice in writing of the Director's intention to do so and the reasons; and
 - (b) give the applicant an opportunity to make representations.
- (10) An exemption, or variation of an exemption, approved under this section applies only to the registered retailer by whom the application is made.";
- (j) in section 10, by renumbering subsection (5) as subsection (6);
- (k) in section 10, by adding –
- "(5) Before revoking an exemption under subsection (1), the Director must –
 - (a) give the registered retailer prior notice in writing of the Director's intention to do so and the reasons; and
 - (b) give that retailer an opportunity to make representations.";
- (l) in section 11(1)(b), by deleting "9(5)(a)(iii)" and substituting "9(4)(c) or (5)(c)";

(m) by deleting section 12(3) and substituting –

"(3) The return in respect of a registered retail outlet for each quarter must contain the following information –

(a) the total number of plastic shopping bags delivered to the retail outlet during that quarter, except for any bags to be provided from an exempted area of the retail outlet that is subject to the criteria for a Type 2 exemption;

(b) the total number of plastic shopping bags provided directly or indirectly to customers during that quarter from –

(i) the retail outlet; or

(ii) if there is an exempted area in the retail outlet, any area of the retail outlet that is not exempted; and

(c) the total amount of levies payable for the bags referred to in paragraph (b).

(4) In relation to a quarter in which the application for registration or deregistration in respect of a retail outlet is approved, the return for that quarter must also specify the date on which the retail outlet becomes registered or deregistered.";

(n) by deleting section 14(a), (b) and (c) and substituting –

"(a) the number of plastic shopping bags provided to a customer in each retail transaction of the retail outlet, except for any bags provided from an exempted area of the retail outlet;

- (b) the amount charged for those bags by the retailer under section 23(1) of the Ordinance;
- (c) the number of plastic shopping bags contained in each shipment of plastic shopping bags to the retail outlet, except for any bags to be provided from an exempted area of the retail outlet that is subject to the criteria for a Type 2 exemption; and
- (d) the number of plastic shopping bags procured by the retailer and relating to each shipment referred to in paragraph (c)."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment be passed.

MS AUDREY EU (in Cantonese): President, in my capacity as the Chairman of the Subcommittee on Product Eco-responsibility (Plastic Shopping Bags) Regulation (the Subcommittee), I now report on the deliberations of the Subcommittee.

The Product Eco-responsibility (Plastic Shopping Bags) Regulation (the Regulation) is made under section 29 of the Product Eco-responsibility Regulation, the purpose of which is to set out the implementation details for the environmental levy scheme, including the procedure for the application as registered retailers, criteria for the exemption for certain areas within a registered retail outlet, submission of returns, payment of levy and record-keeping, and so on.

First, I would like to clarify whether the Subcommittee has had enough time to scrutinize the Regulation. I would like to stress that before the Legislative Council examined the Regulation, the Administration had never informed the Council of arrangements for the Regulation to commence. It was only two days before the Subcommittee held its first meeting on 19 February 2009 that the Secretariat received the papers from the authorities stating that the Regulation is to take effect in July 2009, and that there should be a three-month notice period beforehand. Actually, had the authorities clearly given the

timetable for implementation when briefing the Environmental Affairs Panel on the Regulation in November 2008, the Council would be able to make the corresponding arrangement to expedite the scrutiny process while ensuring sufficient time for scrutinizing the Regulation. Although the authorities have not made satisfactory arrangements in terms of time for this exercise, the Subcommittee has tried its best to cope, holding many meetings within the limited time to complete the scrutiny.

The Regulation prescribes that retailers must submit their applications for registration, exemption, change of information, variation of exemption, submission of quarterly returns and deregistration in specified forms. Some members have raised concern about the legal status of the specified forms since unlike prescribed forms, the former do not form part of the Regulation and are not subject to scrutiny by the Legislative Council. The Administration's explanation is that the Director of Environmental Protection (the Director), in the course of dealing with various applications made under the Regulation, will specify as a matter of administration the forms to be used under the Regulation. This is compatible with the legislative intent of the primary legislation and also in line with the current practice adopted in other legislation. As the specified forms are to be used by the retail trade, the authorities would consult the trade on the draft specified forms.

Some members consider that there is a need to specify a timeframe within which the Director should make her decision on the approval or rejection of application for registration, requirement of further information, deregistration, exemption or variation of exemption. The Administration has explained that the inclusion of a fixed timeframe may undermine the flexibility of the authorities in accommodating the special needs of an applicant in unforeseen circumstances, and could cause undue hardship to the trade. Moreover, after consultation with the affected retail trade, the authorities have made a performance pledge to process an application for registration of prescribed retailer within 21 working days, and an application for registration of new outlets under a registered retailer within 10 working days or less. The majority of members agree to the need for flexibility, but consider it necessary for the Secretary for the Environment to include in his speech to be delivered at the moving of the resolution on the Regulation the performance pledge in respect of applications for registration of "prescribed retailers" and "qualified retail outlet", and an undertaking that the authorities will endeavour to accommodate the special needs of an applicant in unforeseen circumstances as far as possible.

In respect of exemption, apart from the exemption criteria prescribed by the Regulation, the specified form also allows for an application for exemption by a prescribed retailer for the area operated by a separate third party within his registered retail outlet. Members pointed out that there is no obvious correlation between the part in the specified form on the business of the third party and the Regulation and they queried the legality of the relevant exemption. In this connection, the authorities have agreed to amend the Regulation, defining the area operated by a third party operator within a registered retail outlet as a second type of exemption criteria.

The specified form provides that the area operated by a third party operator within a prescribed retail outlet must have a separate business registration before it can be exempted. Members pointed out that the provision would increase the operational and administrative cost of such third party operators (particularly consignors with consignment counters in many prescribed retail outlets). They considered that the authorities should, in accordance with the trade's suggestion, accept a certified true copy of the business registration of the headquarters of a third party operator as confirmation of an area operated by a third party operator within a prescribed retail outlet. After much discussion, the authorities eventually agreed to accept members' views and would amend the relevant part of the Regulation.

As regards the submission of quarterly returns, the Regulation provides that registered retailers are required to provide the number of plastic shopping bags (PSB) provided to customers from the exempted cashier's counters. Some members questioned the need for such requirement which would increase the administrative work and cost on the part of prescribed retailers. Members think that the authorities should accept the retail trade's suggestion of using different types of PSB for exempted counters and non-exempted counters to dispense with the requirement for quarterly returns for the former. The Administration has explained the necessity for the requirement for returns as this could allow the authorities to cross-check the number of PSB provided to customers from the retail outlets. Mr Vincent FANG and Mr WONG Ting-kwong did not accept the authorities' explanation and indicated that they might consider moving their own amendments to the relevant provisions of the Regulation if the authorities refuse to do so. After further discussion with the members concerned, the authorities eventually agreed that the number of PSB distributed from an exempted area does not need to be reported in the quarterly returns. Since this amendment was

accepted by the authorities after the Subcommittee had completed the scrutiny, the amendment concerned was circularized for consideration by members.

Members also urged the authorities to review the scheme as soon as possible to assess the administrative and financial impact on the trade resulting from the implementation of the environmental levy scheme, and the impact on the use of PSB and other types of bags (including paper and plastic bags).

The Subcommittee has discussed in detail the other parts of the Regulation.

President, I now speak on behalf of the Civic Party on the Regulation.

President, the Civic Party has always supported the enactment of the Regulation, considering that the sooner the implementation of the Producer Responsibility Scheme (PRS), the better.

In 2004, the Government published the "Policy Framework for the Management of Municipal Solid Waste (2005-2014)" (Policy Framework) stating that from 2004 to 2014, the amount of waste would be reduced by 1% per annum and within the decade, the amount of municipal solid waste to be disposed of at landfills would be reduced by 25%. However, according to the paper submitted to the Legislative Council by the Environment Protection Department yesterday — should be the day before — the amount of municipal solid waste disposed of at landfills in 2008 increased by 0.5% when compared with 2007, reaching 3.46 million tonnes, of which industrial and commercial waste saw an increase of 11%, reaching 1.23 million tonnes.

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

This is not the first increase recorded because in 2007, the overall amount of municipal solid waste disposed of at landfills reached 3.44 million tonnes, an increase of 1.6% as compared with 2006. In the end, the amount of municipal solid waste has not fallen by 1% per annum as claimed by the Government. On the contrary, it has been on the rise each year. Therefore, there is not enough space for the landfills and as a result they have to extend into country parks.

I would also like to remind Members that when the PRS was mentioned in the Policy Framework, there was then a sound timetable pointing to the implementation in 2007 for electrical equipment and electronic devices; implementation in 2007 for vehicle tyres; implementation in 2007 for PSB; implementation in 2008 for packaging materials; also implementation in 2008 for containers for drinks and finally, implementation in 2009 for rechargeable batteries. This was the plan then.

However, if we look at it closely now, we will realize that among all those, we have only achieved one, that is, plastic bags but it is behind schedule. The primary legislation was passed in time before the conclusion of the last session of the Legislative Council and the relevant details are only submitted today for our approval. I said earlier that even the timetable has been pushed back.

The *modus operandi* of the PRS has actually deviated from its original idea because if we review the Policy Framework, the original concept of the PRS — I quote — "put the onus on the producers and users of products (that is, the community) to share the responsibility for all the economic, social and environmental impacts of a product throughout its lifecycle." What was said then was high-sounding, "A well-designed PRS spurs producers to design products that generate less waste, or that can be reused or recycled", and "By establishing a long-term, stable and local source stream of recyclable products and materials through PRSs, the Government hopes to develop and sustain the local recycling industry that puts the concept of a 'circular economy' in practice."

However, looking back at the plastic bags under discussion today, what we have discussed only accounts for a very small part. A lot of people actually refer to it as a plastic bag levy, failing to cover the other parts included under the PRS as set out in the Policy Framework, including committing manufacturers to being responsible for recovery, recovering abandoned products for recycling; restricting the free distribution of certain products to cut down on consumption; implementing mandatorily a mandatory deposit system for certain types of products to encourage recovery; imposing levies on certain types of products to facilitate the recovery and recycling of abandoned products and restricting the use of certain components for certain products to facilitate the recycling of waste.

But the Regulation we are going to pass this time has not mentioned recovery or recycling. Although I pointed this out in the primary legislation and the Regulation, the Government has stated that the target of plastic bag recovery

cannot be achieved. Deputy President, we have also reviewed the establishment of the EcoPark (formerly known as Recovery Park) but for all these years, the public considers that the effectiveness of the EcoPark is not substantial, one of the reasons being the failure to implement the PRS soon. We really can do nothing to promote the concept of recycling. For this reason, Deputy President, what I want to say today is we are always behind the original timetable or the idea floated by the Government. In respect of environmental protection, we sincerely wish that the Government can increase its vigour, and regarding the disposal of solid waste, we also hope that the Government can handle at the same time those other products which I said earlier are included in the Policy Framework, including vehicle tyres, packaged drinks, rechargeable batteries, electrical equipment and electronic devices. Moreover, consideration should also be given to recycling, instead of tax revenue alone.

Thank you, Deputy President.

MR VINCENT FANG (in Cantonese): Deputy President, today, a vote has to be taken on the details of the PSB levy. Whenever we talk about the PSB levy, I believe a lot of people will have in their mind a sure "No" from Vincent FANG and will then say that right, the commercial sector is but selfish, they are profit-oriented, having no regard for environmental protection.

But is this the fact? Certainly not. Yes, I have all along disapproved of the Government's legislative means of imposing a ban by levying a tax, and I all the more cannot support the current piecemeal measures adopted by the Government in environmental protection and waste reduction, as well as its way of simply focusing on superficial figures. However, the wholesale and retail sector and I have always endeavoured to promote environmental protection and waste reduction because the Government has never provided any incentives for the business sector in respect of environmental protection but the sector has taken the initiative in adopting numerous measures. For example, it can be seen from news report today that the "No Plastic Bag Day" launched by some retailers of their own accord has seen 20 million less plastic bags being distributed in one month.

Deputy President, a few years after participating in the scrutiny of the legislation, I feel deeply that there is this phenomenon of the Government in many pieces of legislation: With a good legislative intent, a moral high ground

will be employed as the packaging to justify the enactment of legislation. If we just look at the citation of the legislation and its intent, no one will voice any objection.

However, more often than not, the Government just works behind closed door on the details of the legislation, including a lot of details which are totally inappropriate or unrealistic for the industry or the sector, based on a mindset takes everything for granted. Therefore, the sector has to voice out, hoping that the Government can understand and make amendments to facilitate compliance by the sector. Our aim in fact is to make the legislation enforceable. Nonetheless, when I, as a Member or a relevant stakeholder of the legislation, raise some queries or point out the difficulties in operation, it will be interpreted as "Vincent FANG objects to or obstructs the enactment of legislation" or "the sector objects, the commercial sector is unscrupulous", and will be denounced as "playing enemy to the Government, playing enemy to the people". Such a phenomenon appears not only in today's legislation on the PSB levy, but also in the legislation on a total smoking ban passed a few years ago. The law on nutrition labelling passed last year is no exception. The same will happen when the legislation on food recall resumes its Second Reading next week.

On the issue of environmental protection involved in the Bill today, I have repeatedly expressed in the Legislative Council that the wholesale and retail sector considers that employing punitive means cannot promote environmental protection effectively, and with the volume of waste increasing ever, no developed country can avoid the problem. Therefore, environmental protection experts have come to the consensus that only through the environmental protection chain of the so-called 3R, that is, reduction, recovery of recyclable waste and recycling, can environmental protection and waste reduction be achieved.

For the PSB levy to be voted on today, only the first R is tackled, with only a small portion being reduced. In proposing the PSB levy, the Government claimed that 1 billion plastic shopping bags can be reduced every year, but this is only a game of figures. Actually, will the number and volume of plastic bags abandoned at landfills each year be reduced as a result? I think we cannot be too optimistic because when no vest-shaped bags are available for use as garbage bags, people may have to buy garbage bags which are bigger, and in face of consumer demand, plastic bags distributed through other channels free of charge may increase or other substitutes may emerge, for example, paper bags which are

common in overseas countries, or plastic bags without handle, or even reusable bags.

Therefore, the concept of reducing the so-called plastic bag abuse does not involve the number of plastic bags given away by the retail trade, rather, it should see an overall decrease in the number of plastic bags abandoned in Hong Kong each year and a reduction in the area taken up by landfills. For this piece of legislation which we support today, to what extent can this target and standard be achieved? We all know it very well in our heart.

So, I have been saying repeatedly in this Council that the Government must have a complete environmental chain for environmental protection and waste reduction. First, people should be educated to change their old way of living and build up an awareness that the use of plastic bags should be kept to the minimum. Second, the Government should provide incentives to encourage manufacturers, suppliers and distributors of plastic bags to gradually turn to degradable plastic bags. Third, enterprises should be encouraged to establish a recycling industry for plastic materials to turn plastic bags and plastic packaging materials into valuable waste to subsidize in turn the waste recovery business. Then, the ultimate target of waste reduction can be achieved effectively.

I note that while the Secretary responded to the Budget earlier, he depicted many visions relating to environmental protection, for example, the development of Hong Kong's green economy and the expedition of the approval of the EcoPark in Tuen Mun, and the like. These are really far away visions. What is the present situation as I see it? Since the onslaught of the financial tsunami, even the recycling business for environmental protection has been thrown into a mire, while markets on the Mainland and in the other places which import waste materials from Hong Kong have halted import. As a result, waste in Hong Kong loses its market and is transferred to landfills. My office has received letters from the public asking for assistance, saying that those who have been collecting waste are now caught in a predicament.

Therefore, I have always hoped that the Government will not be looking for quick success and immediate gains, pursuing some instant achievements. Although you are officials under the accountability system, being the Government, in both enacting legislation and effecting administration, you should strike a balance for all interested classes in society, enact legislation which can be enforced and promote sustainable development for society. This is what a

responsible Secretary should do. I sincerely hope that the Secretary will listen to these words which come from the bottom of my heart, and formulate a comprehensive programme for the 3R environmental protection strategy. Just like the Plastic Limit Order promulgated on the Mainland, which is also a comprehensive package controlling manufacture, use, recovery and recycling.

Regarding details for this PSB levy, the timetable set out by the Secretary is really relatively pressing, throwing the Subcommittee into chaos. In fact, law-abiding businessmen all support the Government to enact legislation, but the problem is government officials themselves know nothing about the *modus operandi* of the business sector. Moreover, the retail trade is too extensive, the operation of supermarkets and department stores alone differs greatly. Thus, in discussing the qualification for the PSB levy, it is more difficult to tackle the two technical arrangements of whether a third party operator within a retail outlet should be exempted, and whether the various levels within a department store which are exempted should submit to the Government the amount of plastic bags used.

We should not be mistaken, for exempted outlets will not distribute plastic bags indiscriminately as many of them have already joined the "Every Day No Plastic Bag" campaign. However, once stipulations are made in legislation, any loophole will constitute a criminal offence which means great pressure for operators. In view of this, it is hoped that the Government can leave some leeway.

I am very happy that the Environment Bureau this time around has finally agreed to accept my opinion and that of the sector, granting exemption to third party operators at the same time, and exempting those levels which are exempted from submitting information. Therefore, this open-mindedness and sincerity of the Secretary has won the support of me and the sector. However, the Environment Bureau has set a timetable for the expansion of the product eco-responsibility scheme. I sincerely wish that you can stay on in the Bureau and take charge of this in the future. I wish you will remain to be open-minded in listening to views from all sectors, and will accept different proposals and refrain from sticking to your own course. This is what a competent accountable official will do.

With these remarks, I support the Regulation. Thank you, Deputy President.

MR ANDREW LEUNG (in Cantonese): Deputy President, the Federation of Hong Kong Industries (the FHKI) and I fully support environmental protection. We throw our weight behind the SAR Government's move to promote the product eco-responsibility scheme and consider that as producers, the industrial sector is duty-bound to do its part for environmental protection together with the consumers and the Government. Thus, from the drafting of the primary legislation to the drafting of the subsidiary legislation on the PSB levy by the Government, the FHKI and I have been actively participating and giving our views, in the hope that business operation will not be stifled when the Government regulates production and consumption through collection of levy and boosting revenue on the pretext of protecting the environment. In fact, apart from doing more on education, the Government should also do more practical work to accomplish earnestly the 3R mentioned by Mr Vincent FANG, that is, Reduce, Reuse and Recycle, to create demand for Hong Kong's environmental industry.

I know that the authorities are clearly aware that the FHKI and I are very much concerned about the way the Government drafted this subsidiary legislation. Therefore, before meetings were held by the Subcommittee, they had invited me and other colleagues of the Legislative Council to a briefing. The Hong Kong Retail Management Association has also actively reflected its worries to me and told me what difficulties would be encountered when the subsidiary legislation drafted by the Government is implemented. I have in the Legislative Council reflected to the Government time and again matters of concern to the sector, and I have even arranged for the Secretary to discuss with the Association. Thanks to the efforts of all sides, I am very happy that the Government has finally heeded good advice and taken on board my views and those of the sector and made amendments conducive to the implementation of the policy.

I now wish to specifically talk about the amendments which are a great concern to the sector. First, regarding the exemption of the levy on PSB used for the business of a third party operator in a retail outlet, that is, consignment counters in department stores selling cosmetics, food, and so on, the Government initially insisted that each consignment counter must have a separate business registration before it can apply for exemption but subsequently, it accepted the views of Members and the sector and granted exemption to facilitate business.

(THE PRESIDENT resumed the Chair)

Furthermore, in the snapshot on plastic bags disposed of at landfills, the authorities agreed to provide more detailed information to the Environmental Affairs Panel of the Legislative Council and undertook to conduct further studies with the retail trade on how to review the effectiveness of the PSB levy scheme, including the number of plastic bags dumped before and after the imposition of the levy, and the coverage of retailer registration, and so on. The authorities clearly expressed that before the imposition of the levy, that is this July, no further snapshots would be conducted but would only use figures obtained from a 2005 survey on waste as data. I think this may not truly reflect the effectiveness of the levy, and represents a neglect of the efforts made by the sector in these few years on the promotion of bringing one's shopping bag and the recent "Every Day No Plastic Bag" campaign.

The sector and I wish that a task force will be formed by the Environmental Protection Department to determine a base to gauge accurately the use of plastic bags after the implementation of the levy scheme, including the amount of plastic bags which are subject to the levy and other plastic bags and paper bags disposed. Just as I said at the meetings, many families nowadays use the vest-shaped bags from supermarkets as garbage bags. When \$0.5 is charged for each plastic bag of this kind in the future, they will all switch to other plastic bags, or even buy some garbage bags which are thicker and more difficult to degrade. The authorities in fact also have to review the administrative cost incurred for retail outlets to collect the levy for the Government. These are all issues to be tackled.

The time for scrutinizing this piece of subsidiary legislation of the Government is extremely pressing. The time for scrutiny has been compressed to just over a month. While both the Members and the sector have to make haste, the majority of the people are at a loss as to when the PSB levy is to be imposed. Nonetheless, supermarkets have been charging a \$0.5 levy on each plastic bag, and many customers have been arguing with supermarket staff for having to pay suddenly \$0.5 for one vest-shaped bag. I believe during the initial period when the PSB levy is officially imposed, this scene is highly likely to arise frequently in all major supermarkets, convenience stores, personal care stores and large department stores because this levy scheme only covers 2 200 retail outlets

throughout the territory, accounting for just 4% of the retail outlets in Hong Kong.

Today is already 23 April. I hope that in the coming two months, the Government can pay more attention and launch more promotion in this respect to enable the public to know that they have to bring their own shopping bags. Meanwhile, arguments between tourists and staff of the retail outlets can also be minimized by informing them clearly which shops are to collect the PSB levy and which counters are exempted from the PSB levy before they pay for their purchase in a shop.

I would very much like to praise the authorities for responding at the final stage to my demand made during the scrutiny stage. They have proposed amendments to the effect of agreeing to exempt registered retailers from reporting in their quarterly report the number of plastic bags distributed within the exempted areas and keeping records of them. The sector and I welcome this amendment very much. We consider this arrangement reasonable and it also dovetails with the long-standing principle of facilitating business operation.

President, in the last couple of months, during the course of discussions, the sector and I felt that the large retailers participating in the discussions had proactively promoted to the public the message of bringing one's own shopping bags and refraining from using plastic bags. It is hoped that upon the commencement of the legislation, they will do the same. For those of the retail sector who are not covered this time around, I also hope that from today onwards, they will begin to display self-discipline and ask the customers to use less plastic bags.

I so submit.

MR WONG TING-KWONG (in Cantonese): President, I remember that during the last term of the Legislative Council, I participated in the scrutiny of the Product Eco-responsibility Bill (the Bill). The Bill was passed in time before the conclusion of the last legislative session. The Product Eco-responsibility (Plastic Shopping Bags) Regulation (the Regulation) sets out the details for implementing the green levy for PSB, and is also the first producer responsibility

scheme to be launched under the Product Eco-responsibility Ordinance. The Regulation was tabled before the Legislative Council this February.

Since the green levy on PSB (commonly known as plastic bag tax (PBT)) is a newly launched measure, a lot of details for operational arrangement are involved. This warrants ample time for detailed discussion to avoid confusions and chaos when the Regulation is formally implemented. However, the Administration stated that the green levy scheme could brook no delay and must be implemented this July, and that we must finish our scrutiny three months before its implementation so that the retail sector concerned could have time to make the necessary preparations. In other words, from the first meeting of the Subcommittee in mid-February to March, only a little more than one month was available for scrutiny. As time was very pressing, we could only expedite our scrutiny process. Despite the hasty scrutiny process, the sector reflected to me a lot of opinions, saying that some implementation details would bring a lot of inconvenience to the retail sector in actual operation, increase their administrative burden and cost, and would even be impossible to enforce. However, the authorities said that there was already sufficient consultation with the sector beforehand, and therefore could not understand why they still had so many opinions to reflect. Actually, the sector in general supports protecting the environment, and over 2 000 retail outlets launched out of their own initiative the "Every Day No Plastic Bag Day" campaign last month. Understanding that for the cause of environmental protection, the authorities will surely push ahead with the PBT, they just hope that the authorities can understand the sector. Under the current financial tsunami, running a business is difficult and while taking forward environmental protection efforts, they hope that the operation interests of the sector can also be taken into account to strike a balance, minimizing the impact of the implementation of the PBT on the operation of the sector.

Hence, some members and I have made many proposals to the authorities on streamlining procedures and facilitating operation, hoping that the authorities can make amendments to the Regulation. For instance, on the exemption of the PBT for third party operators within qualified retail outlets, we consider that the original requirement of the Regulation that third party operators must provide valid business registration in the outlets would definitely increase the administrative cost of the operators, and is absolutely impossible to enforce. Therefore, I proposed that the authorities should allow them to provide business

registration of their branches. Moreover, the Regulation proposed that retailers should provide in the quarterly returns the number of plastic bags distributed to customers from an exempted area and should keep records on the same. This will add to their operation burden and is unnecessary. Thus, I proposed that the authorities consider allowing them to provide different types of shopping bags in exempted areas and non-exempted areas to serve as conspicuous distinction. This can save the submission of quarterly returns on the exempted areas and the keeping of records. During the process, the authorities initially refused to budge, but after our repeated efforts fighting on justified grounds, the authorities finally accepted our proposals and even came up with more relaxed amendments, allowing third party operators to just give information on the business registration of their headquarters, exempting them from making quarterly returns on and keeping records of PSB distributed to customers from exempted areas, and not requiring them to provide different types of shopping bags. As the coverage of the PBT will be extended to other retailers in the future and different producer responsibility schemes will be launched, I wish on the one hand, the authorities will by then give the Council ample time to scrutinize the related legislation, and on the other, I also hope that the authorities will learn from this experience to consult fully the sector concerned and enact the legislation from a practical angle which is beneficial to the people, friendly to business operation and environmentally-friendly. Then, it will be all success for the authorities.

Since the first phase of the PSB levy scheme only covers certain retail outlets, I urge the authorities to step up promotion. Apart from encouraging the public to bring their own shopping bags when shopping, there should also be a clear explanation of the content of the levy scheme and the implementation details for the public to have a clear understanding so as to avoid argument with the respective staff when the scheme is launched later.

I am also concerned about the effectiveness and impact to be brought about by the implementation of the PBT. For example, will there be an increase in the use of non-woven bags and garbage bags as a result of a drop in the use of PSB? If so, what effect will that have on environmental protection? This is also unknown. What will be the future administrative cost incurred for retailers who collect the PBT? I hope the authorities will monitor closely the operation of the scheme and conduct a review and make improvements one year after its implementation as pledged by the authorities. Can the authorities consider then introducing measures to impose the levy at the manufacture and import levels,

and then recover the levy from the users at the retail level? I believe this will be easier and smoother and can greatly reduce the trouble for the retail sector.

President, I so submit. The DAB supports the motion.

MR LEE WING-TAT (in Cantonese): President, the general principle of the producer responsibility scheme was in fact endorsed sometime ago. Just as Ms Audrey EU said, I am also quite disappointed because when passing the primary legislation, the Government made plenty of pledges to the public and the Legislative Council. Right now, we are tackling the first regulation under the first framework legislation, that is, the so-called PBT, or the imposition of a levy on plastic bags. The democratic camp supports this levy. The way we see this levy is that so long as it is not excessively the business environment, we will throw our weight behind it.

Just as Mr Vincent FANG, Mr Andrew LEUNG and Mr WONG Ting-kwong said, this has facilitated the handling by business operators, be it registration or record-keeping, and is thus good. Therefore, today, I have to praise the Secretary and his colleagues for being willing to heed our opinions at this meeting. However, as I listened, I grew a bit agitated because I remember colleagues had once spent four hours discussing whether two types of plastic bags could be used in one place. I cannot understand why it would be so complicated. President, I went for a coffee in the middle of that meeting because I found it hard to bear. Why are such details President, Ms Audrey EU has also taken a look at me. I sometimes feel that when tackling a matter, the Government's attitude towards colleagues of the Legislative Council is Even if they hold opinions which are different from those of the Government towards the legislation as a whole, they have more practical experience than the government officials when it comes to the operation of the Legislative Council. I think so long as it does not violate the general principle, it should be fine. Therefore, I am more sympathetic Rather, I tend to understand more the views of Mr Vincent FANG, Mr Andrew LEUNG and Mr WONG Ting-kwong. That said, I cannot understand why we have to put up with being tortured for four or five hours, or even five or six hours. Honourable colleagues are very good-tempered, and they just sat here for six to seven hours to wrap up a discussion on a small issue. Thus, I am very grateful to them. On the contrary, I could not endure that and would very often leave the Chamber.

I hope that the Government will not have to do so in the future because to me, the most important thing is they will slowly change their habit after passing the general principle and when this Regulation is implemented. Just as I have said over and over again to the Secretary, I will now shop at supermarkets and markets. My car I remember a few years ago, I attended an environmental protection activity with the President, and the President said he was "smart" because he had put plenty of reusable bags in his car. I followed suit and put many bags in the car but I sometimes would forget to bring them along. What in fact should be done to make the people switch to the habit of bringing along reusable bags? This is a process of social engineering. I remember that when the topic of environmental protection was brought up some ten or twenty years ago, people would think that it was novel. I wish this can be put into practice The so-called plastic bag levy is just the process of changing their habit gradually, and it also serves to make them know what they should do in everyday life.

I wish the Bureau can be open-minded in handling the views raised by colleagues in the Subcommittee on the actual operation because I do not think that will change the major principle. Rather, I am most concerned about what the Secretary will do at the next stage after this, as he himself said in his speech.

Last week, an environmental protection organization let me use this expression — "vehemently criticized" — the slow progress of the Environment Bureau on this pledge since the next issue to be tackled pertains to electrical appliances. In recent years, due to the so-called improvement in living, a lot of game consoles have become available, and every year, we have tens of thousands of electrical game consoles, electrical products or parts. Though they have nothing to do with this Regulation, if the Government is moving ahead at this speed, I think it will take a long time to accomplish what the Secretary mentioned during the passage of the primary legislation, that is, the recovery of a series of other things. I think the period is simply too long. Once the primary legislation is passed, I think the Secretary can proceed quicker. Can certain parts be carried out simultaneously within a shorter period of time?

President, the last point I would like to make is I agree that the Government has been working on recovery in the last few years. I also agree that Earlier, colleagues like Mr WONG Ting-kwong, Mr Andrew LEUNG and Mr Vincent FANG have said that more needs to be done by the Government on recovery, especially when a recent report pointed out that on the recovery of commercial products — the recovery of such waste also includes plastic bags —

there has in fact been an increase in the amount. This also proves that their effort is not enough.

What do I hope for? I hope that after this incident, the Secretary will exert his best and gradually ease the pressure on landfills. The Secretary has been very busy lately, running about here and there. He has to go to the district councils to attend discussions on the sewage treatment plant, and then later on, he has to attend discussions on incinerators. Why do we have to talk about incinerators? Because the landfills will soon reach their capacity. Since we cannot develop new landfills, it is necessary to build new incinerators. However, to be frank, more has to be done on "waste reduction" in the overall cause. Therefore, I would like to take this opportunity to call on the Secretary to consider the matter seriously. If we do not work more on this strategy, I believe within this period, he More time will be spent on meetings at the Tuen Mun District Council in the future because certainly no district council will welcome his proposal of increasing such facilities which will create pollution or which will somehow be hazardous to the health of the residents in the district.

President, I so submit.

MR KAM NAI-WAI (in Cantonese): President, first, please make a record that it is now 1.42 am. According to the order of business, this Regulation should have been passed yesterday. It would be more meaningful if it could be passed yesterday because yesterday was Earth Day named by the international environmental protection body Earthday Network. We are one day behind in passing it. Nonetheless, we said earlier that in terms of environmental protection, Hong Kong is always lagging behind, but still, late is better than doing nothing. We have at least made a step. In fact, Taiwan has also responded to this Earth Day, calling it the "Green Generation" and came up with a slogan: "The Green Generation is to give children a better world. The future is a world to be inherited by children. Now is the turning point for all mankind to change their living."

Turning point, to us Hong Kong Colleagues earlier said that to Hong Kong people, this PBT is also a turning point because the imposition of a green tax at the retail level also represents a small step made. However, this may be a big step in changing the habit of Hong Kong people. Many colleagues just now

said that many items related to the future legislation on product eco-responsibility have yet to be implemented. How can we make the Hong Kong public think that it is their responsibility to protect the environment? I believe the green awareness of Hong Kong people has grown stronger now that they are asked to pay the price directly from their pockets, so I believe with this experience, the Secretary can in the future speed up his pace.

Let me reiterate that the Democratic Party supports the imposition of the levy on plastic bags. I know some colleagues queried whether this PBT should be imposed given the current economic downturn. The way we see this is that with the economic depression, if we want to be spared this tax, we had better bring along our own plastic bags. In the same way as the President is leaving a lot of reusable bags in the car to be used any time in place of plastic bags, the imposition will turn out to be a loss, for people would not have to pay this tax. I am aware that the business sector has also pointed out that enforcing the present levy at the retail level will increase their administrative cost of operation. Some colleagues mentioned earlier the Hong Kong Retail Management Association had launched the "Every Day No Plastic Bag" campaign, and almost 20 million plastic bags may be saved in one month. Judging from this, I believe they will instead cut their operation cost because the Government estimates that if the use of plastic bags can be reduced by 1 billion each year, according to some environmental protection bodies Earlier, we received information from some environmental protection bodies (including The Conservancy Association, Greeners Action, Green Power and Friends of the Earth) indicating that if the number of plastic bags can be reduced by 1 billion, their operation cost can be reduced by \$150 million. If their operation cost drops in tandem with a reduction in the number of plastic bags, I believe it will bode well for not only the business sector but also the environment, resulting in a win-win situation. I hope this is a correct step to make.

Of course, some colleagues mentioned putting recovery into practice during the discussions of the Subcommittee. Is the Government actually facing the same problem of plastic bag abuse? I think the Government has to respond to this. Not only the Environment Bureau has to put into earnest practice what it advocates, but the whole Government also has to tackle the problem of plastic bags. I think the Government has to respond as regards how the use of plastic bags can be reduced and when these plastic bags because we are all aware that the Hong Kong public is quite thrifty, and they will usually take the plastic bags from supermarkets home for use as garbage bags. Now that they no longer

have plastic bags from supermarkets, they have to switch to garbage bags. Will this increase the use of garbage bags? I think when the Government conducts the review, it should quote some data from surveys to prove that the PBT can lead to a reduced use of plastic bags. I believe the Government can do this. I hope the Government can carry out research, track the data and review the situation to let us know that this can reduce the use of plastic bags.

In fact, the Democratic Party conducted a study on green tax three years ago. We proposed various kinds of green tax which colleagues have mentioned earlier. I hope that the Secretary can tell us later upon passing this levy today, exactly how and when the PBT will be implemented fully at the retail level. What views does the Government have? How is it to be implemented step by step? Many colleagues mentioned earlier vehicle tyres, electrical appliances and electronic equipment, packaging materials, containers for drinks, rechargeable batteries Is there a timetable? How is the Government going to enforce it? When we talked about the plastic bag levy — that is, the PBT — it was in 2005. Now is 2009 and it will not be implemented until 7 July. We really hope that it can be implemented soon, but Ms Audrey EU, the Chairman of the Subcommittee, also said earlier that the scrutiny had been completed in great haste. I wish that in the future, it can be If the facilities related are to be implemented again, I will again remind the Secretary that if he has decided on a commencement date, please allow the Legislative Council to have ample time for scrutiny, then, we will not be thrown into chaos, having to rush through the scrutiny schedule. Of course, although we are quite rush, we will still scrutinize the imposition of the levy concerned seriously.

As we all know, some colleagues just now mentioned how recovery should be put into practice. Regarding tax, I believe the Government's goal should not be collecting more tax, but environmental protection instead. However, if extra tax is collected, we have actually proposed if this special levy can be put to special use, namely subsidizing the recovery industry and recovery projects. I wish the Government can consider this seriously because if the tax collected goes into the Government's big treasury, to be mixed and used with the other revenue, this will give an excuse for criticizing the Government of lacking commitment, and of simply imposing this levy for increasing government revenue. We hope that the Government can at the same time do more in respect of recovery. I also hope that the Government can make reference to overseas experience and

consider enacting legislation to make it mandatory, as well as putting in place some incentives, for example, recovery of clean plastic bags. We have read some information, for example, in California, there is legislation requiring large shops to provide recovery facilities for collecting plastic bags, and so on. I believe the Government can consider this.

Lastly, I would like to say that some colleagues earlier questioned why discussions in the Subcommittee were relatively long. I was not in the Legislative Council in the last term, I do not know if this year, the implementation of For instance, when this levy is imposed on supermarkets and department stores and a third party is to be exempted, this is quite a headache. To facilitate business operation, if the PBT can ultimately be fully implemented, this problem of course will not exist. Therefore, when can there be full implementation When it is actually implemented, what impact will it have on the operation of the entire business sector? We hope that you can have more communication with the business sector. With the PBT, the Government has only made a small step. It is hoped that the Government can implement as soon as possible the charges which have to be imposed on the other materials under the Product Eco-responsibility Ordinance. I hope the Government can come up with a comprehensive plan. Thank you, President.

MR ALBERT CHAN (in Cantonese): President, the League of Social Democrats (LSD) basically opposes this Regulation today, but it does not mean that the LSD does not support environmental protection. The LSD supports the environmental protection policy clearly and with great determination. The legislation to be passed today fails to reflect its actual effect in protecting the environment. Much has been said but little done. It bears the name of environmental protection but fails to live up to it. Having come under criticism and pressure for years, not only has the Government failed in improving air quality, but it has also failed to achieve the separation and recovery of household waste. Having achieved nothing, it reluctantly introduces a piece of legislation and a policy which appears to be very useful to protecting the environment to skim, mislead and dupe the people.

Let us take a look at the present so-called plastic bag tax (PBT), which is absolutely far from effective. I would like to point out that apart from supermarkets, a lot of trades are not included. The most ridiculous point is the Government has turned down the request of the newspaper vendors for coverage

by the PBT. President, the amount of plastic bags used by newspaper vendors is several times more than that used by supermarkets. Based on the estimation by the newspaper vendors alone, 1 million plastic bags are used daily — President, we are talking about 1 million. The newspaper vendors asked the Government to include them in the coverage of the PBT to save them from distributing plastic bags further in order to save some money, but it was turned down by the Government. So, we can see that this policy is absolutely ridiculous. Some trades do not want to be included but the Government sticks to its own course; and yet for a trade which uses 1 million plastic bags daily, the Government refuses to cover it. In fact, the newspaper vendors only wish that the Government can impose the levy soon so that they can cut their cost, without having to give away plastic bags while selling newspapers. Thus, this matter alone fully reflects the flaw of the whole policy.

President, another point is related to the environmental protection policy. All these years — over a decade — I have been talking about many blunders of environmental protection policies in this Chamber, with the separation of garbage in particular. Let us take a look at Taiwan, with Taipei in particular. Under the leadership of two mayors, the separation of garbage for the whole of Taipei has undergone drastic changes. I remember in the early 1990s — we in fact visited Taiwan towards the end of the 1980s for inspection. The purpose then was to study their election but we also took the opportunity to study their policies. When we visited Taipei towards the end of the 1980s, the place was very dirty, and there was absolutely no garbage recovery and separation. In a trice, some two decades have passed and the garbage separation for the whole of Taipei can become the world's model. Not only do they separate the dry garbage from the wet, but also, they are extremely successful in separating solid waste for disposal and in restricting the use of plastic bags. The environmental protection awareness of its people is also very strong. Many Taiwanese, especially driven by the women bodies of Taiwan, will bring their own chopsticks and spoons when dining out. As a result, the use of wooden chopsticks has been reduced, which is conducive to environmental protection.

However, Hong Kong can be said to be moving at a snail's pace in this respect, making no progress in the last decade. If the Government continues to fail to formulate a systematic and effective way to tackle the separation and recovery of garbage, a lot of opportunities will be wasted. The Government will definitely say that it has already put in place many "three-coloured bins" but very often, those "three-coloured bins" are only for decoration purposes, with not

much practical use. So long as the Government refrains from resorting to legislative means to compel the separation and disposal of garbage, many "three-coloured bins" will only be decorations for window-dressing, which cannot be practically used for effective separation of solid waste. Moreover, so far, there is no separation of dry and wet garbage, making it a crushing failure because many places overseas have commonly separated dry and wet garbage for disposal.

Another reason for our opposing this legislation is that while the Government has imposed a lot of restrictions on the people, it itself is using a large quantity of plastic bags. For two years in a row, I have been making enquiries about the annual amount of plastic bags used by the Government, which is standing high at 4 million to 5 million. The use of large plastic garbage bags is also quite a waste. If Members have paid attention to both sides of the roads, they will notice that. I always visit the countryside and have seen this many times. I see it often and even recently. Not long ago when I drove past Tung Chung, I saw staff from the Highways Department working in the new town clearing fallen leaves, withered branches or withered leaves and branches left behind after pruning, and putting all these in some large, big plastic bags. In other words, while disposing of natural waste, they are wasting hundreds of large, big plastic bags. This is also a kind of waste that will damage the environment. However, the Government will not penalize itself. This attitude is absolutely unacceptable. How can the Government encourage environmental protection on the one hand, asking the people not to use plastic bags but resort to reusable bags as far as possible, while causing such waste on the other?

Three decades ago when I was in Canada, the local government had already switched to using bins and trucks to transport such natural garbage for disposal at a certain place when clearing leaves, for subsequent use as fertilizers or compost. Regional governments overseas have been doing so since three decades ago but up to now, the Hong Kong Government is still abusing plastic bags. Since the Government is also abusing plastic bags, how can it be qualified to compel the public to cease using plastic bags? Thus, this attitude of the Government must be criticized and we have to oppose this legislation by means of protest to reveal the apathetic and hypocritical side of the Government.

President, the last point is about tax. When drawing up the method of imposing the sales tax, it is in fact imposed as a kind of regressive tax. To the grassroots, those low-income earners in particular, a regressive tax is absolutely

unfair. When the same \$0.5 is collected, it means nothing to Mr LI Ka-shing but to an elderly on CSSA, the amount is very large. As this tax regime is unjust and unfair, we must oppose it. To promote environmental protection, the use of plastic bags should be totally banned. We cannot say that some people are well-off, so they do not mind spending \$0.5 and can neglect the cause of environmental protection, but a poor family has to abide by this provision on environmental protection because it is forced to pay the levy. This is class discrimination which allows the wealthy to be tyrants. They have the money and can have things their way. So long as they can pay, they can continue to pollute the environment carelessly. Just like motor vehicles, so long as a person has the money to buy a car with a large capacity, they can pollute the environment. As class discrimination exists in the environmental protection policy of the Government, the LSD will clearly and resolutely oppose it.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for the Environment to reply. This debate will come to a close after the Secretary for the Environment has replied.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, first, I have already listened to the views expressed by many Members on this Product Eco-responsibility (Plastic Shopping Bags) Regulation. In fact, given that most of the questions raised by Members may probably have been discussed in the meetings of the Subcommittee on Product Eco-responsibility (Plastic Shopping Bags) Regulation and those of the relevant committees, I do not intend to give a detailed response to each of them here. On the coming Monday, the Panel on Environmental Affairs will convene a meeting to discuss the issue of waste treatment and for that reason, President, I believe there will be an opportunity for me to respond to each of the questions raised by the Members. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for the Environment be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr WONG Yuk-man rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Yuk-man has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Albert HO, Dr Raymond HO, Mr Fred LI, Dr Margaret NG, Mr CHEUNG Man-kwong, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Dr Philip WONG, Ms Miriam LAU, Ms Emily LAU, Mr TAM Yiu-chung, Mr Abraham SHEK, Mr Tommy CHEUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Alan LEONG, Mr WONG Ting-kwong, Prof Patrick LAU, Mr KAM Nai-wai, Ms Cyd HO, Mr CHAN Hak-kan, Mr Paul CHAN, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr CHEUNG Kwok-che, Mr WONG Kwok-kin, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP, Dr PAN Pey-chyou and Dr Samson TAM voted for the motion.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 39 Members present, 35 were in favour of the motion and three against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

NEXT MEETING

PRESIDENT (in Cantonese): Members have persevered in the face of the hard work and sit for more than 15 consecutive hours, so as to finish all the Agenda items. I now adjourn the Council until 11.00 am on Wednesday, 29 April 2009.

Adjourned accordingly at five minutes past Two o'clock in the morning.

Appendix 1

REQUEST FOR POST-MEETING AMENDMENTS

The Secretary for Constitutional and Mainland Affairs requested the following post-meeting amendment

Line 5, fifth paragraph, page 252 of the Confirmed version

To amend "..... October 2008" as "..... December 2008"
(Translation)

(Please refer to line 8, second paragraph, page 6677 of this Translated version)