

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 17 June 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 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 WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

MEMBERS ABSENT:

THE HONOURABLE 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 VINCENT FANG KANG, S.B.S., J.P.

PUBLIC OFFICERS ATTENDING:

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

THE FINANCIAL SECRETARY

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

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

SECRETARY FOR FOOD AND HEALTH

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

SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.

SECRETARY FOR LABOUR AND WELFARE

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

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

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

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

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS VIVIAN KAM NG LAI-MAN, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

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

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

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>
Public Health and Municipal Services (Setting Aside Places for Use as Public Pleasure Grounds) (No. 2) Order 2009	124/2009
Public Health and Municipal Services Ordinance (Amendment of Fourth Schedule) (No. 2) Order 2009	125/2009
Declaration of Increase in Pensions Notice 2009	126/2009
Widows and Orphans Pension (Increase) Notice 2009.....	127/2009

Other Papers

Report of the Bills Committee on Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009

Report of the Bills Committee on Dutiable Commodities (Amendment) Bill 2009

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Sanitary Facilities in Public Toilets in Government Premises

1. **MR ALBERT CHAN** (in Cantonese): *President, I have learnt that most of the toilets in the venues under the Food and Environmental Hygiene Department, Leisure and Cultural Services Department, Agriculture, Fisheries and Conservation Department and Housing Department as well as most of those in various Government Offices do not have facilities such as automatic sensor water taps, automatic sensor or manually-operated soap dispensers and electric hand dryers. Quite a number of members of the public have relayed to me that such toilets have a rather heavy flow of people but do not have the aforesaid sanitary facilities, and they are worried that diseases spread easily through these toilets. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of toilets without the aforesaid sanitary facilities, as well as the respective percentages of such numbers in the total number of the toilets in the aforesaid venues, broken down by government department and the type of sanitary facility;*
- (b) *of the reasons for not installing such sanitary facilities in these toilets; and*
- (c) *whether it will expeditiously install such sanitary facilities in these toilets, so as to reduce the chance of diseases spreading; if it will, of the timetable; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, sensor-activated hand-washing facilities are convenient to use, and can effectively prevent re-contamination of washed hands as there is no need for direct contact with hand-washing facilities. However, in considering whether sensor-activated hand-washing facilities should be installed, we have to take into account a variety of factors, including physical constraints, technical feasibility, system reliability, and installation and maintenance costs. In fact, according to the latest Guidelines on Hand Hygiene in Health Care issued by the World Health Organization in May this year, manually-operated taps are considered the optimal standard within health-care settings to ensure a continuous water supply. Meanwhile, when sensor-activated hand-washing facilities break down, users will not be able to complete the hand-washing procedure, therefore these facilities may pose more serious hidden health risks. The reply to each part of the question is set out below:*

- (a) The vast majority of the public toilets under the management of the Food and Environmental Hygiene Department (FEHD), Leisure and Cultural Services Department (LCSD), Agriculture, Fisheries and Conservation Department (AFCD) and Housing Authority (HA) and of the visitors' toilets in Government joint-user office buildings under the management of the Government Property Agency (GPA) are provided with basic and up-to-standard hand-washing facilities, including sensor-activated or manually-operated taps, liquid soap or hand sanitizers, and hand dryers or paper towels. The number of public toilets without sensor-activated taps, sensor-activated or manually-operated soap dispensers or electric hand dryers, and their percentages in the total number of public toilets are set out in the table attached to the reply.

- (b) and (c)

The constraints of sensor-activated hand-washing facilities have been mentioned above. In fact, the spread of disease can also be prevented if the manually-operated hand-washing facilities are used properly, such as wrapping the faucet with paper towel or splashing water to clean it before turning the tap off. In addition, the provision of elbow- or foot-activated taps in some hospitals also helps prevent direct contact with hand-washing facilities by hands.

At present, toilets under the management of the FEHD which are not equipped with sensor-activated taps, manually-operated soap dispensers or electric hand dryers are mainly flushing toilets converted from aqua privies in earlier periods or aqua privies yet to be converted into flushing toilets. Since 2000-2001, these hand-washing facilities have already been provided in newly built, reprovisioned or refurbished toilets (including those in the public markets and other venues of the FEHD) as well as flushing toilets converted from aqua privies. To step up disease prevention efforts, the FEHD has already installed hand sanitizers at all of its public toilets and aqua privies.

Public toilets under the management of the LCSD, AFCD and HA as well as visitors' toilets in Government joint-user office buildings under the management of the GPA have been provided with the

basic and up-to-standard hand-washing facilities, including sensor-activated or manually-operated taps, liquid soap and electric hand dryers or paper towel. To better protect public health, the departments concerned will clean and disinfect the public toilet facilities regularly.

While the provision of appropriate hardware facilities is important, adopting good hygiene practices and raising personal hygiene awareness are also indispensable in the fight against the spread of disease. In particular, the proper hand-washing procedure is the key to maintaining personal hygiene. In this respect, the Department of Health has been promoting the proper hand-washing procedure to the public through announcements of public interest on television and radio, posters, pamphlets, booklets and webpage, and so on. In view of the global and local situation of human swine influenza, the Administration sent a booklet entitled "Keep Clean, Be Healthy" to all households in Hong Kong in May this year, reminding members of the public of the guidelines on personal and home hygiene, including the proper hand-washing procedure.

We consider that all public toilets should be equipped with basic and up-to-standard hand-washing facilities, including sensor-activated or manually-operated taps, liquid soap or hand sanitizers, and hand dryers or paper towels. As such, we plan to gradually provide these hand-washing facilities in those public toilets without such facilities during the refurbishment and maintenance works. For instance, in building new toilets, reprovisioning or refurbishing the existing toilets and converting aqua privies into flushing toilets, the FEHD will install infra-red sensor-activated taps, soap dispensers and electric hand dryers whenever the circumstances permit. Toilets in the public markets and other venues managed by the FEHD will also be provided with such facilities under the regular maintenance and repair programmes. Currently, about 20 public toilets are refurbished by the FEHD each year. Besides, the FEHD has been implementing a programme to convert aqua privies into flushing toilets since 2005, with the aim to convert all aqua privies into flushing toilets by 2012-2013.

Annex

	FEHD		LCSD		AFCD		HA		Government joint-user office buildings under the management of the GPA	
	No. of toilets (1 033)	Percentage out of the total number of toilets managed by FEHD	No. of toilets (2 143)*	Percentage out of the total number of toilets managed by LCSD	No. of toilets (60)	Percentage out of the total number of toilets managed by AFCD	No. of toilets (237)*	Percentage out of the total number of toilets managed by HA	No. of toilets (136)	Percentage out of the total number of toilets managed by the GPA
Without sensor-activated taps	662	64.1%	1 577	73.6%	59	98.3%	227	95.8%	129	94.9%
Without sensor-activated or manually-operated soap dispensers	366 [#]	35.4%	0	0%	2	3.3%	0	0%	0	0%
Without electric hand dryers	390	37.8%	27	1.3%	38	63.3%	97	40.9%	4	2.9%

Notes:

* The total is arrived at by adding together the numbers of male toilets, female toilets and disabled toilets which are counted separately.

Hand sanitizers have been installed at all public toilets and aqua privies managed by FEHD.

MR ALBERT CHAN (in Cantonese): *President, there are 2 595 toilets without sensor-activated taps, 368 without liquid soap and 556 without electric hand dryers in Hong Kong, whereas each day, hundreds of thousands of members of the public have to use these toilets without basic sanitary facilities. Among various government departments, generally speaking, the most unhygienic one is the FEHD, that is, the department headed by the Secretary. As the Secretary given charge of hygiene matters who often suggests that the public wash their hands, the department headed by him is, ironically, the most unhygienic. Those toilets which are the most unhygienic and in which one is most likely to be infected by germs are managed by the department headed by the Secretary. Does the Secretary not feel ashamed of this?*

President, that there are so many toilets without even such basic things as liquid soap is really a mighty joke. Although the Government has a surplus of billions and even tens of billions of dollars, the Government would rather hand out money than do a proper job on putting in place these basic facilities. In the main reply given by the Secretary, he did not mention at all a timetable for installing these basic facilities in toilets. I am not going to wrangle with the Secretary over the installation of sensor-activated taps anymore because it would even be better if the foot-activated taps used by the HA can be adopted. However, concerning the provision of two kinds of basic facilities, that is, liquid soap and electric hand dryers, can the Secretary provide a timetable to us and tell us when the FEHD headed by the Secretary will do the work in this area properly? Can he tell me when the job will be done?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I have said in my main reply that when carrying out refurbishment or reprovisioning, we will sort out these facilities at the same time. Therefore, we can see that at present, particularly during the prevailing high-risk period of human swine influenza, these additional disinfection facilities are provided in all public toilets. As regards sensor-activated facilities, as I explained just now, it is not necessary for all facilities to have automatic sensors but we will provide all basic facilities by all means. At present, many toilets have attained this standard and we wish to do our best in this regard. As regards the conversion of aqua privies into flushing toilets, we have set the target of replacing all aqua privies by 2012-2013.

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

MR ALBERT CHAN (in Cantonese): *President, I am not just asking about aqua privies. At present, no liquid soap is available in 366 toilets managed by the FEHD and in 390 toilets*

PRESIDENT (in Cantonese): Please simply repeat the part which the Secretary has not answered.

MR ALBERT CHAN (in Cantonese): *May I ask the Secretary when liquid soap and electric hand dryers will be provided in these several hundred toilets and when this will be done? Can the relevant timetable be provided to me?*

PRESIDENT (in Cantonese): Are you asking the Secretary when liquid soap and hand dryers will be provided in public toilets?

MR ALBERT CHAN (in Cantonese): *Is the Secretary so incompetent that he cannot even provide a timetable?*

PRESIDENT (in Cantonese): Secretary, the Member is asking about the timetable for the provision of liquid soap and hand dryers.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, let me tackle it from two aspects. On liquid soap, of course, we can provide it as soon as possible but the installation of electric hand dryers depends on whether the location concerned is indoors or outdoors. As I said just now, in an outdoor environment, the installation of electric hand dryers may not be the best option because this may lead to such safety problems as electricity leakage. In an indoor environment, we will do this as far as possible. If it is not possible to install electric hand dryers, we will provide paper towels.

MR WONG YUNG-KAN (in Cantonese): *Since sensor-activated taps are very useful and can reduce contact, may I ask the Government what measure it will take to do a faster and better job of this? Just now, Mr Albert CHAN asked about the timetable. May I also ask if this timetable will also cover mobile toilets apart from aqua toilets? At present, there is no flushing water in some toilets. How is the Government going to solve this problem?*

PRESIDENT (in Cantonese): Will you please just ask one supplementary clearly?

MR WONG YUNG-KAN (in Cantonese): *Just one supplementary. I support the Government's measure but I hope it can expedite its work. In some government buildings, this kind of sensor-activated systems has not yet been installed. Will the Government expedite the relevant installation works?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we will install sensor-activated facilities if the setting so permits. However, I have to point out again that even if the facilities are not sensor-activated, manual operation is just as effective. I can also see that the facilities in the washrooms of the Legislative Council are also manually operated rather than sensor-activated but they are just as effective. I believe that the most important point is whether or not they are actually used. Therefore, I think this is not a very pressing issue whereas liquid soap and hand drying facilities are essential. Just now, I have given Members the reply that we will surely provide these essential facilities as soon as possible.

I also wish to reply in passing to the question about aqua privies, in particular, due to the issue of power supply, it may not be possible to carry out all the work mentioned just now. In addition, there is also the problem of water supply, but we will still try our best. We believe that temporary toilets should not be used in places requiring the longer-term use of toilets, instead, flushing toilets should be used. However, if additional toilets have to be used due to the organization of events, this kind of temporary toilets should be used. We have also considered the need to provide hand-washing facilities outside these toilets for people using these toilets.

PROF PATRICK LAU (in Cantonese): *President, may I ask the Government why there is not even any toilet roll in the cubicles inside toilets? This is very inhumane. (Laughter)*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I also agree that it is very inconvenient if there is no tissue when one is using the toilet, but we have to consider carefully whether or not this is inhumane. Of course, since the toilets in the countryside are not heavily utilized, the frequency of inspection is

also not very high. As a result, sometimes, there may be some oversight but we will do our best.

However, it is most imperative that the public must make it a point not to use a large quantity of tissue when using these toilets. I think that this is the bad habit of some people — I am not saying that this is the habit of a lot of people. In the past, I was responsible for the management of toilets in hospitals and before you know it, the toilet rolls were used up very quickly. This is an issue of civic spirit. We can also provide bigger toilet rolls that cannot be removed easily to ensure the continuous supply of tissue in toilets. We will keep the issue under watch.

MR FRED LI (in Cantonese): *President, the main reply of the Government says that electric hand dryers are not installed in 556 of the toilets provided by the Government. This is not a small number and I believe that of course, there is no paper towel either. I have been to many public toilets. Just now, Prof Patrick LAU pointed out that even tissue was not available, never mind any paper towel. Have Members ever noticed and wondered why the floor of public toilets is always wet? Because after members of the public have washed their hands, they would just fling their hands and let the water fly onto the floor. I wonder if the Secretary has been to these toilets. From time to time, I would go to toilets to make inspections. The reason for the wet toilet floor is none other than the lack of hand drying facilities for people who have washed their hands. Can the Secretary consider this issue seriously? The reason for the wet, slippery and dirty floor in toilets is the lack of hand-drying facilities. The authorities must conduct a comprehensive review as soon as possible and study the provision of additional paper towels or electric hand dryers, so as to prevent toilet floors from continuing to be wet and slippery.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I must point out that if the setting permits, we will provide electric hand dryers as far as possible because on the one hand, this is more environmentally-friendly as it would obviate the need to use a large quantity of paper towels; and on the other, it can also be ensured that the public can still dry their hands even if someone takes all the paper towels away. I believe that sometimes, there is such a need in

public toilets. We will consider the provision of paper towels only at locations where it is not possible to install hand dryers.

MR CHEUNG HOK-MING (in Cantonese): *Just now, many Honourable colleagues talked about liquid soap. In fact, we dare not even ask for sensor-activated dispensers because in the New Territories, there are still a lot of aqua privies that stink to high heaven. The Secretary said in the main reply that a programme to convert aqua privies into flushing toilets had begun in 2005 and it would be completed by 2012-2013, taking eight years in all. I notice that these are all minor works. Can the Secretary urge the Government to compress these projects taking eight years into four or five years, as doing so would be more appropriate?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I remember that after I had joined the Government, one of the measures that I believed had to be taken was to replace all aqua privies. Members can see that under our programme, it is hoped that all projects will be completed by 2012-2013, that is, all the projects have to commence next year, that is, in 2010. At that time, we already compressed the figures and wanted to complete the work within a very short period of time. Of course, in some places, some other approaches may have to be taken due to issues like land ownership, complementary drainage facilities or power supply. However, I also agree that each project is small in scale and the cost ranges from some \$1 million to \$2 million or \$3 million. We will proceed as quickly as possible and currently the latest implementation dates have been compressed to 2010-2011 and all the projects will probably be completed a year later. I hope that with this speed, we can solve the problems that we have all along been concerned about and we also hope that local residents can co-operate with us as far as possible in the selection of suitable locations for the relocation of aqua privies.

PRESIDENT (in Cantonese): Five Members are still waiting to ask questions, so Members are really concerned about the pressing needs of the public. *(Laughter)* However, due to the time constraint, I can only allow one more Member to raise a supplementary.

MR IP WAI-MING (in Cantonese): *We are all concerned about the pressing needs of the public. Often, we can read some survey reports pointing out that the dirtiest spots in toilets are the door handles, that is, the door handles that people hold when entering toilets are the dirtiest spots because some people may open the doors and leave without washing their hands after using the toilet. May I ask the Secretary if there is any plan to improve the design of toilets by installing automatic doors or entrances with screens, so that the public do not have to touch any door handles when entering toilets?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we can all see that in some countries or places, the entrances to toilets are not fitted with doors and only two screens are installed, so there is no need to push open any door on entry or exit. I think that this arrangement can be considered if the design permits. Perhaps let me talk about my own habit. I always carry a bottle of disinfectant and after touching doors or places that I consider dirty, I would use the disinfectant to wipe my hands. In fact, this applies not just to contact with the doors of toilets. Sometimes, we should do so in crowded places or on occasions when we have to shake hands frequently. Of course, we cannot make everything perfect but we hope that we can do this as far as possible.

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

MR IP WAI-MING (in Cantonese): *I asked the Secretary if he has any plan to improve the design of public toilets or if the Government will organize a toilet design competition*

PRESIDENT (in Cantonese): I think this is a new supplementary. *(Laughter)* I will see if the Secretary has anything to add to the question raised by Mr IP.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I will consider the suggestions made by Members just now.

PRESIDENT (in Cantonese): Second question.

Rural Schools

2. **MR LAU WONG-FAT** (in Cantonese): *President, regarding rural schools, will the Government inform this Council of:*

- (a) *the number of rural schools in Hong Kong in their heyday and, among them, the number of those which have been closed due to under-enrolment;*
- (b) *the number of rural schools which are still in operation at present and, among them, the estimated number of those which will cease operation in the coming two years; and*
- (c) *the government department(s) responsible for the structural safety and maintenance of the vacant premises of the rural schools which have ceased operation?*

SECRETARY FOR EDUCATION (in Cantonese): President,

- (a) As far as school registration is concerned, the Education Bureau does not register schools specifically as rural schools. "Rural schools" are generally referred to those schools situated in remote rural areas which provide education for village children in the vicinity. These schools were mostly built in the early 1950s when primary education was not yet widely accessible. Compared with schools built in recent years, the facilities of these rural schools are far below the present standard. Many rural schools have only a few classrooms and in early years, some of them operated combined classes, that is, arranging pupils of two or more class levels for lessons in the same classroom.

Based on the above understanding and according to the Bureau's record, there were 103 rural schools in Hong Kong in 1997. Since then, 82 of them have ceased operation, among which 39 were

closed under the policy of "Consolidation of Under-utilized Primary Schools".

- (b) At present, there are 21 rural schools still in operation. One of them will cease operation in September 2009.
- (c) The management and maintenance responsibility of the vacant school premises rest with the owner of the sites where the school premises are located. If the vacant premises of a rural school are situated on private land or land still covered by a land licence or a short-term tenancy, the management and maintenance responsibilities will lie with the land owner, the licensee or the tenant of the short-term tenancy. If the vacant premises of a rural school have been taken over by a government department for alternative uses, they will be managed and maintained by the department concerned. As regards vacant premises repossessed by a District Lands Office (DLO), the land concerned will be managed by the Lands Department (LandsD) in accordance with the prevailing land administration practices. If structural safety problems are found, the relevant DLO will take appropriate follow-up action.

MR LAU WONG-FAT (in Cantonese): *Apart from deviating from the villagers' original intent of building schools on donated lands, vacant school premises have also brought other problems. In regard to these vacant school premises, will the Government consider surrendering the lands to the land owners or their lawful successors?*

SECRETARY FOR EDUCATION (in Cantonese): If the school has ceased operation for various reasons, no matter the land was privately owned or not, it would have become Government land after it was given to the Administration by the land owner. For this reason, the procedure of disposal will be the same as those cases involving Government land. The Government will not return donated land to its original owner.

DR LAM TAI-FAI (in Cantonese): *President, according to the Secretary's reply, more than 80 of these rural schools have ceased operation. I understand that as a result of lack of management, many rural schools are at present weedy and worn. Will the Government consider redeveloping these vacant rural schools into sitting-out areas for the purpose of providing rural or community facilities?*

SECRETARY FOR EDUCATION (in Cantonese): It depends on the location of the school. If the vacant school premise is situated on Government land, the Government will act in accordance with the prevailing land administration practices. In the long run, the long-term land use will be leased in accordance with our planning. Before it is permanently granted, taking into account the need and situation of the district, the Government will grant the land of the vacant premise for temporary use, including leasing on short-term tenancy. Proposals on the land use put forward by the District Council or other organizations can be submitted to the Government for consideration.

However, if the land on which the vacant school premise is located is privately owned, and the owner of the private land wants to alter its land use, he can approach the Planning Department or LandsD to enquire if the new land use conforms to the planned use and the lease conditions. The Government will handle it accordingly.

MR ALBERT CHAN (in Cantonese): *President, the Government's school policy is very unfair to schools in remote communities. For instance, some years ago, a secondary school in Tai O was nearly culled. Also, a secondary school of the Mui Wo Heung Yee Kuk was culled by the Education Bureau due to under-enrolment as a result of demographic changes, which in turn led to the recent incident of the Zheng Sheng Colleague.*

As the culling of schools has led to a series of problems, will the Secretary consider helping residents living far away from urban areas and other school districts, such as making special arrangements in accordance with the number of population and students? The authorities should not rigidly apply an across-the-board policy to all schools, forcing students living in remote areas or other school districts to take a four-hour journey to go to school as a result of

school culling. Will the Secretary consider taking into account the special needs of the districts and reviewing the criteria for school culling?

SECRETARY FOR EDUCATION (in Cantonese): I think Members must understand that the situation mentioned by Mr CHAN always happens when the development of a new town is freshly completed. However, over the past decades, the Government has developed a number of major new towns in the New Territories, and some towns smaller in scale have also been built in other rural areas. Therefore, following the completion of these development plans and the growth in population, improvements have been seen in our infrastructure facilities, especially in education for new school premises are also completed. These new schools are better equipped to cater for the needs of local residents. Some places might be considered remote in the past, but as a result of such developments, now, there has been significant improvement in schooling.

For this reason, the situation by Mr CHAN is not so often seen now. Certainly, I cannot say that there is no such case, but we still have a considerable number of rural schools to meet the demand in this area. With more and more new schools constructed, we can gradually phase out these rural schools.

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

MR ALBERT CHAN (in Cantonese): *The Secretary has not answered my supplementary question. I have quoted two examples in the remote areas, namely Tai O and Mui Wo. The secondary school of Mui Wo Heung Yee Kuk has been culled, and the one in Tai O was nearly culled earlier for changes in the number of students. May I ask the Secretary, in culling schools in such remote areas as Tai O or Mui Wo, whether the Government will apply the general criteria for the territory as a whole, or it will give special consideration to the special circumstances of remote areas like Tai O and Mui Wo? I want to know if he will make special consideration.*

SECRETARY FOR EDUCATION (in Cantonese): I want to take this opportunity to clarify that the Government does not have any policy on school culling. In other words, we have no target number of schools to be closed. As a result of a decrease in the enrolment rate, schools are forced to cease operation due to under-enrolment.

In the example of Mui Wo, it is exactly the case. With the development of the Tung Chung New Town, a number of new schools have been built, so children on Lantau or in other places are attracted to schools in Tung Chung, including those who used to go to the school in Mui Wo. The significant drop in the enrolment rate in Mui Wo led to the problem in this respect.

As for Tai O, as it is even more remote, we will retain the rural school as circumstances warrant.

MR WONG KWOK-KIN (in Cantonese): *I wish to follow up the question raised by Mr LAU Wong-fat just now. According to the Secretary, once the school ceased operation, the land concerned would not be returned to the land donors. However, when the land owner donated the land, the original intent was to sponsor a school, so if the Government alters its use after it has ceased operation, would it mean disrespect to the original intent of the land donor? In considering altering the land use, will the Government consult the donors or their descendants?*

SECRETARY FOR EDUCATION (in Cantonese): Regarding land title, once the land is donated, it is clear that the land title will be donated at the same time. We understand the donors' wishes in donating the land for the purpose of education. As for vacant school premises, we will first identify other suitable uses, such as operating training centres for teachers or civic education centres. These proposals will be given priority.

If no suitable proposal is available, the vacant school premises may be temporarily used by schools undergoing reconstruction. We will give priority consideration to short-term use compatible with education purposes.

If no one makes a request in this area, we will consider other alternatives. For instance, as mentioned in the main reply, we will have to consult the views of the Heung Yee Kuk or district council on the possible use. However, if the proposed usage is not related to education, we will consult the views of stakeholders.

MR CHEUNG MAN-KWONG (in Cantonese): *The Government does have a policy on school culling. According to part (a) of the main reply, 39 primary schools ceased operation under the policy of "Consolidation of Under-utilized Primary Schools", they were in fact culled. He was trying to make it sound better by saying so. Did they cease operation on their own accord? If they did not, they were culled by the Government.*

My supplementary question is related to the 21 rural schools still in existence. These schools can survive under the school culling policy because they are either located in remote areas or on outlying islands and are therefore unable to be replaced. For these schools which are still in existence and in demand, will the Government consider relaxing the minimum enrolment criterion of 16 students, and improving the facilities of these rural schools, so that students can receive quality education in rural schools nearby without having to travel a long way?

SECRETARY FOR EDUCATION (in Cantonese): As Mr CHEUNG said, we are facing villages with a genuine need for these rural schools. If there is a sufficient number of students, we must maintain their operation.

As to where the line should be drawn, it depends to a great extent on the special circumstances of the village and how far it is from the nearby school. We will strive to minimize the inconvenience caused to villagers.

PRESIDENT (in Cantonese): Mr CHEUNG, which part of your supplementary question has still not been answered?

MR CHEUNG MAN-KWONG (in Cantonese): *The Secretary has not answered whether he would undertake to relax the minimum enrolment criterion of 16 students for rural school?*

SECRETARY FOR EDUCATION (in Cantonese): The minimum enrolment criterion of 16 students is not a factor in my consideration. Perhaps I will go back and discuss with my colleagues, then I would provide a reply in writing. (Appendix I)

MR CHEUNG HOK-MING (in Cantonese): *President, according to the main reply of the Secretary, since 1997, 82 of the 103 rural schools have ceased operation. As a result, as many colleagues pointed out, these school premises are now weedy. Does the Secretary know that, if these premises are put to other uses, the procedure involved is very cumbersome? First of all, the Education Bureau will have to surrender the land to the LandsD before it is leased and recommendation of other organizations is identified. May I ask the Secretary if the Government or the Education Bureau will consider streamlining the cumbersome procedures? For instance, will the Government consider inviting applications and making approval once the school has ceased operation?*

SECRETARY FOR EDUCATION (in Cantonese): Certainly I hope the procedures can be streamlined as far as possible, but we must bear in mind that these are assets. If the school that has ceased operation is situated on Government land, it is government property and clear procedures must be followed. Besides, interested parties should be given the opportunity to use these premises for organizing activities, and it takes time to inform them. As such, we cannot streamline the procedure to such an extent that as long as there is an applicant coming forward, approval will be granted. There are certain procedures to complete. As we all know, if there are other parties interested in using the land, we must provide them with equal opportunities.

DR PRISCILLA LEUNG (in Cantonese): *I believe the Southern District Secondary School mentioned in the recent Zheng Sheng College Incident was one of those schools culled by the Education Bureau. In 2006, I took a group of young aerospace fans to visit the school because one of their students was given*

an award in this area, and this type of school was rarely seen in Hong Kong. The school was facing a closure at that time. I and the district council wanted the school to be maintained. We did suggest exempting quality schools of a special nature from meeting the general criteria. However, notwithstanding heated debates in society, the school was culled nonetheless.

In retrospect, will the Secretary consider making any changes in the policy? Secondly, if the school serves special purposes, can we consider providing it with additional resources? For example, the school had its own planetarium which I believe was rather rare in Hong Kong. I went there personally and did a lot of lobbying, however, it was to no avail. I hope the Secretary can answer my question.

SECRETARY FOR EDUCATION (in Cantonese): President, the subject of the question today is rural schools, but the school in Mui Wo was a standard secondary school, not a rural school. For this reason, it falls outside the ambit of this particular question.

PRESIDENT (in Cantonese): Last supplementary question.

MR RONNY TONG (in Cantonese): *President, from the figure, we can see that nearly 80% of the rural schools have been culled. I was wondering why there was no comprehensive policy for the Education Bureau to deal with various problems arising from the culling of rural schools. Will the Secretary consider drawing up a comprehensive policy, including providing traffic subsidies to these students or giving them priority in enrolling at schools nearby, so as to minimize the problems encountered by parents of these students? I want to know why the Secretary has not formulated comprehensive measures.*

SECRETARY FOR EDUCATION (in Cantonese): Mr Tong must understand that, as a result of new town development in a number of places in the New Territories, some places which were previously considered remote are now very convenient. As such, most schools mentioned in the main question have ceased operation and are replaced by new schools which are better equipped and closer to their homes. Presently, villagers no longer have to travel far distances to go

to school. For this reason, rural schools located in some relatively remote areas as mentioned by Mr CHEUNG Man-kwong are maintained to save students the trouble of travelling a long way to school.

As such, our present policy is to maintain the rural schools if necessary. Currently, there are quite a number of such schools. Before they are replaced by new schools, we will maintain the operation of these rural schools.

PRESIDENT (in Cantonese): Third question.

Setting up a Temporary Explosives Magazine at Chung Hom Shan

3. **PROF PATRICK LAU** (in Cantonese): *President, the MTR Corporation Limited (MTRCL) has proposed to set up a temporary explosives magazine south of Chung Hom Shan for the construction of the South Island Line. I have learnt that there are residents in Southern District and members of the Southern District Council (DC) objecting strongly to such a proposal as they consider that the site for the magazine and the conveyance route of the explosives are too close to residential areas, thus posing a threat to residents' safety. Moreover, as the magazine is only 200 m away from satellite telecommunications facilities, the relevant company has raised its objection, and the Office of the Telecommunications Authority has also indicated that efforts must be made to ensure that the telecommunications facilities will not be exposed to any potential risk. In this connection, will the Government inform this Council:*

- (a) *given that the Mines Division of the Civil Engineering and Development Department (CEDD) has put forward the proposal that the site for the magazine is viable, of the justifications for the Division to put forward the aforesaid view despite objection from the Southern DC, as well as whether it knew beforehand if the Town Planning Board had already approved the planned use of the site adjacent to telecommunications facilities as explosives storage, as well as the relevant justifications for the approval; if it did not know, of the reasons for putting forward the aforesaid view;*
- (b) *whether the MTRCL has submitted to the authorities details of the design and operation of the magazine (including the daily schedule of conveying the explosives, the distance of the conveyance route and*

the residential areas it passes through), the risk assessment reports and environmental impact assessment (EIA) reports; if so, of the details; if not, the reasons for that; and

- (c) *whether it has studied other "people-based" proposals, including continuing to use the explosives magazine on Lantau Island or identifying another site (such as Shek O Quarry) which is more remote and far from residential areas to set up the explosives magazine?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the MTRCL has completed the preliminary design of the South Island Line (East) (SIL (E)), which is a medium capacity railway line measuring about 7 km and running between Admiralty and South Horizons. The construction works of the SIL (E) is currently planned to start in 2011 for commissioning no later than 2015.

Since certain sections of the SIL (E) will be built under the rock stratum, it is expected that tunnelling will be done by blasting, in association with other construction methods. At present, explosives supplied by the Mines Division of the CEDD are delivered daily by waterborne transport from the government explosives depot at Kau Shat Wan on Lantau Island to designated piers and then by land transport to various approved blasting sites or magazines. To ensure that the SIL (E) will be completed and commissioned on time, the contractors will have to carry out blasting twice a day for tunnel construction during the daytime and in the evening. Due to the fact that the Dangerous Goods Ordinance stipulates that shipping of explosives is not permitted at night-time and in the early morning, it is considered necessary to set up a temporary magazine site for the project.

In fact, explosive for tunnelling is very safe, as it will not explode by normal impact. Explosion has to be initiated by the detonator, which will trigger a series of air expansion to break up the rock stratum. The vibration then generated from blasting will last for a few seconds. The resulting peak particle velocity measured at sensitive receivers should not exceed the standard of 25 mm per second, or 25 vibration units. Take an example in our daily life, the use of percussion drilling tools during internal decoration in a household will cause a vibration of about 25 vibration units as well.

The MTRCL has currently proposed a remote site in Chung Hom Shan for setting up a temporary magazine for storing a small amount of explosives for tunnel construction and the site formation work under the SIL (E). The site is situated far away from residential areas. It is accessible by roads and relatively near the project construction sites at Nam Fung Road and Ap Lei Chau.

- (a) Before putting forward the proposed magazine site at Chung Hom Shan, the MTRCL has consulted relevant government departments concerned, including the CEDD, Planning Department, Lands Department and Environmental Protection Department (EPD). The Mines Division has no objection in principle for the MTRCL to conduct further study on the proposed site in its detailed design stage. Other government departments have raised no objection. For further planning of the blasting work, the MTRCL is required to conduct a quantitative risk assessment for the magazine, which forms a part of the EIA study report for the approval of the EPD. As regards the use of explosives, the MTRCL will also be required to carry out detailed blasting assessment and to submit the report for the approval of the CEDD. When the construction work commences, the contractor will be required to apply for a blasting permit before blasting work could proceed.

With respect to the proposed temporary magazine site, we have consulted the DC concerned. The DC understands and appreciates the importance of setting up of a temporary magazine site for the early completion of the project. Individual DC members have raised objection to the proposed magazine site at Chung Hom Shan. We will maintain our dialogue with the Southern DC, particularly the members concerned and the local residents, and explain our considerations as well as risk control and safety measures regarding the magazine and the transport of explosives, so as to alleviate the concerns of the members and the residents.

Given its temporary nature, the proposed magazine will not affect the long-term land use of the site. As stipulated in the notes to the Outline Zoning Plan, a site with temporary use, for less than five years, would not require the approval from the Town Planning Board.

- (b) As mentioned above, the proposed magazine site at Chung Hom Shan requires quantitative risk assessment to ensure storage, conveyance and use of explosives in a safe manner. The quantitative risk assessment report will be included in the EIA report which will be submitted to the EPD for approval and for public inspection.

The MTRCL will follow the requirements laid down by the Mines Division and, by reference to the safe distance required for the nearby residential area, determine the amount of explosives to be stored. The proposed site at Chung Hom Shan is about 250 m from Chung Hom Kok Road and more than 300 m from the nearest residential area. There is a slope of about 60 m high separating the proposed site and the residential area.

The MTRCL will provide two separate rooms, each with individual entrance/exit, for storage of explosives and detonators so as to reduce the chance of accidents. Moreover, the MTRCL will construct an earth bund of up to 2.7 m high, with a base of up to 3 m thick in the vicinity of the store. Inside and around the store, fire fighting and security installations will be provided. Moreover, security guards will be deployed 24-hours.

The explosives and detonators will be transported separately by different vehicles. As explosives have to be ignited by detonators, such an arrangement can further minimize the chance of accidents.

Before commencement of the construction work, the MTRCL is required to complete a detailed risk assessment on blasting for approval by the CEDD. The assessment has to include recommendations on risk control and safety measures for the usage, conveyance and storage of explosives to ensure compliance with the standards set out in the Dangerous Goods Ordinance (Cap. 295).

There is a long history of using explosives in construction works in Hong Kong. So far, there is no blasting accident in tunnelling, thus proving that the storage, conveyance and handling of explosives have been very safe.

- (c) Before putting forward the proposed magazine site at Chung Hom Shan, the MTRCL has considered the feasibility of various

alternative sites. After taking into account a number of factors, including the distance from nearby residential areas and the distance of the transportation route, the MTRCL considers the Chung Hom Shan site more preferable.

The MTRCL has also considered the site at Shek O Quarry as mentioned by Prof Patrick Lau. This site is farther from the blasting site and the longer haul route requires more time for transportation thereby resulting in higher risk. The MTRCL has considered the lower risk associated with the Chung Hom Shan site which is therefore more suitable for further assessment.

After more than a year of public consultation, the preliminary railway scheme has been fixed. We expect to gazette the project in mid-2009 for commencement of statutory consultation and to start the process of resolving objections. We will spare no efforts in completing the remaining assessment of the project. While complying with the statutory procedures, we will continue to press ahead with the project for early start of construction and completion.

PROF PATRICK LAU (in Cantonese): *President, on the issue of siting, given the narrow roads in the area of Chung Hom Kok and that some of the explosives is to be delivered by waterborne transport, has consideration been given to setting up temporary explosives magazines on the uninhabited outlying islands — many of which are located south of Hong Kong — as a more desirable option?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the current regulations stipulate that shipping of explosives via waterborne transport is not permitted at night and in the early morning. If we hope to achieve specific progress with the works, the contractors will have to carry out blasting twice a day. Therefore, it is necessary to set up a temporary magazine near the work site.

DR RAYMOND HO (in Cantonese): *President, in the early part of his reply, the Secretary stated that the SIL (E) is a medium capacity railway line measuring only 7 km. Now that a temporary explosives magazine has to be set up, and other large-scale railway works of longer distances (such as the Shatin to Central*

Link and the Guangzhou-Shenzhen-Hong Kong Express Rail Link) will be coming on stream, more tunnel blasting and rock removal works could be expected. Would a policy be established now for temporary magazines to be set up when a large amount of blasting work is required?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, every railway line has its own characteristics as per the plans. As far as this project is concerned, there is a rock stratum that requires blasting. Procedural requirements have to be met for every project, that is, a quantitative risk assessment report would be included in the EIA report before a decision is made and blasting risk assessment and other applications are conducted. Careful consideration would be given to the practical need of each project before decisions are made.

MRS REGINA IP (in Cantonese): *President, just now the Secretary explained to us that the Chung Hom Kok site is several hundred meters away from the residential area; however, she also mentioned that the route would be longer and the risk higher if conveyance had to be made to Shek O. In the complaints we received from the residents, there is the concern that though the Chung Hom Kok site is more remote, its conveyance route has to pass through Repulse Bay where traffic is often congested during summer. Could the Secretary explain how safety of the conveyance route could be ensured in such high temperatures?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, at the following two stages — in fact there are several stages, and now we are at the stage of quantitative risk assessment — a quantitative risk assessment report would be submitted by the MTRCL at the end of the year. In the blasting assessment and each subsequent application, the route and quantity of explosives conveyed would be subject to restrictions prescribed by the Mines Division. At present, in the course of conveyance, explosives and detonators would be conveyed separately and diesel vehicles will definitely be used as conveying vehicles (because diesel would only become ignitable when subject to high pressure), so there are safety requirements to regulate this. Explosives

must be placed inside wooden boxes to lower its inflammability, which is a proven practice that we have been since explosives have been used in a good many projects in Hong Kong, so the route and process of conveyance have to be approved by the Mines Division. Nevertheless, since Hong Kong is densely populated, the explosives conveyance routes unavoidably would have to pass through residential areas and roads. On the whole, however, with the various stringent regulations, storage and conveyance of explosives have been safe.

MR IP KWOK-HIM (in Cantonese): *In mentioning the issue of conveyance in her main reply, the Secretary said that the risk of accident with the Chung Hom Kok site would be relatively low while the risk with Shek O Quarry would be relatively high. I hope the Secretary can appreciate the concerns of the public. While Chung Hom Kok is in itself a residential area, the quarry is not a residential site. If a comparison has to be drawn, could an assessment be made of the impact of this factor? Certainly, when it was indicated by the Secretary that it is extremely safe, I believe we accept it for we feel the same way up till the present moment. Nevertheless, why is priority consideration not given to storage sites that are farther away from residential areas? In fact, the Mines Division is also of the view that the said site is a good location, which I reckon would not require a significantly longer haul route. Could the Secretary clarify once again this point?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, there are certainly a basket of factors in making assessments. At present, as I mentioned in my main reply, Chung Hom Shan is far away from the residential area and separated from it by a 60 m high slope. We must also strike a balance among a host of factors if other locations, such as the quarry or other sites, are to be chosen. The haul route may be 50% longer or even double if the quarry is chosen as the site. However safe the conveyance process itself is, having weighed the pros and cons, the risk would be relatively lower with a shorter distance. Hence, this seems to be a better solution.

MISS TANYA CHAN (in Cantonese): *In paragraph two of the main reply, we note that the explosives are delivered by waterborne transport to designated piers; however in the answer to different parts of the question in the main reply,*

we could in no way see where the designated piers are. Since it has also been mentioned by the Secretary that the haul route would possibly pass through residential areas, I am concerned about the haul route as well. Would the route from the designated pier to the magazine be fixed or changeable? Would consultation be conducted in respect of the haul route as well?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):

President, perhaps let me explain here, the bulk of the delivery work — that is, from Kau Shat Wan to the designated pier, and then to the magazine — is in fact not carried out by the MTRCL, but by the Mines Division for it is the regulatory body with expert experience. The pier on Hong Kong Island reserved solely for the use of the Mines Division has all along been located in North Point. It has its own specialized fleet of vehicle to deliver these explosives to different explosion sites. For example, delivery to all temporary magazines which would be set up in the Western District for the future West Island Line would be conducted by the specialized fleet of vehicles under the Mines Division, so only upon reaching Chung Hom Shan would the remaining delivery be taken over by the MTRCL.

PRESIDENT (in Cantonese): Miss Tanya CHAN, which part of your supplementary question has not been answered?

MISS TANYA CHAN (in Cantonese): *I asked whether there would be consultation on the haul route.*

PRESIDENT (in Cantonese): Are you asking about consultation on the haul route?

MISS TANYA CHAN (in Cantonese): *Yes, would the authorities consult the nearby residents or issue a notice to them?*

PRESIDENT (in Cantonese): Secretary, please answer.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, communication with the public is conducted at each stage, just as liaison groups are established with regard to the current West Island Line for communication with the public on every project that has a bearing on them, especially projects in which blasting would be involved. Consultation and explanation on issues such as the haul route or blasting schedule would be conducted through the platform as much as possible.

MS MIRIAM LAU (in Cantonese): *President, several railway development projects of the MTRCL that involve explosives and blasting have recently aroused great concern and worries among the residents. It was mentioned in the second paragraph of the document on today's discussion on the SIL (E) that the explosives magazine is quite far away — over 300 m — from the residential area, and there is a slope of about 60 m high separating the site and the residential area, and that explosives, which have to be triggered by a detonator, would not be delivered together with the detonators. Under these circumstances, that is, with this arrangement for the explosives magazine and the conveyance process, could the Secretary inform us whether impact of the explosives magazine or accident on the residents is nil? Is the risk of explosion during the conveyance process also nil? If it is not nil risk, how large would the risk be, and what are the causes of the risk? How could the residents' worries about these risks be reduced?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, these issues indeed would be addressed in the quantitative risk assessment. No harm should be caused to people or buildings when explosives are delivered and stored in this manner, which is the reason why quantitative risk assessments have to be conducted. Under the current arrangement, the risk of the whole design is considered acceptable. Certainly, since we are now talking about explosives, we would exert every effort to ensure their safety. That safety has been attained in storage, conveyance and practical operation without any accident occurring in tunnel blasting works conducted in the past years is an extremely good indicator. We would continue to stringently execute our work in these aspects.

MS MIRIAM LAU (in Cantonese): *One further point is that since it was indicated by the Secretary that explosives and detonators would not be conveyed together, and that explosives have to be triggered by a detonator, the risk of explosion should be nil; why is the risk not nil then? If it is nil, please reply so; if not, why not?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I am no expert on this and have to look up how this was expressed in the quantitative risk assessment. I can assure Members that explosives have to be triggered by a detonator. I was informed by experts that as no explosion would be caused when there was no detonator, fire would indeed be used for burning when destroying the explosives. Further, as I have just mentioned, as high pressure is required for ignition, diesel vehicles would be used for conveyance. Hence, the risk involved is actually very low. However, I have to consult our experts as to whether that could be expressed by "nil". Nevertheless, the quantitative risk assessment *per se* is meant to ensure that safety of any life or building would not be affected, which is also the basis on which approval is granted.

PRESIDENT (in Cantonese): Last supplementary question.

MR KAM NAI-WAI (in Cantonese): *President, there are contradictions in the Secretary's statement. The choice of Shek O Quarry as the magazine site was mentioned in Ms Miriam LAU's main question, but the Administration regarded Chung Hom Shan a more suitable choice for the MTRCL. If the risk is very low, there should not be any problem indeed for the site to be chosen at any location. Why is it that Shek O Quarry could not be chosen while Chung Hom Shan could be chosen? Does the Secretary consider her statement most contradictory, that is, the public would be concerned about explosion occurring in locations that are at a farther distance and in which the haul route is longer. I hope the Secretary could reconsider the matter. If the past practice is adopted by the Administration the West Island Line is a very good experience, the public, who have a higher demand on the degree of safety, would not be able to accept your view on it. Could the Secretary respond to this?*

PRESIDENT (in Cantonese): Please put your supplementary question clearly.

MR KAM NAI-WAI (in Cantonese): *President, just now I asked*

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

MR KAM NAI-WAI (in Cantonese): *My supplementary question just now was: Why did the Secretary regard that Shek O Quarry was an inappropriate site while Chung Hom Shan was an appropriate one? Why was there a difference? There should not be any difference if the risk is very low.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I believe I have explained that they are two separate issues. Certainly, in comparing different locations, though we try to attain the highest degree of safety strictly in every process, more objective conditions would be employed in any event in conducting quantitative assessments and comparisons. As I have mentioned just now, while the distance to Shek O Quarry is longer (about 15 to 20 km), the distance to Chung Hom Shan is within 10 km. Certainly, we are just at the first of several stages; this site is regarded as suitable after a quantitative risk assessment. We could proceed to the next stage only after the EIA is approved. While we would certainly keep on listening to different views at the present stage, I would like to point out that in comparing different sites, more objective factors have to be adopted in any event for making the comparison, one of which is certainly the conveyance distance.

PRESIDENT (in Cantonese): Fourth question.

Air Quality of Hong Kong

4. **DR LAM TAI-FAI** (in Cantonese): *President, it has been reported that the air quality of Hong Kong deteriorated in late May this year, and the readings of the Air Pollution Index (API) recorded by the roadside monitoring stations set up by the Environmental Protection Department (EPD) in Central, Causeway*

Bay, and Mong Kok were all at "High" or "Very High" level. For instance, the API readings of the roadside monitoring stations in Central and Mong Kok were as high as 134 and 139 respectively on 31 May this year, which were at "Very High" level. In this connection, will the Government inform this Council whether:

- (a) it has looked into the causes for the prolonged poor air quality of Hong Kong and its recent deterioration;*
- (b) it will discuss with the mainland authorities in the near future the recent deterioration in air quality, with a view to formulating new responsive measures collaboratively; if it will, of the details; if not, the reasons for that; and*
- (c) it had assessed in the past three years the impact of air pollution on the four areas: public health, health care expenditure, economic loss and brain drain of Hong Kong; if it had, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I want to thank Dr LAM for the question.

- (a) The major challenge to the air quality in Hong Kong comes from two areas, that is, local emissions and regional air pollution.

Roadside air pollution is caused mainly by the emissions of local vehicles. Regional air pollution is however caused by the pollutants emitted by vehicles, factories and power plants in Hong Kong and the Pearl River Delta (PRD) Region. The rapid economic developments of Hong Kong and the neighbouring PRD Region in recent years have brought about a corresponding increase in the demand for power supply, transport and industrial activities, leading to an increase in pollutant emission. They are the primary factors affecting the air quality in Hong Kong and Guangdong.

To improve air quality, we have been dedicating ourselves to controlling local pollutant emissions and working in concert with Guangdong Province to reduce emissions in the PRD. The data of

the EPD has indicated that our overall air quality has improved in recent years.

To improve roadside air pollution, the Government, since 1999, has embarked on a series of control measures targeting vehicles. It includes the introduction of ultra low sulphur diesel in 2000 that cut sulphur dioxide emission drastically; programmes for incentivizing the replacement of diesel taxis and light buses with liquefied petroleum gas vehicles which were completed in 2003 and 2005 respectively; mandating in 2007 the retrofit of particulate removal devices for all pre-Euro diesel vehicles; introducing Euro IV vehicle emission standards in 2006 in tandem with the European Union; launching in 2007 an incentive scheme to encourage the replacement of pre-Euro and Euro I diesel commercial vehicles and a tax concession scheme to encourage the use of environment-friendly petrol private cars; and introducing Euro V motor vehicle diesel in December 2007. The above measures have been producing results in improving air quality. As compared with 1999, the roadside concentrations of sulphur dioxide (SO₂) decreased by 19%, respirable suspended particulates (RSP) by 22% and nitrogen oxides (NO_x) by 23% in 2008. The number of smoky vehicles spotted also dropped by 80%.

Moreover, based on the data for the past decade, our general air quality deteriorated in 2003 and 2004 but improved in the last five years. During the latter period (that is, from 2004 to 2008), the levels of major pollutants recorded at ambient air quality monitoring stations had dropped: RSP lowered by 15%, nitrogen dioxide by 9%, SO₂ by 20% and ozone by 10%. The number of hours of reduced visibility recorded by the Hong Kong Observatory decreased from 1 570 hours in 2004 to 1 100 hours in last year. These figures show that emission reduction measures implemented jointly by Hong Kong and the Guangdong Provincial Government, as I have just mentioned, have brought about improvements to air quality in the Region.

However, I stress and believe Honourable Members would agree that, a lot more need to be done to improve the air quality in Hong Kong to meet the expectation of the public. For example, there are still quite a number of occasions in a year, including the last few days in May mentioned by Dr LAM, on which pollutants accumulate

in Hong Kong under the influence of regional air pollution or meteorological factors. The exceedance of API in late May this year was mainly caused by the light wind conditions in Hong Kong and the PRD Region, leading to the accumulation of pollutants due to poor dispersion. The pollutants, under bright sunlight, formed photochemical smog. Under such conditions, the general API and roadside API in Hong Kong shot up to a very high level. Subsequent arrival of a relatively clean maritime air stream helped air dispersion and hence, the air quality was improved in June.

- (b) Hong Kong and Guangdong have been working closely to improve air quality in the PRD Region. In 2002, both sides agreed on a set of emission reduction targets to be met in 2010. In 2003, the PRD Regional Air Quality Management Plan was formulated and ongoing efforts are being made to implement a series of air quality improvement measures and targets.

To further strengthen the emission reduction efforts, Hong Kong and the Guangdong Provincial Government have implemented enhanced measures, such as the "Cleaner Production Partnership Programme" launched by the Hong Kong Government early last year to incentivize Hong Kong factory owners in the PRD to pursue cleaner production practices for reducing industrial emissions. In March this year, the Guangdong Provincial Government launched the "Measures on the Prevention and Control of Atmospheric Pollution in the PRD Region of Guangdong". They provide for emission control measures targeting power plants, traffic and industrial processes, such as promoting desulphurization, dust extraction, de-NO_x and low-NO_x combustion technologies for power plants, as well as plants using industrial boilers and kilns; supplying the cleaner National III motor fuel in all PRD cities by end 2009; and implementing comprehensive vapour recovery controls on petrol storage tanks, petrol filling stations and petrol tanker trucks in PRD Region before end 2010.

Hong Kong and Guangdong have established a standing mechanism to discuss regularly the effectiveness of the air improvement measures in achieving the 2010 emission reduction targets jointly agreed by both sides. At the ninth meeting of the Hong Kong Guangdong Joint Working Group on Sustainable Development and Environmental Protection in December last year, both sides have

reviewed the situation and reaffirmed their confidence in achieving the agreed emission reduction targets in 2010. Both sides will continue to explore new targets and measures to improve the regional air quality of the PRD in future.

The collaboration of both sides will not be confined to tackling air pollution issues only. We also aim to extend the collaboration to realize the aim of "Transforming the Greater Pearl River Delta Region into a Green and Quality Living Area" on the basis of environmental protection and sustainable development, so as to lift the living quality in Guangdong Province and PRD (including Hong Kong and Macao).

- (c) The EPD commissioned the Hong Kong University and the Chinese University to conduct a study on the effects of air pollution on health in Hong Kong. Based on the analysis of local air quality data and the daily counts of hospital admissions in 12 public hospitals under the Hospital Authority throughout the year, coefficients for the possible correlation between air pollution and respiratory and cardiovascular diseases were derived. The coefficients were also used to project the resulting economic losses. The study was completed in 2002 and its findings were published on the EPD website.

Based on the coefficients of the study and the air pollution data in recent years, it is estimated that the annual economic losses due to health problem induced by air pollution (including consultation fee, hospitalization expenses and loss of productivity due to illness) could amount to \$1.7 billion per year.

As to the assessment of the impacts of air pollution on other economic areas, brain drain, and so on, since they can be affected by a multitude of factors, it is difficult to make an accurate assessment based on various figures. For example, the numbers of visitor arrivals, overseas enterprises with offices in Hong Kong and cases of Quality Migrant Admission Scheme (statistics in Annex) over the past few years were on an increasing trend.

However, these figures might not serve as a clear indicator. We understand that the people of Hong Kong, visitors and expatriates working here all expect continuous improvement in our air quality.

The Government will spare no efforts in improving air quality as a priority task. In order to improve air quality in the long run, the Government is reviewing the Air Quality Objectives (AQOs) and will adopt targets in stages in accordance with the guidelines issued by the World Health Organization on air quality. In time, we will conduct public consultation on the review to work out a longer-term strategy on improving air quality.

Annex

1. *Number of visitors to Hong Kong*

<i>Year</i>	<i>Number of visitors to Hong Kong</i>
2006	25 251 000
2007	28 169 000
2008	29 507 000

2. *Number of overseas companies having regional headquarters, regional offices or local offices in Hong Kong*

<i>Year</i>	<i>Number of overseas companies having regional headquarters, regional offices or local offices in Hong Kong</i>
2006	6 354
2007	6 440
2008	6 612

3. *Number of applicants under the Quality Migrant Admission Scheme*

<i>Year</i>	<i>Number of applicants under the Quality Migrant Admission Scheme</i>
2007	627
2008	1 358

Note: As the Quality Migrant Admission Scheme commenced in June 2006, full year figure for that year is not available.

DR LAM TAI-FAI (in Cantonese): *President, Secretary, many Hong Kong people suffer from asthma and cardiovascular diseases. The fluctuations in air quality are not only annoying, but also tarnish the image of Hong Kong and result in brain drain. Apart from adversely affecting our economy, it will also*

be impossible for small and medium enterprises to maintain sustained growth. I believe it is the people's common wish to breathe fresh air under a blue sky all the time.

The thrust of my supplementary is about whether the Government has any new initiatives to improve the worsening air pollution. Regarding the set of emission targets to be met in 2010 as agreed by Hong Kong and Guangdong in 2002, we are only six months away from 2010. Will the Government introduce any new initiatives and arrangements after the targets are met, and whether any formal discussion with the Guangdong Provincial Government has been initiated? Would it revert to the situation where the two sides work separately, or has the Government set any new targets?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Dr LAM for the supplementary question. I fully concur with Dr LAM's view. The people of Hong Kong, visitors and expatriates working here all have great expectations and demands on our air quality. Hong Kong is an international city and poor air quality not only affects the quality of life of the people, it is also closely related to our competitiveness. This is one of the reasons why the Government has been striving for improvements in recent years. I have outlined our related work in several areas in my main reply and I believe in future, we will tackle the problem on two fronts.

First, we have to formulate a strategy to improve our air quality in the long run. The Review of Hong Kong's AQOs (the Review) will almost be completed in the middle of this year, and several dozens measures for improving air quality have been recommended including the conversion to cleaner fuel for electricity generation which we have advocated all along, the improvements in the transport sector and the enhancement of energy efficiency as well as the things we can do in our personal lives. Some of the Review's recommendations are ongoing initiatives including the use of cleaner fuel by the power companies.

Moreover, Dr LAM was right in saying that Hong Kong could not fight this battle alone. If we want to further improve our air quality, we have to join hands with the PRD Region. In this respect, we hope to build on our long-established collaboration mechanism for formulating air quality targets and work with the Guangdong Provincial Government on other areas. At present, both sides are working under the collaboration mechanism to review whether the emission

reduction targets would be achieved in 2010 as scheduled. Moreover, we will hold discussions to set down post-2010 common targets. I think it will be an important area of work for the two governments in the next 12 months. We will report our progress to the Legislative Council regularly.

PRESIDENT (in Cantonese): The main question asked by the Member and the Secretary's main reply together have taken up 13 minutes. Ten Members are waiting to ask supplementary questions.

MR CHAN KIN-POR (in Cantonese): *Regarding the Government's current review to set new AQOs, may I ask the authorities when the new objectives will be implemented and what the progress is so far?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, the consultancy should complete its report by the end of the month. I hope to start in the coming few months to consult the public on the findings of the review including the new proposed AQOs, the priorities of the several dozens recommended measures for achieving the AQOs as well as the overall progress of related work. I hope we can launch all these initiatives within this year.

MR ALBERT CHAN (in Cantonese): *President, from what the Secretary has just said, it seems a lot has been done and is being done by the Government to improve air quality. But as I have said time and time again, one of the most simple and direct initiative the Government can do is to take the lead to promote the use of electric vehicles in Hong Kong. Electric vehicles can help reduce air pollution and the Government should take the lead to introduce these vehicles to its fleet.*

Can the Secretary give us a timetable as to when electric vehicles will be introduced to Hong Kong? Recently, Members of the Legislative Council have visited relevant facilities in the Mainland, may I ask what the Government's plan for introducing electric vehicles to Hong Kong is and in particular, electric vehicles made in the Mainland. Some of them are hybrid vehicles, that is, they

are dual-powered by electricity and petrol. When will these vehicles be introduced to Hong Kong and will the Government consider providing tax incentives for them?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): I thank Mr Albert CHAN for his suggestion. At present, the Government is taking forward the various initiatives mentioned by Mr CHAN. In fact, electric vehicles have been introduced to Hong Kong but the problem is that the manufacturers have yet to start large-scale and commercial production of these vehicles. In respect of the trial of electric vehicles, as we all know, the Government has commenced the trial of electric vehicles made by a couple of Japanese vehicle manufacturers. We anticipate that mass production of electric vehicles will start in the coming year or so. Similar technology is also available on the Mainland.

The Government's policy in this respect is very clear. In this year's budget, the Financial Secretary announced that the waiver of first registration tax of electric vehicles will be extended for a further five years. As electric vehicles enter mass production and become widely available in the market, we can offer tax concessions to promote their use in Hong Kong. The Government has also taken the initiative to contact vehicle manufacturers to express our wish to introduce new models of electric vehicles into Hong Kong for trial as and when they are manufactured. This would of course cover electric vehicles made in the Mainland.

We hope that in our trial, not only the electric vehicles are tested but also other ancillary facilities. At present, power companies and management companies of car parks have started to look into the trial provision of charging facilities in various districts of Hong Kong. As a next step, we will go beyond the trial of electric vehicles and charging facilities and engage in testing other equipment related to the use of electric vehicles. As regards hybrid vehicles mentioned by Mr CHAN or other vehicles which are powered predominantly by electricity and supplemented by fuel, we will also make the same consideration for these vehicles.

MR FRED LI (in Cantonese): *President, air pollution in Hong Kong is mainly caused by vehicle emissions and I want to concentrate on that. In Hong Kong, there are still many diesel light goods vehicles. Now, only taxis are all powered by liquefied petroleum gas (LPG) and that is very good. But my understanding is that one cannot buy an LPG vehicle and use it as a private car in Hong Kong.*

The Government does not allow the use of LPG vehicle as private car. My guess is that the inadequate provision of LPG filling stations in Hong Kong is the major obstacle preventing the conversion of so many diesel light goods vehicles into LPG ones. Is that not the reason why the Government neither allows nor desires the conversion of these vehicles into LPG ones? This has in fact allowed the perpetuation of air pollution by emissions from diesel vehicles.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): I thank Mr Fred LI for his supplementary question. If we look at the number of vehicles in Hong Kong, many of them are commercial vehicles. These vehicles are also on the road frequently. Hence, emissions from these vehicles are a major source of air pollution in Hong Kong. That is the reason why the Government has first targeted commercial vehicles when promoting the use of cleaner fuel in Hong Kong. At present, the majority of taxis, in fact 99%, run on LPG and 50% of the minibuses have also been converted to LPG vehicles.

Regarding Mr LI's question, I can say that the provision of LPG filling station is indeed a consideration. As Hong Kong is a small place with a dense population, the provision of LPG filling stations is an issue we must consider if all vehicles are to be converted into LPG ones. But in terms of private cars, we know that other options are available such as models that are more environmentally-friendly or with exhaust emissions meeting the required standards. We hope we can tackle the problem with a two-pronged approach. In respect of commercial vehicles, we will do our best to encourage their conversion to models using cleaner fuel if there is a readily available supply, such as LPG vehicles. Moreover, we will provide tax incentives to encourage the use of private cars with cleaner engines or less exhaust emissions.

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

MR FRED LI (in Cantonese): *About the commercial vehicles, I have specifically mentioned light goods vehicles. The Secretary has not answered my question as to why diesel light goods vehicles could not be converted into LPG vehicles.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): My colleague has just provided me with some figures. In Hong Kong, there are about 20 000 to 30 000 commercial light goods vehicles. That is a huge number of vehicles indeed. If all these vehicles are converted into LPG ones, it will exert pressure on the existing LPG filling stations. But we can look further beyond this. While LPG is considered a cleaner fuel today, there might be other new technology or cleaner fuel available in a few years' time, for example, the electric vehicles that we have just mentioned. If the charging battery of electric vehicles can be further improved for use in commercial vehicles, we can also consider that as an option.

PRESIDENT (in Cantonese): Last supplementary question.

MR LEE CHEUK-YAN (in Cantonese): *President, if the Government uses the same mentality for fighting air pollution to combat human swine flu, all schools in Hong Kong might have suspended classes right away. Living in a heavily polluted place will undoubtedly have a serious impact on one's health. But it seems that the measures implemented by the Government to date have yet to bring us a clean Hong Kong, a clear blue sky.*

I am particularly interested in the effectiveness of one such measure, that is, the incentive scheme launched by the Government in 2007 to encourage the replacement of pre-Euro and Euro I diesel commercial vehicles, which the Secretary has mentioned in his main reply. I have heard some feedback from the trades that their response to the scheme is far from enthusiastic. Have the authorities considered any other methods to encourage the trades to replace their vehicles and get them to respond more favourably towards this important and effective initiative for improving air quality?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): I thank Mr LEE for his supplementary. The issue about the attractiveness of the replacement incentive has been discussed in the Panel on Environmental Affairs before. In fact, the Government is in a very difficult position. The one-off grant which amounts to \$3.2 billion is by no means small. We also understand that in the present business environment, many operators would have difficulty financially to replace their commercial vehicles. Notwithstanding the provision of the one-off grant, it is still not easy for them to commit to replacing their old

vehicles. Hence, in this March, the Government extended the application period for the one-off grant to the end of March 2010 so that the owners will have more time to consider applying for the grant.

Of course, some Members have asked whether more subsidies could be provided to induce the owners to replace their old vehicles. I think we must consider this very carefully. Is it really enough to induce the owners just by providing more subsidies? Some members mentioned that the target of the incentive scheme was pre-Euro and Euro I diesel vehicles. Some of them were indeed old vehicles which have been in use for more than 10 years. Under the circumstances, should the Government consider some specific measures to induce the owners to replace their vehicles such as by not renewing their licences or by increasing the licence fee? Certainly, many Members have reservation when we were discussing these options.

I think emission from commercial vehicles is a problem we have to deal with in future. We have to strike a balance between providing financial incentives and considering the implementation of other measures. Of course, I understand that Members might have different views on various proposals made by the Government. But I think our consensus view is that we must deal with the problem of air pollution as a matter of urgency. I hope when we have other discussions with Members in future, we can look at the matter from a wider perspective. The Government is committed to taking targeted actions to improve our air quality by reducing emission from vehicles in a resolute manner.

PRESIDENT (in Cantonese): Fifth question.

Payment of Tax by Self-employed Persons

5. **MR JEFFREY LAM** (in Cantonese): *President, will the Government inform this Council of:*

- (a) *the number of self-employed persons (for example, fung shui consultants) who filed tax returns, the occupations of the five self-employed persons paying the highest amounts of tax, and the amounts they paid, in each of the past five years;*

- (b) *the number of self-employed persons who had not filed tax returns as found out by the authorities, the total amount of tax and the number of tax years involved, the total amount of fine imposed on them, as well as the heaviest penalty imposed on the convicted persons, in each of the past five years; and*
- (c) *the measures adopted by the authorities at present to trace the sources and amount of income of self-employed persons, as well as to counter their evasion of tax?*

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

- (a) and (b)

The Inland Revenue Ordinance does not define "self-employed persons". Any person earning income by providing services in Hong Kong in his personal capacity is regarded as carrying on a business in Hong Kong. He is required to apply for registration of business and file tax returns. Assessable profits derived from such business will be chargeable to profits tax.

As the Inland Revenue Department (IRD) does not distinguish whether the business operators are "self-employed persons", we are not able to provide the information requested in parts (a) and (b) of the question.

As regards penalties on tax evasion, any person who without reasonable excuse makes an incorrect tax return or fails to notify the IRD that he is chargeable can be subject to a maximum fine of \$10,000 and a further fine of treble the amount of tax undercharged. In case of willful tax evasion by making incorrect tax returns, the maximum penalties will be a fine of \$50,000 and a further fine of treble the amount of tax undercharged, as well as three-year imprisonment.

- (c) As regards part (c) of the question, different divisions in the IRD are involved in combating tax evasion. The information collection

team of the Department collects various types of information for reference in tax assessment. There is also a Field Audit and Investigation Unit responsible for auditing and investigating suspected cases of under-reporting. For more effective countering of tax evasion, the IRD will from time to time adjust the criteria for selecting cases for audit, taking into account the prevailing social conditions, the boom and bust of trades and the development of business practices. Besides, the IRD from time to time receives reports from members of the public on potential tax evasion cases.

The back tax and penalties collected by the IRD in 2008-2009 is \$2,566m. The number of cases completed in the past five years and the back tax and penalties collected have been tabulated in the written reply, and will not be repeated here.

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Number of cases completed	1 862	1 864	1 875	1 873	1 863
Back tax and penalties collected (\$m)	2,566	2,548	2,444	2,189	2,887

MR JEFFREY LAM (in Cantonese): *President, in the main reply, the Secretary has mentioned that there is an information collection team in the IRD which collects various types of information for reference. In these days, we have learnt from the press about the incomes of the kind of self-employed persons like fung shui masters and massagers. Some people even vividly described that they had seen the cash being transferred away in cars after the ritual had been finished. My question is: When the IRD collects information of value, will it include press coverage or the evidence given by witnesses in the Court? What kind of information will be regarded as valuable?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): *President, the information collection team mentioned earlier slightly resembles an intelligence team, as it can collect information through different channels, including the press, court news, the Internet, the Companies Registry,*

and so on. Therefore, the topical news mentioned by the Member just now is also one of their channels of collecting information.

DR PHILIP WONG (in Cantonese): *President, recently, many people in the community think that they have entered the wrong trade after learning that a fung shui master can have a few billion dollars of wealth. Some people will set up their own companies, keep their own books and customers' records. However, if some people claim they that are only amateurs helping their friends and have neither set up any company nor kept any books, can the Secretary tell us what means the IRD will adopt to make this kind of people keep their income records very clearly so that the revenue of the Treasury can be protected?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The IRD, in fact, has a lot of means and power to investigate these cases relating to tax evasion, because it is empowered by the law to directly question these people or check their bank and other registered records, in order to understand whether they should have account books or have received some payments. Once the evidence is provided, the IRD will demand payment of tax due.

MR ANDREW LEUNG (in Cantonese): *President, in the main reply, the Secretary has also mentioned that any person earning income by providing services in Hong Kong in his personal capacity is required to apply for registration of business and file tax returns. Besides, the Secretary has also said that over the last five years, 1 800 cases have been completed and some \$2 billion of back tax has been collected. This actually is only the tip of the iceberg. If they do not apply for registration of business and file tax returns, how can the Government protect the revenue of the Treasury? The sum of \$2 billion is not small and this is only the tip of the iceberg. How about other situations? Does the Government have special policies to step up enforcement so as to collect the tax due to the Government?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as I pointed out in the main reply earlier, we have the

information collection team. Even if somebody has not applied for registration of business, if only he puts up advertisements or advertises on the Internet while the authorities are suspicious that he has received rather generous income, the law empowers the IRD to investigate the case. First of all, we need to obtain such information. If we find it suspicious, we will refer the case to the Field Audit and Investigation Unit. That Unit will then investigate just like the CID of the Police Force. As to whether \$2.5 billion is the tip of the iceberg, the efficiency of the IRD is actually very high in tax collection. It is very difficult for us to say that apart from this \$2.5 billion, how much tax has been evaded. However, since our work efficiency is already very high, the IRD has in fact successfully collected a high proportion of tax due.

MR LEE WING-TAT (in Cantonese): *President, in a recent dispute over the estate of a rich person, someone in the Court said that a man surnamed CHAN had received a handsome amount of income through providing fung shui and massage services. My question is: Will the Bureau invite this person to provide information so as to assess whether he has to pay tax for this amount of income? Besides, if this person says that this amount of income is his "lai see" given by the other party, then according to the definition in law, can "lai see" be taken as an excuse for tax exemption?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): It is not appropriate for us to comment on individual cases. In regard to the question of "lai see" just mentioned by the Member, if that actually is a kind of gift, according to the existing legislation, it is not taxable under profits tax or salaries tax, but he has to prove that it is genuinely a gift. However, if we find that the gift claimed by him is actually payment for services provided by him, this will constitute a situation where investigation has to be conducted to determine whether he has to pay the tax due.

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

MR LEE WING-TAT (in Cantonese): *She did not answer the so-called "lai see" her answer is not very clear. What she means is that if it is a gift, no tax will be payable. My question is: After he had provided fung shui services, the other party gave him "lai see". According to the analysis of the Secretary, should he pay tax for this sum of money?*

PRESIDENT (in Cantonese): I believe the Secretary has already said that it is not appropriate to comment on individual cases.

MR LEE WING-TAT (in Cantonese): *President, I need to clarify that I am not only referring to this case. I am generally*

PRESIDENT (in Cantonese): I believe the Secretary has already answered your supplementary from the policy aspect. I will see if the Secretary has anything to add.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the most important point is that if it is said or written in that way in the Court, it is then not appropriate for us to make any comment. However, referring to the nature of that case, no matter what we call that person, if that amount of money is payment for services provided by him, it will be taxable. Nonetheless, if it is purely a gift, we need to obtain some proof before it can be exempted from taxation.

MR CHAN KAM-LAM (in Cantonese): *President, in the last part of the Secretary's main reply, I find that over the past five years, the number has been maintained at 1 800-odd cases, while the amount of back tax and penalties successfully collected per year is also very near, as much as more than \$2 billion. I believe this is not a coincidence. Will that be a phenomenon of more rewards with more efforts? The Secretary said just now that the investigation carried out by the authorities was very effective. Will the Secretary review this investigation mechanism again to see whether there is sufficient manpower to find out more tax evasion cases?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The figures seem to be coincidental, but we just try our best to deal with the cases. As I said earlier, we will work according to different situations. For instance, when some people engaging in certain trades earn substantial incomes during that period of time, we will deploy more manpower to investigate that area. However, we will not only target certain trades. We will carry out investigation into those cases based on the principles of worthiness and efficiency, trusting that most back tax could be collected. In regard to manpower, we will review from time to time. If there are especially more cases in a certain year, we will deploy manpower internally.

MR JAMES TO (in Cantonese): *President, I would like to follow up the supplementary of a colleague. This question arises from the recent incident as the amount of money involved is rather substantial. However, I am asking about the general situation. If the fung shui consultants or fortune tellers say that the amount of money was paid by their clients arbitrarily and out of gratitude for the services provided by them, will that be regarded as a gift and thus constitute a big loophole for tax evasion?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): In regard to the question just raised by Mr TO, if it is an individual case, we really have to know the merits of the case before we can decide what to do. It is very difficult to give a general answer.

MR JAMES TO (in Cantonese): *President, I am asking about the general situation. What I mean is that irrespective of the trades, after the provision of services, any amount of service charge arbitrarily paid by the client, or the amount of money arbitrarily paid by the client out of gratitude, or even any payment for the service which offers different levels of charges or accepts any amount arbitrarily paid by the client, are all taxable. I do not know whether there are any guidelines or practice notes — the normal practice of the IRD — or even some rulings on some appropriate cases, conclusions from court judgments or legislation to plug these loopholes? Are there any loopholes? President, I am clarifying my supplementary.*

PRESIDENT (in Cantonese): Mr TO, I believe you are referring to a situation where someone has provided a kind of service while the party who has received that service may, out of gratitude to the service provider, takes the initiative to tender an amount of money much more than required. And does that constitute an income for the purpose of filing tax returns? Is that what you mean?

MR JAMES TO (in Cantonese): *President, I am not saying that the client takes the initiative to do that. Instead, it is the service provider not listing the prices.*

PRESIDENT (in Cantonese): Do you mean there is no price list?

MR JAMES TO (in Cantonese): *Yes, that is what I mean. The client can pay him any amount of money.*

PRESIDENT (in Cantonese): Your follow-up question is: After the service recipient has paid the charges according to his own will, does that amount of money have to be reported in the tax return?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Mr TO just said that if the service provider has not listed the prices but received an amount of money, that amount is also regarded as his remuneration. It is because he has already provided the service and what he obtained afterwards is his remuneration, unless he can classify very clearly and say that which part is the remuneration while the other part is given to him by his client as a token of gratitude. Under general circumstances, if he does not state clearly, the amount of money he obtained after providing services is regarded as remuneration.

MRS REGINA IP (in Cantonese): *President, the question that I wanted to raise has already been asked by a colleague. I thus do not need to raise any supplementary.*

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, this is your second supplementary.

MR CHAN KAM-LAM (in Cantonese): *President, in the main reply, the Secretary has mentioned two teams in the IRD, and they are the information collection team and the Field Audit and Investigation Unit. How do they adjust the criteria for selecting cases for investigation in accordance with the social situations? Besides, are the criteria transparent so that everybody can know?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I believe the IRD will also be concerned about the hot topics among the public and will consider the social situations. If everybody is discussing the generous income of Latin dance instructors, the authorities may also investigate into the area. The authorities will make a choice, so that after paying a high cost of investigation, it may be more cost-effective. Therefore, Members can rest assured. Our colleagues responsible for collecting information will try their best to follow up issues which are a concern to the community.

PRESIDENT (in Cantonese): Mr Jeffrey LAM, this is your second supplementary.

MR JEFFREY LAM (in Cantonese): *President, the Secretary has just said that "lai see" does not constitute a kind of remuneration. However, many clients may give honoraria or send gifts as a token of appreciation. Of course, if they give out a basket of fruit, people will also think that it should not be taxable. However, what about a car or stocks as a kind of gift? At present, has the IRD given any definition on "token of appreciation", or stated clearly gifts of a specific value should be taxable?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): For a car and a basket of fruit given away by someone, it is very

difficult for us to say which one is a gift and which one is not. I believe the IRD will examine the merits of individual situations before deciding whether the thing given is part of remuneration. If it is regarded as remuneration, it is of course taxable.

PRESIDENT (in Cantonese): Mr James TO, this is your second supplementary.

MR JAMES TO (in Cantonese): *President, I would like to follow up part (c) of the main reply. Since there is a large number of such cases, will the Government or the IRD have any strategy to tackle the situation? Frankly speaking, it is better to follow up a case involving a large amount of money than to follow up a case involving a small amount of money. If some cases involving a few hundred million dollars or even a few billion dollars are really identified, strategically speaking, will the authorities focus its resources on and give priority to handling these tax evasion cases involving larger amounts of money?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Mr TO is right. The IRD will focus its resources to investigate some cases involving larger amounts of money. For those self-employed persons with lower income, we all know that there are allowances in Hong Kong. If their income is not very high, they may not need to pay a lot of tax after investigation. We will, of course, concentrate our efforts on the investigation of some suspected cases involving larger amounts of money.

PRESIDENT (in Cantonese): Last oral question.

Impact of Human Swine Influenza Epidemic on Work of Food and Health Bureau

6. **MR CHAN HAK-KAN** (in Cantonese): *President, the Secretary for Food and Health has said earlier that as quite a number of the staff in his Bureau have been redeployed to undertake the work on fighting the Human Swine Influenza epidemic (anti-epidemic work), commencement of the second stage consultation*

on health care reform will be deferred. In this connection, will the Government inform this Council:

- (a) whether it has assessed until when the aforesaid consultation will have to be deferred, the impact of the deferral on the future implementation of health care reform, as well as under what circumstances the consultation will commence;*
- (b) whether it has assessed if the implementation of health care service reform initiatives which have gained wider public support in the first stage public consultation on health care reform (including the development of a territory-wide electronic health care record sharing system and the promotion of public-private partnership in health care services) will need to be deferred as a result of undertaking the anti-epidemic work; and*
- (c) apart from the second stage consultation on health care reform, whether the anti-epidemic work has affected the formulation and implementation of other policies which are currently within the purview of Food and Health Bureau; if so, of the details; if not, the reasons for that as well as why only the consultation work on health care reform has been affected?*

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

- (a) First of all, I would like to stress that health care reform is an important, long-term and continuous policy which aims at ensuring the sustainability of our health care system to meet the challenges arising from ageing population and rising medical costs. To this end, we need to reform the existing structure of our current health care system, which puts emphasis on hospital-based services, and strengthen primary care. At the same time, we have to address the imbalance between the public and private health care sectors so that our health care resources can be put into optimal use; and to ensure that adequate resources are available for the long-term development of the health care system. Our work on health care reform will not stop and the implementation of service reform proposals that have received broad public support is in progress. We will work with all

sectors of the community to continue our deliberation on the issue of health care reform, which has far-reaching implications on the long-term health care development. It is also necessary for us to encourage further discussions and seek to forge a consensus on the introduction of supplementary financing arrangements.

Currently, the first and foremost task of the Government, in particular the Food and Health Bureau, is to launch an effective fight against human swine influenza (HSI). An adjustment to our manpower deployment is therefore inevitable. We are still studying and formulating detailed proposals on health care reform and the supplementary financing arrangements to prepare for the second stage public consultation. However, the timetable of the consultation has to be deferred. Our present target is to formulate detailed supplementary financing proposals for the second stage public consultation within this year. As I have mentioned earlier, the exact timing of the consultation has to be decided in light of our work progress and the prevailing socio-economic circumstances.

- (b) As revealed in the first stage public consultation on health care reform, there is wide public support in the community for the service reform proposals, including the enhancement of primary care, promotion of public private partnership in health care, development of electronic health record sharing and strengthening of the existing public health care safety net. We have also committed to making the best use of the increased health care expenditure in the next few years to actively take forward these service reform proposals on which consensus has been reached in the community.

The implementation of these proposals is in progress. For instance, the Working Group on Primary Care and its Task Forces have held quite a number of meetings and countless discussions and researches. It is expected that the Working Group can submit its initial recommendations in the coming few months. Meanwhile, we plan to launch a series of pilot projects based on the research and discussions of the Working Group at the end of this year to enhance primary care and strengthen the support for chronic disease management with a view to putting the vision and recommendations

of the Working Group into practice. Besides, public private partnership projects such as the subsidized "Cataract Surgeries Programme", Elderly Health Care Voucher Scheme, Tin Shui Wai Primary Care Partnership Project are also in progress.

To strengthen preventive care, the Government has launched the Influenza Vaccination Subsidy Scheme in November 2008 for the first time to provide subsidy for children to receive influenza vaccination from the private medical sector to lower their chance of hospitalization during the peak season of influenza in winter. At the same time, we are preparing to seek funding approval for around \$1 billion from the Finance Committee of the Legislative Council to provide free HIS vaccination for four target groups (that is, health care workers; children aged from six months to below six years; elderly aged 65 and above; and people with pre-existing medical conditions), and free pneumococcal and seasonal flu vaccinations for elderly aged 65 and above. If the funding is approved, these vaccination programmes will strengthen our capacity for preventing and fighting against the diseases.

As to the development of electronic health record (eHR) sharing as an essential infrastructure for health care reform, we propose to establish a dedicated eHR Office to plan, develop, execute and manage the complex and multi-faceted programme involving policy issues such as data privacy, system security and legal protection. The eHR Office will also co-ordinate the consultation with and participation of stakeholders from different sectors as well as members of the public, so as to ensure that the programme is supported by various sectors, including the private health care and IT sectors, and accepted by a wide spectrum of the general public. We are preparing to apply for funding approval from the Finance Committee for the capital cost of \$702 million for the first stage of the development programme (2009-2010 to 2013-2014). Subject to approval of the funding application, the relevant work will commence in the third quarter of this year.

I have to reiterate that the work on fighting against HSI would not affect our plan to allocate more resources to take forward service

reform initiatives. The Government will increase its recurrent health care expenditure to 17% of the total recurrent expenditure by 2011-2012 as pledged. In 2009-2010, the recurrent health care expenditure increased by \$1.8 billion to the present \$35.7 billion as compared with last financial year, which accounts for 15.7% of total recurrent government expenditure. The increase in expenditure includes additional resources for the Hospital Authority to meet increasing demand and strengthen services, to implement service reform proposals and to develop the eHR sharing system.

- (c) As many areas of work are involved in the fight against HSI, most of the staff in Food and Health Bureau are required to assist in the co-ordination work, such as providing secretariat support for the Emergency Response Level Steering Committee, as well as co-ordination with bureaux and departments concerned on work relating to quarantine measures, operation and related arrangements of quarantine camps, health declaration and related boundary control measures, and the formulation of vaccination programme against HSI. As the staff who are responsible for the formulation of financing proposals for second stage health care reform public consultation have to assist in the above tasks, the timetable set before has to be deferred.

Nevertheless, I have to reiterate that we will continue to implement the service reform proposals that have broad support from the public in the first stage public health care reform consultation despite the deferral of the second stage public consultation. No other tasks in the Bureau have been deferred due to the fight against HIS.

MR CHAN HAK-KAN (in Cantonese): *President, in the Secretary's main reply, it seems that only the financing proposals for health care reform will be slightly affected in the wake of HSI, and the tasks in other areas such as the primary health care reform and the eHR system have remained normal. But I have noticed that the review and consultation processes of some policies within the purview of the Bureau seemed to have been affected by HSI because members of the Health and Medical Development Advisory Committee have told me that they have not had meetings for a few months. Moreover, there have recently been several tragic cases that involved discharged mental patients. Although the*

working group on a mental health policy review led by the Secretary has been discussing the issue for a long time, it has not come up with any conclusion for public information. Will the Secretary re-prioritize the tasks of the Bureau in light of policy reviews or consultations? If the anti-epidemic work is so heavy, will it reassign some tasks so that the Under Secretary or even Permanent Secretary would handle them?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I thank Mr CHAN for the viewpoints, but I have to stress that the work of the Health and Medical Development Advisory Committee is actually undertaken by three working groups at present, including the Working Group on Primary Care, the working groups on service delivery model and shared-care of chronic disease patients through public-private partnership; they have been making efforts in these areas. I have just mentioned in my main reply that these working groups have held quite a number of meetings and are still working on the matters now. And, the new programme to be launched at the end of this year would be based on their recommendations.

The Working Group on Mental Health Services is a permanent working group comprising a group of professionals and representatives of the relevant service sectors; they have been holding discussions on how to introduce new programmes with the additional funding each year. They have also made efforts in these areas in the past few years. This year, its subordinate working groups have held a lot of meetings, and they will not stop working in the face of the anti-epidemic work currently. Therefore, regarding the care of mental patients and chronic disease patients, we will continue to try our best to make good use of government resources to take forward our work. The only task that would be slightly deferred would be the study on the financing proposals because the relevant colleagues are now deployed to anti-epidemic work and as a result their work in respect of the financing proposals has to be deferred. Nevertheless, I hope that the relevant task would be completed in the latter half of this year. So, early next year, we will determine when the relevant consultation would commence in light of the prevailing circumstances.

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

MR CHAN HAK-KAN (in Cantonese): *The Secretary has not answered the part about whether the work of the Bureau at the leadership level would be redeployed.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we now have a temporary division of labour and we hope that all things would be straightened out after a certain period of time, and nothing would have to be put aside; we can continue to perform all the relevant tasks.

MS STARRY LEE (in Cantonese): *President, the anti-epidemic work is very important indeed but a lot of daily work closely linked with the anti-epidemic work can actually not be slackened. For example, children's classes have now been suspended and many of them will go to public libraries and other places. In this connection, have the relevant authorities stepped up cleaning arrangements? Also, I have heard that the student dental services have been slightly deferred because of the anti-epidemic work, or the services under the scheme have been deferred because of some deployment problems. So, I would like to find out what the Secretary can tell us about the relevant arrangements.*

PRESIDENT (in Cantonese): Can you combine your supplementary questions together as one supplementary question?

MS STARRY LEE (in Cantonese): *Concerning the present anti-epidemic work, which is considered very important by Honourable Members, it is closely connected with the daily lives of the public. While handling the anti-epidemic work, how can the Government take care of the current circumstances where the suspension of classes has been announced because of the spread of the epidemic? Would it step up cleaning places where a large number of people gather, for example, public libraries, to put the public's minds at ease? In respect of student dental services, how will it ensure that the original scheme will not be significantly deferred?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I would like to discuss the issue of cleaning. The Government has allocated

an additional \$300 million to various departments, including the Leisure and Cultural Services Department, for additional cleaning work or other needs, and the Food and Environmental Hygiene Department will also utilize the additional funding to step up cleaning of public places and streets in the districts. Also, we will step up cleaning at the hygiene black spots. Moreover, in respect of children dental services, services for schools and Maternal and Child Health Centres, the Department of Health has made suspension arrangement for cases that are not urgent or not first consultations. The main cause is not a manpower problem but the fact that we do not want young children to gather together in a certain place for too long, so we would consider cutting down similar services for the time being. The first vaccination services for newborn babies will continue to be provided. Hence, this is just an interim arrangement, and this decision is made on the basis that children may face higher risks in the wake of HSI but not on the basis of manpower problems.

DR PAN PEY-CHYOU (in Cantonese): *President, the Secretary has just referred to a long-term review of psychiatric services comprising relevant studies. Given that incidents of mental patients using violence have recently taken place one after another, may I ask the Government if it will urge the Hospital Authority to examine more comprehensively the current policy and direction of psychiatric service development? I am talking about a directional review.*

PRESIDENT (in Cantonese): Dr PAN, the main question is about the impacts of the anti-epidemic work on other tasks of the Food and Health Bureau. It seems your supplementary question is not directly related to the main question.

DR PAN PEY-CHYOU (in Cantonese): *President, during the current epidemic outbreak, I think we understand that the Government carries out plenty of anti-epidemic work. But we think that some necessary work has now been neglected. Therefore, on this point, I hope the Government can explain whether it will continue to attach importance to these tasks.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I have stated very clearly a while ago that, the second stage public consultation on the

health care financing arrangements has been deferred but all other tasks will not be deferred because of the anti-epidemic work, especially the services for mental patients that have always been our concern. We will continue to take into consideration various needs and make preparations, and we will provide the Hospital Authority and the relevant departments including the Social Welfare Department with sufficient funding so as to enable them to handle tasks under their charge. Therefore, our team has been working without any interruption.

MR IP WAI-MING (in Cantonese): *President, with the recent spate of medical incidents, I think our health care system is on the verge of collapse; therefore, we attach great importance to the health care reform consultation. I have noticed from the main reply that quite a number of staff have been redeployed in the wake of the HSI outbreak now, and the Government has said that HSI has basically taken root in Hong Kong, and we may have to face HSI over a long period of time. Furthermore, the Government has said that the commencement of the second stage consultation on health care reform will be deferred. But this is a pressing issue, yet the Government has said that it will consider whether the relevant consultation would be launched in light of the prevailing circumstances early next year. Hence, I hope the Secretary can tell us whether there is a specific timetable and when public consultation will commence.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I have just explicitly answered that, during the first stage consultation, the public have made a lot of Honourable Members also agree that, in respect of service reform in particular, we will continue to make efforts, and our work will not be affected by the current anti-epidemic work. Concerning our study on the health care financing proposals, as many staff members have currently been redeployed for the anti-epidemic work, the studies or researches that they have been conducting would be slightly deferred. In our view, they should be given ample room to make the relevant decisions at this stage. Thus, we allow them to complete the relevant tasks by the end of this year. Regarding the question of when consultation will commence, our views have all along been: first, if Hong Kong people think that they want to discuss the issue when the socio-economic circumstances have stabilized, I believe a consultation can commence at any time after the relevant tasks have been completed. Certainly, we should take into

account the prevailing circumstances, the economic conditions and the public's concern about and willingness to discuss the issue when we make the decision. In the past, we managed to make decisions on similar consultations after seeking the views of Honourable Members and political parties.

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

MR IP WAI-MING (in Cantonese): *President, the Secretary has not provided a specific timetable for the consultation. I think the Government*

PRESIDENT (in Cantonese): I believe the Secretary has already answered your supplementary question. Let me see if the Secretary still has anything to add.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, Mr IP may have asked me to specify a date. As I have said, this is not the time for a date to be determined but we hope that we could at least accomplish the relevant tasks within this year.

PRESIDENT (in Cantonese): Last supplementary question.

DR LEUNG KA-LAU (in Cantonese): *President, from my observation, the current level of alert does not really tally with the seriousness of the epidemic because the virus should be relatively minor. Since the current government measures and level of alert would have significant impacts on medical services and other social activities, can the Secretary tell us what objective criteria there are for lowering the alert level such that general social activities would be conducted as usual? We may forecast that HSI will not disappear and it may be here forever. Does it mean that the highest alert level should be maintained so long as there is HSI? What are the objective criteria for lowering the alert level?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the current anti-epidemic alert level is based on the transmissibility of the virus. Of course, we have to consider how serious its impacts on the whole society are. I must reiterate that, as at this morning, there are 118 infected persons in Hong Kong, and there were 77 infected patients in the past seven days. In other words, there were only 41 infected patients within the first six weeks but there were 77 infected patients in the past week. Members can see that this rate of increase is quite alarming. However, Honourable Members can also see that there are more and more indigenous cases, that is, we have failed to track the places where the contacts became infected. Hence, we think that the current alert at the level of emergency needs to be maintained.

Dr LEUNG has asked if the alert level could be lowered because the 118 patients had mild symptoms and none of them was in the Intensive Care Unit, and there had been no fatal cases. In our view, that should not be done at this stage, especially when we have an increasing number of indigenous cases. Chronic disease patients and people with other health problems would be infected very easily. If they are infected, we do not rule out the possibility of more serious cases appearing in the wards, or even fatal cases. I would like to draw Members' attention to the situation all over the world. Today, there are four more fatal cases in Canada all of a sudden. Fatal cases would emerge when the number of cases continues to increase. Certainly, as a doctor, I think that these things happen very often and I will not be frightened. Yet, from the perspective of ordinary people or society, a new epidemic must be tackled carefully if we do not have a good understanding of it. Hence, we think that the alert level should not be lowered at this stage. As to the articulation between our alert levels and those declared by the World Health Organization (WHO), they should actually be considered separately. It is because the WHO considers the distribution all over the world while we only consider the current epidemic situation in Hong Kong in making the relevant decisions.

Does Dr LEUNG think that our alert level cannot be raised further? Or, is he wondering when it should be lowered? I can assert that there are no objective grounds for lowering our alert level for the time being.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Implementation of Qualifications Framework**

7. **DR SAMSON TAM** (in Chinese): *President, the Qualifications Framework (QF), officially implemented by the Government on 5 May 2008, enables people engaged in various industries to set, through the qualification level recognition system of QF in accordance with their individual qualifications, experience and capabilities, clear goals and directions for further studies in order to obtain quality-assured qualifications. In this connection, will the Government inform this Council:*

- (a) *of the work progress of the 12 Industry Training Advisory Committees (ITACs) already set up at present, as well as whether it has assessed the effectiveness of the relevant work; if so, of the assessment results; if not, the reasons for that;*
- (b) *whether it has explored how QF of Hong Kong and the accreditation mechanisms on the Mainland and overseas can interconnect and mutually recognize, as well as whether it has studied the feasibility of establishing mechanisms such as "one examination for two certificates" or "one certificate for two examinations" and mutual exemption of qualification assessment; if it has, of the details; if not, the reasons for that; and*
- (c) *whether it has looked into how QF can interoperate and interface with the other relevant professional accreditation systems in Hong Kong, so as to avoid duplication and confusion among different systems?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) The main task of the ITACs, at the initial stage after their establishment, is to develop Specifications of Competency Standards (SCS). The SCSs set out clearly the skills, knowledge and outcome standards required of employees in different functional areas of the respective industries, and enable course operators to design training courses to meet the needs of the industries. Of the 12 ITACs

established so far, eight have finalized their SCSs¹, while two others are currently conducting extensive consultation on the draft SCSs. For the remaining two ITACs, the drafting of SCSs is nearing completion. Upon completion of the SCSs, the ITACs will actively promote the use of the SCSs and encourage training organizations to make reference to the SCSs in designing their training courses. As at today, training organizations have organized more than 100 SCS-based courses with over 5 000 participants. On the whole, the work of the ITACs deserves our recognition.

- (b) While QF is being developed in many countries and regions worldwide, the frameworks developed are different from each other significantly, especially on the categorization and the numbers of level of qualifications. The Mainland has not developed its QF. At present, there is no unified and effective system to facilitate articulation and recognition among QFs. In Hong Kong, the QF was officially launched in May 2008 and is still at its early development stage. Our primary objective is to implement steadily the QF in the 12 industries where ITACs have been formed, so as to lay a solid foundation for the further development of QF. We will monitor closely the development of QFs in other countries and regions, and will explore in future the possibility of mutual recognition between the Hong Kong QF and the relevant systems in the Mainland and overseas.

It is worth noting that some local training organizations, such as the Vocational Training Council, have launched pilot schemes jointly with relevant organizations in the Mainland to provide a "One Examination, Two Certificates" trade test mechanism, or through co-organized programmes with mainland institutions, to enable trainees to obtain both Hong Kong and the Mainland awards simultaneously.

- (c) All qualifications recognized under the Hong Kong QF must be academically accredited. The focus of academic accreditation is to determine whether the course meets the academic standard of the relevant QF level. As regards professional qualifications, they have

¹ One of the ITACs has just started to draft an SCS for another functional area in the industry.

to be accredited by the relevant professional bodies, which focus on the knowledge and skills required by the profession. Generally speaking, professional bodies will only award professional qualification to candidates who have acquired the relevant academic qualification, for example, a bachelor degree, plus relevant working experience of a certain duration or a pass in the professional examination. Thus, academic accreditation under the QF and professional accreditation undertaken by professional bodies are basically two different systems, which are not appropriate for direct comparison and linkage.

Building Covers at Light Rail Stop Platforms

8. **MR TAM YIU-CHUNG** (in Chinese): *President, some members of the public have relayed to me that at present, the platforms of many of the phase 1 Light Rail (LR) stops have partial covers only, causing inconvenience to passengers who are waiting for trains at such stops, especially during rainy days when they often crowd together under the covered parts of the platforms, and hence accidents are prone to occur. In this connection, will the Government inform this Council whether it knows:*

- (a) *the existing number of LR stops with partial covers only, as well as the names of such stops;*
- (b) *if the Kowloon-Canton Railway Corporation and the MTR Corporation Limited (MTRCL), which has taken over the operation of LR services since 2 December 2007, had compiled statistics on the numbers of passengers of such LR stops in the past three years; if so, of the relevant numbers, as well as the differences between such numbers and the numbers of passengers on which the design of the LR stops concerned was based; and*
- (c) *if the MTRCL has any plan to carry out extension works to extend the covers to the entire platforms of such LR stops, so as to improve the environment for waiting passengers and enhance passengers' safety; if so, of the details; if not, the reasons for that?*

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

- (a) There are platform shelters at all LR platforms. The length of the shelter is determined having regard to the patronage and the utilization of platforms. At present, there are 68 LR stops with 159 platforms over 80% of which, that is, 132 platforms, have shelters that can fully cover or almost fully cover the entire platform. The shelters at the remaining 27 platforms can cover almost half of the platform. The 27 platforms are at 18 stops including Melody Garden, Butterfly, Tsing Wan, Siu Hei, Goodview Garden, Kei Lun, Siu Hong, Tuen Mun Swimming Pool, Siu Lun, Town Centre, Sam Shing, Ping Shan, Shui Pin Wai, Fung Nin Road, Hong Lok Road, Tai Tong Road, Locwood and Tin Wing.
- (b) The pre-merger Kowloon-Canton Railway Corporation Limited (KCRC) and the post-merger MTRCL have been monitoring the patronage at LR stops with a view to ensuring that its LR service as a whole including stop facilities ties in with the community development and changes in patronage. The patronage at these 18 stops is relatively low and has been so since the rail merger.
- (c) To tie in with the community development, the pre-merger KCRC completed in 2000 the works of extending platform shelters for 83 platforms so that those shelters can fully or almost fully cover the platforms. In deciding the stops covered in the works programme, KCRC has taken into account the geographical environment, patronage and technical feasibility. The patronage at the 18 stops mentioned above is relatively low, during peak hours, the average number of passengers waiting at any one time at each of the 18 stations is less than 20, which is much lower than the average number of 100 passengers waiting at other LR stations. The MTRCL has indicated that the shelters at these stops covering almost half of the platform can meet the needs of the passengers. The MTRCL will continue to take note of the community development and any change in patronage and passenger travelling pattern to ensure that LR stop facilities can cater for the needs of the passengers.

Protection of Interests of Animals

9. **MRS REGINA IP** (in Chinese): *President, regarding the protection of the interests of animals, will the Government inform this Council:*

- (a) *as it has been reported that in recent months, wild monkeys in Kam Shan Country Park were poached and smuggled to the Mainland for sale as food, whether the Government has looked into the latest situation and adopted measures to eradicate such activities; and*
- (b) *as it has been reported that in support of the launch of the territory-wide cleansing campaign, the Food and Environmental Hygiene Department (FEHD) issued a notice to public market tenants last month prohibiting them from keeping cats and dogs in the stalls, of the Government's measures in place to deal with those animals abandoned by tenants in compliance with the requirement, as well as which government department is responsible for dealing with the follow-up work concerned?*

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

- (a) Wild monkeys are protected wild animals under the Wild Animals Protection Ordinance, and the Environment Bureau is the relevant Policy Bureau. According to the Environment Bureau, the Agriculture, Fisheries and Conservation Department (AFCD) conducts ongoing patrolling of the Kam Shan Country Park. Animal traps had indeed been found and have been removed immediately. However, no suspected persons or monkeys being captured were found at the scene. The AFCD has stepped up patrol in Kam Shan, Lion Rock and Shing Mun Country Parks recently, and conducted joint patrol and search operations with the police. No abnormalities have been discovered so far. The AFCD will continue to monitor the situation in country parks and take further actions if necessary.

Pursuant to the Wild Animals Protection Ordinance, any person disturbing or capturing wild monkeys unlawfully is liable upon conviction to a maximum fine of \$100,000 and imprisonment for one year. The public may inform the AFCD through the Government

hotline 1823 if they see such incidents. For urgent cases, they should call 999 for police assistance.

- (b) Public markets are places where fresh food as well as dry and wet goods are provided for sale to the public. The keeping of cats and dogs or other pets in the stalls by market stall tenants may cause nuisances to members of the public or other tenants, or even affect the environmental hygiene of the market. In the past two years, the FEHD received 57 complaints about nuisances caused by pets kept in the stalls by market stall tenants. The FEHD plans to include a new provision in the new public market tenancy agreement template stipulating that tenants shall not keep cats and dogs or other pets in their stalls. If tenants are found to be in breach of this new provision, they will be asked to remove the animals. Where necessary, the FEHD will contact the AFCD or the Society for the Prevention of Cruelty to Animals for follow-up actions. As the Administration has decided to give a one-year extension to the existing tenancies of some 10 000 market stall tenants which are due to expire on 30 June this year, the above new provision to be included in the new tenancy agreement template will not be applicable for the time being.

Pet owners should take good care of their pets and should not abandon them at will. Under the Rabies Ordinance, any person who abandons animals commits an offence and is liable to a maximum fine of \$10,000 and imprisonment for six months. Members of the public may surrender their pets to the AFCD's animal management centres in the vicinity if they plan to stop keeping their pets and are unable to arrange for their pets to be adopted by others.

Formaldehyde and Other Volatile Organic Compounds Emitted by Newly Made Wooden Furniture and Products

10. **MS LI FUNG-YING** (in Chinese): *President, it has been reported that formaldehyde and other types of volatile organic compounds (VOCs) emitted from newly made wooden furniture and products are detrimental to human health, including an increased chance of developing cancer. Yet, in the absence of prescribed permissible levels of concentration and emission of formaldehyde from newly made wooden furniture and products in the existing legislation,*

members of the public and workers who manufacture/assemble furniture are therefore not protected. In this connection, will the Government inform this Council whether:

- (a) it has assessed the hazards on human health of inhaling formaldehyde and VOCs in high concentration over a long time; if it has, of the assessment results;*
- (b) it will regulate the concentration and emission of formaldehyde from household products (especially for newly made wooden furniture); if it will, of the details; if not, the reasons for that;*
- (c) it will regulate the import of newly made wooden furniture and products which have or emit high level of formaldehyde and VOCs; if it will, of the details; if not, the reasons for that;*
- (d) it will stipulate that the sale of newly made wooden furniture and products shall be accompanied by a description of the concentration of formaldehyde and VOCs, so as to alert members of the public and workers who manufacture/assemble furniture about the relevant risks; if it will, of the details; if not, the reasons for that; and*
- (e) it will draw up the relevant work safety guidelines on manufacturing/assembling newly made wooden furniture; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) Formaldehyde is a colourless gas with a pungent odour at high concentrations. According to USEPA, people exposed to formaldehyde at level exceeding 0.1 parts per million might experience discomfort in the eyes and throat, and difficulty in breathing. Prolonged exposure to formaldehyde may trigger hypersensitivity and asthma. High concentrations of formaldehyde may also cause cancer.

VOC are a diverse group of organic compounds that evaporate at room temperature. In a typical indoor environment, there are more than 100 VOC compounds, including formaldehyde. The VOC can

be emitted from various sources such as construction materials, furnishings, cosmetics, cleansing agents, pesticides, and tobacco smoke, but not all of the VOC are harmful to human health. The academia has conducted relatively more studies on the more toxic VOC, such as benzene and formaldehyde. Prolonged exposure to VOC in general may cause discomfort in the eyes, nose and throat, headache and dizziness, some VOC can result in the depression of the central nervous system and may cause cancer.

(b) and (c)

To better understand whether wooden furniture and other furnishings products are an indoor air pollution source, we have commissioned a consultancy study to collate information on the emission standards or guidelines of other countries on furnishings materials. The study will also look into the supply of furnishings materials meeting these standards or guidelines in Hong Kong. Based on the information and practicable options provided by the consultant, we will look into appropriate measures to prevent the import of new wooden furnishings and other wooden products with excessive emission of formaldehyde and VOC.

As VOC play a significant role in the formation of smog in the atmosphere, we have implemented the Air Pollution Control (Volatile Organic Compounds) Regulation in phases starting from 1 April 2007, to prohibit importation or local manufacture of architectural paints/coatings, printing inks and selected consumer products (including air refreshener, hair spray, multi-purpose lubricant, floor wax stripper, insecticide and aerosol insect repellent) which exceed the prescribed VOC content limits for local use and sale. We also published in the Gazette on 22 May 2009 that the regulation will be extended to vehicle refinishing paints, vessel paints, pleasure craft paints, adhesives and sealants.

(d) We understand that labelling the formaldehyde and VOC content on new wooden furniture and wooden products will help enhance consumers' awareness of the concerned risk. The aforementioned consultant will consider all possible options and come up with the most effective recommendations. After receipt of the recommendations of the consultant, we will develop suitable and

effective measures to reduce the risk of public exposure to indoor formaldehyde and VOC.

According to the Factories and Industrial Undertakings Ordinance (Chapter 59), the proprietor has the duty to ensure, so far as is reasonably practicable, the health and safety of all workers employed by him at his industrial undertaking. This includes the provision of the necessary information, instruction, training and supervision to the workers. In accordance with the existing requirements, therefore, if furniture assembling workers may be exposed to formaldehyde and VOC emitted from wooden furniture or products in carrying out related work processes, their employers should provide them with relevant information on the risk to protect their safety and health at work.

- (e) The Labour Department has compiled a number of publications to remind employers to take appropriate control measures to protect workers from inhaling air impurities in the workplace, including formaldehyde and VOC. For example, the pamphlet on "Air Impurities in the Workplace" explains the sources of air impurities in different workplaces, health hazards caused by the impurities, and how employers should protect the health of workers through assessment of the risk, implementation of suitable control measures and use of personal protective equipment. This pamphlet also mentions that VOC may be emitted from furniture and recommends relevant control measures, such as the use of less hazardous materials and ventilation systems to reduce the risk, thus providing practical guidance for employers and workers engaged in manufacturing and assembling furniture.

In addition, employers and workers engaged in manufacturing and assembling furniture may also refer to other related publications produced by the Labour Department, such as the "Code of Practice on Control of Air Impurities (Chemical Substances) in the Workplace", "The Protection of Workers' Health Series — Control of Toxic Substances in the Workplace", "Air Monitoring in the Workplace", and "Guidance Notes on Ventilation and Maintenance of Ventilation Systems", and so on, to further understand the hygiene standards, risk assessment method and relevant control measures related to formaldehyde and other organic compounds.

Medical Treatment for Mental Patients

11. **MR WONG YUK-MAN** (in Chinese): *President, I have learnt that in recent months, quite a number of members of the public have suffered from depression or other kinds of mental illnesses because they have been hard hit by the financial tsunami or they have incurred great losses in their investments in the Lehman Brothers-related financial products. Yet, the waiting time for first appointment in psychiatric specialist out-patient (SOP) clinics of public hospitals is very long. As a result, the clinical conditions of some patients have deteriorated due to a lack of proper treatment, and some of them even committed suicide. On the other hand, private psychiatric out-patient services are so expensive that the general public are discouraged from seeking consultation. In this connection, will the Government inform this Council:*

- (a) whether it knows the respective numbers of patients suffering from depression or other kinds of mental illnesses who committed suicide and died in the past three years;*
- (b) of the average waiting time for first appointment in public psychiatric SOP clinics at present;*
- (c) given that some depression patients indicated that because the seriousness of their illness had been underestimated, they were classified as the "routine category" with low priority and had to wait for a very long time, and some attempted to commit suicide while waiting, whether the authorities will review the existing triage system for new cases in psychiatric SOP clinics; and*
- (d) whether the authorities will consider subsidizing mental patients with financial difficulties to receive treatment by private psychiatrists, so as to shorten the waiting time for first appointment in psychiatric SOP clinics of public hospitals?*

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

- (a) The number of suicide cases in Hong Kong, the number of suicide cases involving psychiatric patients of the Hospital Authority (HA)

and the number of psychiatric patients of the HA in the past three years are as follows:

<i>Year</i>	<i>Number of suicide cases in Hong Kong⁽¹⁾</i>	<i>Number of suicide cases involving patients who had used HA's psychiatric in-patient or out-patient services one year before they died in suicide⁽¹⁾</i>	<i>Number of psychiatric patients (including in-patients, patients at SOP clinics and day hospitals)⁽²⁾</i>
2005	1 149	300	134 159 (2005-2006)
2006	1 042	275	140 487 (2006-2007)
2007	922	262	147 557 (2007-2008)

Notes:

- (1) The figures are the number of registered deaths kept by the Government based on the date of death registration. These figures are compiled on a calendar year basis.
- (2) The figures are compiled on a financial year basis.

- (b) At present, under the triage system for new appointment at psychiatric SOP clinics at the HA, new patients are classified into the following categories on the basis of the urgency of their clinical conditions: priority 1 (urgent), priority 2 (semi-urgent) and routine categories. Factors to be considered for triage of new cases include the patient's propensity to violence, risk of committing suicide, degree of depression and whether the patient has carers.

Patients assessed to have a high risk of committing suicide will be triaged as priority 1 cases or directly referred to the Accident and Emergency (A&E) Departments for hospital admission so as to ensure that these patients with urgent needs can receive timely treatment. Patients who suffer from acute psychiatric conditions and require urgent care could be admitted to hospitals for treatment via the A&E Departments. In 2008-2009, the median waiting time for first appointment of priority 1 and priority 2 cases at psychiatric SOP clinics were around one week and three weeks respectively.

As for new cases in the routine category, the median waiting time for first appointment was about 17 weeks.

In view of the possible increase in the number of mental patients seeking medical treatment arising from the financial tsunami, the HA specially launched a six-month designated mental health clinic service in various clusters starting from January this year. Psychiatrists and psychiatric nurses are stationed at designated general out-patient clinics to provide consultation service to patients referred by general practitioners. Normally, patients referred to the designated clinics receive assessment or treatment within one to two weeks.

To further enhance its services, the HA will set up triage clinics at the psychiatric SOP clinics in Hong Kong East, Kowloon East, Kowloon West, New Territories East and New Territories West clusters in July 2009. These triage clinics mainly provide services for new psychiatric SOP patients classified as routine cases so as to shorten the waiting time for these non-urgent new cases. The Government has provided HA with an additional recurrent funding of \$6.8 million starting from 2009-2010 to recruit additional manpower for this service. It is estimated that the triage clinics will provide 10 500 service attendances for 2 600 patients each year.

Meanwhile, to further strengthen community psychiatric services, the Government will provide additional recurrent funding of \$23.6 million and \$8.26 million starting from 2009-2010 to provide recovery support service for psychiatric patients in the community and further enhance the provision of psychogeriatric outreach service to private residential care homes for the elderly respectively. In addition, the HA has introduced the Elderly Suicide Prevention Programme since 2002-2003 to provide prompt treatment service for elders suspected to have depression or suicidal tendency. The Social Welfare Department (SWD), voluntary agencies, social workers and doctors can refer elders suspected to have depression or suicidal tendency to the Elderly Suicide Prevention Programme for follow-up. In 2008-2009, the programme has provided a total of 37 390 attendances of prompt treatment service. In addition, the programme has provided training to health care staff and people who

come into contact with elders in their work to help them identify elders with depression or risk of committing suicide and refer the elders to receive necessary services as early as possible.

- (c) All new patients at the psychiatric SOP clinics are first assessed by a Nursing Officers/Advanced Practice Nurse to ascertain the severity of their conditions according to the established triage criteria. The assessment outcome will be reviewed by a Senior Medical Officer. The date of medical appointment will then be arranged having regard to the conditions of the patient. Factors to be considered in the triage of new cases include the patient's propensity to violence, risk of committing suicide, degree of depression and whether the patient has carers. Psychiatric SOP clinics also disseminate information to the patients and their family to remind them that they may approach out-patient departments, A&E departments or family doctors for assistance in case there is a change or deterioration in the patient's mental conditions while they are waiting for medical appointment at SOP clinics.

In 2008-2009, the HA piloted nurse clinic service which provides nursing care support such as mental health education and medication adjustment for patients at psychiatric SOP clinics with a view to providing them with extended nursing care after receiving treatment from doctors. Besides, the HA has also introduced the "Early Emotional Assessment and Intervention Programme" under the management of senior occupational therapists in four of its psychiatric SOP clinics since December 2008. This pilot programme targets patients who have emotional problems and are classified as routine cases waiting for psychiatric SOP service. Under the programme, senior occupational therapists provide patients with cognitive behavioral therapy (CBT) after understanding the patients' emotional problems and distress. Through CBT, health education, psychotherapy and life restructuring services will be provided to these patients on a group or individual basis so as to help them adopt a positive attitude, resolve emotional problems and regain a positive life. The service will be launched in the fifth psychiatric SOP clinic in June 2009.

- (d) Public health care services in Hong Kong are heavily subsidized by the Government and the service fees are affordable by the general public. The Government has also put in place a medical fee waiver mechanism to provide assistance to needy patients. There is at present no plan to subsidize patients with financial difficulties to receive services from psychiatrists in private practice.

The Administration has all along adjusted and enhanced mental health services in light of the service demand in the community. From 2001-2002 to 2008-2009, the Government has provided an additional recurrent funding of \$250 million to the HA and \$86.3 million to the SWD to support a number of new initiatives to improve the treatment and rehabilitation services for mental patients. We will continue to allocate additional resources on prevention, medical treatment and rehabilitation services to further enhance our mental health services and support for mental patients.

Control of Emission of Oily Fumes and Cooking Odour from Restaurants

12. **DR RAYMOND HO** (in Chinese): *President, regarding the control of emission of oily fumes and cooking odour from restaurants, will the Government inform this Council:*

- (a) *of the number of complaints about restaurants emitting oily fumes or cooking odour received by the authorities from members of the public in each of the past 12 months;*
- (b) *of the number of regular inspections conducted by the Environmental Protection Department (EPD) and the number of cases in which the offending restaurant owners were prosecuted by the EPD in each of the past three years;*
- (c) *whether at present the authorities adopts, in exercising control over restaurants emitting oily fumes and cooking odour, different standards according to the types of districts (such as business districts) in which the restaurants are located; and*

- (d) *whether it will adopt new measures to step up the control of emission of oily fumes and cooking odour from restaurants; if it will, of the details?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, Hong Kong has a total of about 12 000 restaurants of various sizes throughout the territory. To prevent environmental pollution or nuisance to the neighbourhood due to the emission of oily fumes or cooking odour during operation of a restaurant, restaurant owners must, taking into account the environment of the surrounding area, adopt appropriate measures such as the installation of emission control equipment and proper design of chimneys and exhaust facilities. Apart from exercising regulatory control over the emission of oily fumes and cooking odour from restaurants under the Air Pollution Control Ordinance (the Ordinance) over the years, the EPD has worked actively in partnership with the restaurant trade to solve the problem.

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

- (a) The number of complaints about restaurants emitting oily fumes or cooking odour received by the EPD from members of the public in each of the past 12 months is as follows:

<i>Year</i>	<i>Month</i>	<i>Number of complaints</i>
2008	June	68
	July	115
	August	61
	September	89
	October	79
	November	118
	December	102
2009	January	74
	February	101
	March	112
	April	89
	May	115
Total		1 123

- (b) The number of inspections conducted and enforcement actions taken by the EPD against restaurants emitting oily fumes and cooking odour in each of the past three years is as follows:

<i>Year</i>	<i>Number of inspections</i>	<i>Total number of notices* issued</i>	<i>Number of prosecutions</i>
2006	6 463	23	4
2007	6 105	31	4
2008	5 350	16	5

Note:

* Please refer to part (c) of this reply.

- (c) The emission of oily fumes and cooking odour from restaurants is governed by the Ordinance. The same standards of control are applicable across the territory. They do not vary according to land use zoning of different districts.

If emission of oily fumes or cooking odour from a restaurant causes nuisance to the public or other air pollution problems because of inadequate pollution abatement facilities, improper operation or other factors, the EPD can serve a notice to the restaurant under the Ordinance requiring it to take remedial measures to abate the emission and prevent air pollution.

A restaurant operator who fails to comply with the above notice commits an offence and is liable to a fine of \$100,000 on first conviction and to a fine of \$200,000 and to imprisonment for 6 months on a second or subsequent conviction.

- (d) Over the years, apart from inspections of restaurants for enforcement under the Ordinance, the EPD has collaborated with major catering associations and stakeholders, to improve the environmental performance of the catering industry and help solve the pollution problem during operation. We believe that the two-pronged approach of enforcement and providing assistance to the industry can

address most effectively the problem of oily fumes and cooking odour from restaurants.

Since the launch of the Restaurant Partnership Programme in 2000, the EPD has organized various kinds of exhibitions, talks and seminars to provide technical support and promote good management and practices to the industry. The EPD has also drawn up various environmental guidelines and set up a "Green Restaurant Website" <www.greenrestaurant-hk.org> to provide the industry with the latest information on environmental protection. Targeting the pollution by oily fumes from restaurants, the EPD has produced a technical leaflet on "Cooking Fume Emission Control for Restaurants and Catering Business" to provide the industry with technical information on the control of oily fumes and cooking odour.

The numbers of complaints about the oily fumes or cooking odour from restaurants over the past three years indicate that the problem is under control. The numbers of complaints are as follows:

<i>Year</i>	<i>Number of complaints</i>
2006	1 346
2007	1 274
2008	1 041

The EPD will continue to inspect restaurants for enforcement under the Ordinance. In parallel, the EPD will strengthen its partnership with the industry, in particular assisting the industry in upgrading its technologies in controlling oily fumes and cooking odour.

Examination Fee for General Certificate of Secondary Education (Chinese) Examination

13. **MR ANDREW CHENG** (in Chinese): *President, starting from 2008, non-Chinese speaking (NCS) students may apply for admission to local universities using the results of the General Certificate of Secondary Education (Chinese) Examination (GCSE (Chinese)). The examination fee for GCSE*

(Chinese) is \$965, while that for the Chinese Language subject in the Hong Kong Certificate of Education Examination (HKCEE) is \$194, with a nearly fourfold difference between them. To avoid being unfair to NCS students and reduce their financial pressure, will the Government inform this Council:

- (a) whether it will consider subsidizing NCS students who apply to sit for GCSE (Chinese) to pay for the difference between the above examination fee; and*
- (b) given that the International General Certificate of Secondary Education (French) is currently included as one of the examination subjects in HKCEE, and thus its examination fee is the same as those for other language subjects in HKCEE, whether the authorities will deal with GCSE (Chinese) in the same way?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) Starting from 2007, we have, through the Hong Kong Examinations and Assessment Authority (HKEAA), administered in Hong Kong the General Certificate of Secondary Education (GCSE) (Chinese) Examination offered by the UK-based Edexcel International Examination Board as we understand that some NCS students, in particular those who have a late start in learning Chinese or have not been given ample opportunity to study the local Chinese curriculum, may prefer to attain alternative Chinese Language qualifications.

GCSE (Chinese) is an overseas examination. Hence, the HKEAA has to administer the GCSE (Chinese) Examination on a full-cost recovery basis and, when determining the relevant examination fee, has to take into consideration the charges of relevant overseas examination board and other related operating expenses. The HKEAA has in fact exercised its discretion in determining the examination fee for GCSE (Chinese), and it has also committed to review annually the examination fees of these non-local examinations. There is room for downward adjustment of the fees if more students sit for the GCSE (Chinese) Examination in future.

We understand the concerns of the NCS students on the GCSE (Chinese) examination fee and we are actively exploring feasible means to support the NCS students with a view to alleviating their financial burden in taking the GCSE (Chinese) Examination. We hope to be able to finalize the relevant details in the coming months for implementation in November before the NCS students commence to register for the GCSE (Chinese) Examination next year.

- (b) French is one of the examination subjects under the HKCEE. The HKCEE has been providing the French Examination since the 1960s with the examination papers developed initially by the HKEAA. Though it subsequently adopts the IGCSE paper of the University of Cambridge International Examinations Board instead of developing the paper itself, French, like Chinese Language, Putonghua and English language, remains one of the language subjects examined under the HKCEE and is, therefore, charging the same examination fee. As the GCSE (Chinese) Examination is not the Chinese Language examination subject of the HKCEE, it is different from the situation of the French Examination under the HKCEE and cannot be handled in the same way. As mentioned before, we are actively exploring other means to support NCS students in taking the GCSE (Chinese) Examination.

Standardized Care Need Assessment Mechanism for Elderly Services

14. **MR LEUNG KWOK-HUNG** (in Chinese): *President, the Social Welfare Department (SWD) has implemented the Standardized Care Need Assessment Mechanism for Elderly Services (Standardized Assessment Mechanism) since November 2000. As at 28 February 2009, assessment was completed for 134 770 referred cases. In this connection, will the Government inform this Council of the number of cases for which assessment was completed in each financial year, and among such cases, the number of those which were assessed to be in need of follow-up, broken down by the district council district in which the elderly people concerned reside and the areas in need of follow-up (set out in the table below)?*

Year 200x-200x	Number of cases for which assessment was completed in the year : ___ ; number of those cases in need of follow-up: ___																					
	Central & Western	Eastern	Southern	Wan Chai	Kowloon City	Kwun Tong	Sham Shui Po	Wong Tai Sin	Yau Tsim Mong	Islands	Kwai Tsing	North	Sai Kung	Tai Po	Sha Tin	Tsuen Wan	Tuen Mun	Yuen Long	Total			
1) ADL *																						
2) IADL #																						
3) Health promotion																						
4) Institutional risk																						
5) Communication Disorder																						
6) Visual problems																						
7) Alcohol abuse, hazardous drinking																						
8) Cognitive problems																						
9) Behavioural problems																						
10) Depression and anxiety																						
11) Elderly abuse																						
12) Social function																						
13) Cardiorespiratory systems																						
14) Dehydration problems																						
15) Falls																						
16) Nutrition problems																						
17) Oral health																						
18) Problems of pain																						
19) Pressure ulcers																						
20) Skin and foot problems																						
21) Adherence																						
22) Brittle support system																						
23) Medication management																						
24) Palliative care																						
25) Preventive health measures																						
26) Psychotropic drugs																						
27) Reduction of formal service																						
28) Environment assessment																						
29) Bowel management																						
30) Follow-up on urinary incontinence and indwelling catheter																						
Total																						

Notes:

* Activities of daily living

Instrumental activities of daily living

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to Mr LEUNG Kwok-hung's question is as follows:

Since November 2000, the SWD has implemented the Standardized Assessment Mechanism to assess the long-term care needs of elders. From November 2000 to February 2009, the number of assessment cases completed in each financial year is as follows:

<i>Year</i>	<i>No. of assessment cases completed within the year</i>
2000-2001 (November 2000 - March 2001)	2 408
2001-2002	12 126
2002-2003	12 997
2003-2004	12 162
2004-2005	17 691
2005-2006	19 033
2006-2007	18 980
2007-2008	20 585
2008-2009 (April 2008 - February 2009)	18 788
Total:	134 770

Under the Standardized Assessment Mechanism, accredited assessors will assess the care needs of elders with an internationally recognized assessment tool named "Minimum Data Set-Home Care" (MDS-HC) and match appropriate long-term care services for the elders. Assessors will conduct comprehensive assessments on the applicants' abilities in activities of daily living, physical functioning, memory, communication skills, behaviour and emotion, health conditions, living environment and coping capabilities, and so on, in order to ascertain their long-term care needs and recommend suitable services.

The 30 follow-up areas mentioned in the question constitute part of MDS-HC. They are for initial identification of potential or existing problems of the elders so that the concerned staff can refer to such problems when formulating individual care plans for the elders and take follow-up or suitable preventive measures. As mentioned above, when conducting assessment for each

applicant, the assessor will consider various aspects of the elder's condition before recommending appropriate services. The SWD has not compiled statistics for the above individual follow-up areas.

Replacement of Non-franchised Buses with More Environment-friendly Vehicles

15. **DR DAVID LI:** *President, the Government has adopted various incentive schemes to encourage owners of pre-Euro and Euro I diesel commercial vehicles to replace their vehicles with newer models which are more environment-friendly. However, some members of the public have relayed to me that with respect to the provision of residents' bus services, government policy explicitly favours the retention of older vehicles by facilitating applications by operators that source buses from the existing non-franchised bus (NFB) fleet. For example, in the notes to application for Passenger Service Licence — Public Bus Service (Residents' Service), it is stated in paragraph (E)(5) that "If the vehicle for which an application for service endorsement is made is sourced from the existing registered NFB fleet and the application will not entail a net increase in the NFB fleet size, a more flexible approach will be adopted by Transport Department (TD) in the granting and/or amendment of endorsements". In this connection, will the Government inform this Council:*

- (a) of the total number of vehicles in the existing NFB fleet, with a breakdown by the emission standard which they meet; their average age and, among these vehicles, the number of those which were manufactured five years or more ago;*
- (b) whether it has assessed if the aforesaid government policy has artificially resulted in high prices of second-hand NFB; if the assessment outcome is in the affirmative, of the respective average amounts of the pricing distortion in 2006, 2007 and 2008, and whether it has assessed if the aforesaid government policy or pricing distortion has created any disincentive regarding or impediment to the replacement of pre-Euro and Euro I diesel commercial vehicles, which the Government hopes to accelerate; and*
- (c) whether the Government will consider adjusting the aforesaid policy to align it more closely with its policy to encourage owners of pre-Euro and Euro I diesel commercial vehicles to replace their*

vehicles with more environment-friendly newer models; if not, of the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING: President,

- (a) As of end May 2009, there were 7 069 registered public NFBs, with an average age of 6.8 years. Among them, 4 651 vehicles were aged five years or above. The break down by emission standard is as follows:

<i>Emission Standard</i>	<i>Number of vehicles</i>
Euro V	14
Euro IV	1 449
Euro III	2 717
Euro II	2 121
Euro I	476
Pre-Euro	292
Total	7 069

- (b) and (c)

In recent years, the number of NFBs increased rapidly, while the growth in public transport patronage during the same period was relatively slow. The NFB and other transport trades have expressed grave concerns about the oversupply of NFBs. In this connection, the Government invited the Transport Advisory Committee (TAC) in 2003 to conduct a review on the regulatory framework and licensing system of NFB operation. The TAC released its report in 2004. On the basis of the recommendations in the report, the Administration formulated the existing regulatory framework for NFB operation. This included adjusting supply of NFB services in line with demand and encouraging applicants who wish to operate new NFB services to source buses retiring from the existing NFB fleet in the market instead of purchasing new vehicles to avoid a net increase in the NFB fleet size.

Since the Government implemented the above measure in April 2005 based on TAC's recommendations, the TD recorded 2 118

transactions of second-hand NFBs as of May 2009. The total number of registered NFBs decreased from 7 212 at the end of 2004 to 7 069 at the end of May 2009. TD considers the measure effective in alleviating the problem of oversupply of NFBs.

Prices of second-hand NFBs are adjusted automatically through the market mechanism and are affected by various factors, such as the supply of vehicles, the age of vehicles and the number of seats, and so on. The abovementioned measure should not have caused any imbalance between supply and demand in the vehicle market.

Meanwhile, the Environment Bureau launched a scheme on 1 April 2007 to encourage owners of pre-Euro and Euro I diesel commercial vehicles to replace their vehicles with Euro IV standard by providing one-off subsidies. As of end May 2009, subsidies for the replacement of 814 NFBs were approved under the scheme, constituting 35% and 50% of eligible pre-Euro and Euro I NFBs respectively. These percentages were higher than those of other eligible pre-Euro and Euro I diesel commercial vehicles, which were 20% and 15% respectively.

As the measure implemented by the Government is effective in alleviating the problem of oversupply of NFBs, we have no plan to change the measure at the present stage.

Sticking of Heat-insulating and Light-transmitting Colour Films on Windcreens and Windows of Vehicles

16. **MS MIRIAM LAU** (in Chinese): *President, regarding the sticking of heat-insulating and light-transmitting colour films on windcreens and windows of vehicles by vehicle owners, will the Government inform this Council:*

- (a) *of the number of prosecutions instituted in the past five years against vehicle owners for sticking heat-insulating and light-transmitting colour films on vehicle glass without approval;*
- (b) *of the number of the relevant applications received by the Transport Department (TD) in the past five years and, among them, the number*

of applications rejected as well as the reasons for rejecting the applications;

- (c) whether the Government had tested in the past three years the impact of sticking heat-insulating and light-transmitting colour films on how fast the temperature inside vehicles increases and the fuel consumption rate of vehicles under sunlight; if it had, of the test results; if not, whether it will conduct such tests;*
- (d) whether it knows how overseas authorities regulate the sticking of heat-insulating and light-transmitting colour films on vehicle glass by vehicle owners; and*
- (e) given that the authorities are drafting legislation to ban idling vehicles with running engines, whether the Government will relax the regulation on the sticking of heat-insulating and light-transmitting colour films on vehicle glass, so as to lower the temperature inside vehicles; if so, of the implementation timetable; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the five parts of the question is as follows:

- (a) Safety specifications of motor vehicle glass are governed by regulation 28 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (the Regulations) (Cap. 374A). Regulations 28(1)(a) and (b) provide that the glass or transparent material used in all windscreens, windows and partitions of a motor vehicle shall be safety glass or safety glazing approved by the Commissioner for Transport, and that the material shall be of such transparency that it does not obscure the view of the interior of the motor vehicle. Moreover, regulation 28(2) stipulates that no alteration or addition shall be made to any windscreen or window whereby the reflecting effect of the safety glass or safety glazing is increased, or whereby the ability of such safety glass or safety glazing to transmit light is decreased.

In 2002, the TD reviewed and revised the requirement concerning the ban on sticking solar films to vehicle windows. Without

prejudice to the light transmission rate (LTR) requirement for vehicle windows, vehicle owners may, starting from 2003, apply to the TD for using such films. However, to ensure that motorists have a clear vision of the road, we do not encourage sticking tinted solar films to vehicle glass. In carrying out day-to-day enforcement, the police will investigate vehicles suspected of using substandard motor vehicle glass. In addition, the police will conduct roadside checks on motor vehicles jointly with Vehicle Examiners of the TD. The numbers of prosecutions initiated by the police in accordance with regulation 28(2) of the Regulations against motor vehicles using solar films⁽¹⁾ for the offence of "alteration/addition to windscreens/windows/partitions" over the past five years are as follows:

<i>Year</i>	<i>No. of cases</i>
2004	107
2005	67
2006	133
2007	172
2008	258

- (b) In the past five years, the TD received a total of 106 applications for using solar films on vehicles. Details are as follows:

<i>Year</i>	<i>No. of applications</i>
2004	17
2005	7
2006	14
2007	29
2008	39

One application each was rejected in 2006 and 2007 respectively. The vehicles concerned failed to meet the minimum LTR requirement after solar films were applied.

- (c) The TD and other relevant departments did not carry out tests on such impact as temperature inside vehicle and fuel consumption rate

⁽¹⁾ Most of the films were of dark colour and the overall LTR of the glass and the film did not meet the minimum requirement.

after applying tinted solar film, nor do they have any plan to do so at present. Under the existing arrangements, motorists may apply to the TD for using solar films to meet their individual needs. This is to ensure that the vehicle window glass meets the LTR requirement and motorists' vision will not be affected. The Government supports environment-friendly measures as long as the material used meets vehicle safety requirements and is suitable for road use.

- (d) The Mainland and some overseas countries do regulate the LTR of vehicle windows to ensure that motorists have a clear vision of the road. In the Mainland, the National Standard on Safety Specifications for Power Driven Vehicles Operating on the Roads stipulates that no mirror finish reflective solar film is allowed on vehicle window glass. In Australia, changes to the colour of vehicle window glass during non-manufacturing processes are prohibited. In other countries such as Japan, Singapore and Malaysia, sticking solar films is allowed, but only without prejudice to the LTR requirement.
- (e) As pointed out in part (a) of my reply, without prejudice to the LTR requirement, vehicle owners may, starting from 2003, apply to the TD for using solar films. Normally, the procedures can be completed and tests can be conducted within two weeks for applications submitted with all the required documents. Moreover, the TD has relaxed the LTR requirement for private cars in 2008. The minimum LTR requirement for the window glass behind the driver seat of all private cars fitted with external rear-view mirrors on both sides is lowered from 70% to 44%. The revised requirement allows the use of glass which is more effective in insulating external heat for private cars.

Employment Opportunities to be Created by Development of Green Economy

17. **MS AUDREY EU** (in Chinese): *President, the Environment and Conservation Fund has provided a funding of \$450 million to offer financial assistance to building owners for conducting energy-cum-carbon audits and energy efficiency projects for their buildings. The Government expects that more than 1 600 projects may be subsidized, and many employment opportunities*

will be created. In this connection, will the Government inform this Council whether:

- (a) it knows if the Employees Retraining Board (ERB) has assessed how many relevant training courses it needs to organize, so as to provide training for workers engaged in the aforesaid trades;*
- (b) it has assessed the amount of resources need to be injected to assist members of the public in joining the aforesaid trades; if it has, of the details; if not, the reasons for that; and*
- (c) it had assessed last year the amount of resources need to be deployed by ERB to organize the relevant training courses to tie in with the development of green economy; if so, of the details?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) The ERB has been in close liaison with the Environment Bureau and the Vocational Training Council on assessing the manpower demand and training needs arising from "Energy-cum-carbon Audit" projects. As regards the "Energy Efficiency Projects", the current training portfolio of the ERB has already covered training for technicians and craftsmen in the trades of electrical workers, assistant electrical technicians, and building maintenance workers.
- (b) On top of the training courses and plans mentioned in item (a), two local professional engineering institutions have been offering courses to complement with the launch of the funding scheme for energy-cum-carbon audit projects. Five courses have been conducted since earlier this year and were attended by 750 participants.

We have also liaised with various training bodies and Industry Training Advisory Committees set up in relation to the Qualification Framework, to explore the incorporation of training on energy audit, carbon audit and energy efficiency projects in the relevant courses.

- (c) The green economy as promoted by the Government impinges on various sectors. Among them, the ERB anticipates that building energy efficiency would bring about immediate job opportunities for its service targets. At the initial stage, emphasis will be put on the provision of training for workers in this sector to meet the relevant manpower requirement. The ERB will maintain close liaison with the Environment Bureau and relevant departments to explore green job opportunities and provide relevant training in view of the development of other green economy initiatives. As the ERB is now working out relevant details and consulting the industry, the training details and resources required are still subject to further development.

Appointment of Members to Advisory and Statutory Bodies

18. **MS EMILY LAU** (in Chinese): *President, in the consultation paper "Review of the Role and Functions of Public Sector Advisory and Statutory Bodies" published in 2003, the authorities set a minimum ratio of 25% of non-official members of either gender in advisory and statutory bodies (ASBs) and stipulated that in general, a non-official member of an ASB should neither serve more than six years in any one capacity (six-year) nor as a member on more than six boards or committees at the same time (six-board). The paper also pointed out that "there is a need to review ASBs in the public sector in order to enhance their openness, effectiveness, representativeness and transparency". Subsequently, in reply to the question of a Member of this Council on 6 December 2006, the former Secretary for Home Affairs advised that the Government "will consider reviewing the 25% gender benchmark", but it is learnt that at present there are still 185 non-official members in ASBs who have served for more than six years and the ratio of women members is only 27.6%. In this connection, will the Government inform this Council:*

- (a) *why at present there are still many incumbent members who have served for more than six years, and how many persons are currently serving as members on more than six-board ;*
- (b) *whether it will formulate measures to ensure that the various Policy Bureaux and government departments will abide by the six-year and six-board rules in appointing those members; if it will, of the details; if not, the reasons for that;*

- (c) *whether it has devised any appraisal mechanism to monitor the attendance rates of those members at meetings and upload such rates onto the Internet, so as to enhance transparency and their public accountability; if it has, of the details; if not, the reasons for that;*
- (d) *what measures the various Policy Bureaux had taken in the past five years to actively promote the participation of women in ASBs, and whether it has assessed if such measures are adequate;*
- (e) *whether it has conducted any review on the aforesaid 25% gender ratio benchmark since December 2006; if it has, of the details; if not, the reasons for that; and*
- (f) *whether it will set a minimum ratio of the number of persons under 35 years old among the non-official members of ASBs, so as to ensure that the views of the young people are considered?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) When appointing members to ASBs, the Government will observe the "Six-year Rule" and "Six-board Rule" (6-6 Rules). "Six-year Rule" means not appointing a non-official member to serve on the same ASB in any one capacity for more than six years, and "Six-board Rule" means not appointing a person to serve as a non-official member on more than six ASBs at any one time. As at April 30, 2009, 167 non-official members appointed by the Government (representing 3.05% of all government appointed non-officials) had served in the same capacity of the ASB concerned for more than six years, while six persons (representing 0.17% of all government appointed non-officials) were appointed by the Government to serve as non-official members on seven ASBs.

In making appointments to ASBs, the Government aims to secure the services of the most suitable persons to meet the requirements of the board or committee concerned. In making appointments, the Government will consider a host of factors including a candidate's ability, expertise, experience, integrity and commitment to public service, the functions and nature of the board or committee

concerned, and so on. For statutory bodies, the appointing authorities will also consider the relevant statutory requirements. In considering the above factors, the appointing authorities aim to achieve the objective that the composition of ASBs could broadly reflect the interests and views of the community, and that the principle of appointment by merit can be upheld. Appointing authorities may appoint a member to serve on the same body for more than six years under individual circumstances when necessary.

- (b) The "6-6 Rules" have been stipulated in the general guidelines on appointments to ASBs issued to appointing authorities for reference. By issuing notices to the relevant appointing authorities six months before the expiry of the membership of ASBs, the Home Affairs Bureau would remind appointing authorities to take active measures to ensure that appointments made by them would comply with the "6-6 Rules" as far as practicable, in order to attract more suitable talents and avoid overloading the non-official members.
- (c) The Government encourages ASBs to adopt appropriate measures to enhance transparency and accountability to the public. In this connection, ASBs have, taking into account their functions and nature of business, adopted various transparency measures where practicable. These measures include, among others, issuing press releases, making agenda or papers of the meetings available for public inspection, or uploading appropriate information onto the Internet. In making appointments to ASBs, appointing authorities would also take into account the candidates' commitment to public service, their performance or attendance in the ASBs concerned, and so on.
- (d) In January 2004, the Government set the "25% gender benchmark" as a working target, meaning at least 25% of appointed non-official members of ASBs should be of male or female. We achieved the working target in December 2005. In the past few years, bureaux have been taking active measures to promote women's participation in ASBs. The Home Affairs Bureau will also, through various channels such as the Women's Commission, continue to encourage more women who are able and willing to participate in ASBs to submit their personal particulars to the Central Personality Index maintained by the Bureau with a view to enlarging the pool of potential female candidates available for appointment to ASBs.

The women's participation rate in ASBs has shown gradual improvement and as at April 30, 2009, the overall women's participation rate among the non-official members appointed by the Government to ASBs has reached 27.6%.

- (e) In the past two years, the Home Affairs Bureau has explored with various bureaux and the Women's Commission the possibility of further enhancing women's participation in ASBs. According to the views and information provided by bureaux, for certain ASBs, the majority of practitioners in the respective sectors or professions are male. Moreover, the term of appointment of members of some ASBs may last for a few years, the appointing authorities will only have opportunity to raise the women's participation rate further when making new appointments. As such, we do not have plan to further raise the gender benchmark at present. Nevertheless, through channels mentioned in part (d) above, the appointing authorities would continue to identify and cultivate more women to participate in the work of ASBs.
- (f) We do not have plan to set any appointment ratio target for different age groups. While upholding the fundamental principle of appointment by merit, the Home Affairs Bureau would encourage appointing authorities to appoint more persons of different age groups who are interested in community affairs as non-official members of ASBs to ensure that members of ASBs can reflect the opinions of different age groups.

Provision of Computers in Government Venues for Internet Browsing by Public

19. **MR ABRAHAM SHEK** (in Chinese): *President, regarding the Government's provision of computers in public libraries, community centres and community halls for Internet browsing by the public, will the Government inform this Council:*

- (a) *of the current number of computers provided for such use;*
- (b) *of the utilization of such computers in the past three years and the annual utilization rates of these facilities in each of the venues*

(broken down by the District Council district in which they are situated); and

- (c) *given that quite a number of low-income families, which are financially deprived but are not receiving Comprehensive Social Security Assistance, do not have Internet services at home, whether the Government will consider introducing new administrative measures (for example, increasing the number of the aforesaid facilities, extending the operating hours of these facilities and according priority to the use of such facilities by members of the families concerned) to assist them in this regard; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, regarding the questions raised by Mr Abraham SHEK, my reply is as follows:

- (a) Over 1 600 computers with Internet access are provided for public use in the 66 public libraries under the Leisure and Cultural Services Department (LCSD). The Home Affairs Department (HAD) has also installed a total of 33 e-Stations at 18 District Offices' Public Enquiry Service Centres (PESCs), which members of the public can use. Through the e-Stations, they may browse information on Government or other websites, send or receive e-mails and use other online electronic public services. At present, we do not have any computer facility installed at community halls/centres for public use.
- (b) The number of computers provided in individual libraries and their usage over the past three years are given in Annex I. The HAD's project of installing e-Stations in PESCs was completed in mid-December 2008. From January to May 2009, the e-Stations have been used by over 30 000 persons.
- (c) Computer facilities are made available in public libraries mainly to allow the general public and students to search and browse the Internet, to use multimedia materials, or to access e-books and online databases provided by the libraries. Over the past three years, the public libraries have installed more than 300 additional computers

with Internet access for public use. Since 1 April 2009, the opening hours of 33 major and district libraries have been extended to 71 hours a week, allowing the public more time to use the computer facilities and resources in the libraries.

In addition to providing computer facilities in public libraries, we have implemented other measures that provide low-income families and other needy groups with access to computers and/or Internet connections. Major initiatives include:

- The Office of the Government Chief Information Officer has been progressively installing Wi-Fi facilities starting from early 2008 at various government premises in different districts. These premises include public libraries, PESCs, sports centres, cultural and recreational centres, cooked food markets and cooked food centres, job centres, community halls, large parks and Government joint-user buildings. As at June of 2009, we have already completed the provision of free Wi-Fi services at 350 government premises, marking the achievement of the planned implementation target. We will progressively roll out the services to additional premises, making a total of around 380 by March 2010.
- The Housing Authority (HA) has made available facilities in public rental housing estates for service providers to provide free Wi-Fi services in public area of the estates to the HA tenants in around 150 public rental housing estates;
- The Education Bureau in partnership with the Environmental Protection Department launched in February 2009 a "Computer Recycling Programme" for needy students of primary and secondary schools. Students in receipt of financial assistance from the School Textbook Assistance Scheme or whose families are receiving Comprehensive Social Security Assistance may apply during the period of the Programme. Under the Programme, recycled computer together with one-year free Internet access service would be provided to successful applicants;

- The Education Bureau has also granted recurrent subsidy to all primary and secondary schools to facilitate them to open computer rooms and facilities for the use of needy students after school; and
- The Office of the Government Chief Information Officer has provided a sponsorship of (\$14.4 m) to implement a pilot scheme of District Cyber Centres (DCCs), which aims at providing computer hardware, software, Internet connections, training and content to children from low-income families and other needy local residents. Under the scheme, computers with free Internet access will be made available for use in district centres. Also, a library of laptop computers equipped with free wireless Internet access will be made available for loan to the needy groups in districts. We expect the relevant service will roll out to 14 centres in mid-2009 and the scheme will be expanded to cover more centres.

We will regularly review the effectiveness of the initiatives and consult the Digital Inclusion Task Force on the need of other new measures as and when required.

Annex I

The Number and Utilization of Computers with Internet Access
in the Public Libraries under the LCSD

<i>District/Library</i>	<i>Number of Computers</i>	<i>Number of Users in 2006</i>	<i>Number of Users in 2007</i>	<i>Number of Users in 2008</i>
<i>Hong Kong Island</i>				
<i>Central & Western</i>				
City Hall Public Library	87	115 770	114 220	126 700
Shek Tong Tsui Public Library	15	22 130	20 880	19 620
Smithfield Public Library	4	6 630	6 660	6 710
<i>Eastern</i>				
Chai Wan Public Library	46	60 030	60 240	66 230
Electric Road Public Library	3	6 740	7 460	7 410
North Point Public Library	5	13 380	12 740	11 000
Quarry Bay Public Library	29	24 970	22 810	22 600
Yiu Tung Public Library	3	8 060	8 050	8 190

<i>District/Library</i>	<i>Number of Computers</i>	<i>Number of Users in 2006</i>	<i>Number of Users in 2007</i>	<i>Number of Users in 2008</i>
<i>Southern</i>				
Aberdeen Public Library	26	38 400	58 210	57 470
Ap Lei Chau Public Library	3	5 720	5 990	5 650
Pok Fu Lam Public Library	3	7 170	7 120	6 820
Stanley Public Library	15	5 250	12 540	20 930
<i>Wan Chai</i>				
Hong Kong Central Library	470	2 180 400	2 214 090	2 126 410
Lockhart Road Public Library	36	19 520	16 670	52 050
Wong Nai Chung Public Library	4	7 410	7 090	6 770
<i>Kowloon</i>				
<i>Kowloon City</i>				
Hung Hom Public Library	3	7 430	7 480	7 500
Kowloon City Public Library	2	4 640	4 690	4 670
Kowloon Public Library	67	127 660	177 880	166 170
To Kwa Wan Public Library	29	18 690	16 370	40 630
<i>Kwun Tong</i>				
Lam Tin Public Library	2	4 490	4 620	4 560
Lei Yue Mun Public Library	6	9 990	9 660	8 730
Ngau Tau Kok Public Library	28	28 750	21 430	20 590
Sau Mau Ping Public Library	2	3 580	3 700	3 420
Shui Wo Street Public Library	27	26 830	20 620	43 870
Shun Lee Estate Public Library	7	3 990	3 750	9 800
<i>Sham Shui Po</i>				
Lai Chi Kok Public Library	30	32 470	30 660	26 590
Pak Tin Public Library	1	2 320	2 310	2 330
Po On Road Public Library	24	40 380	47 200	40 520
Un Chau Street Public Library	3	7 380	7 380	7 370
<i>Wong Tai Sin</i>				
Fu Shan Public Library	4	6 090	6 020	4 960
Lok Fu Public Library	2	5 080	5 200	5 160
Lung Hing Public Library	2	4 500	4 560	4 780
Ngau Chi Wan Public Library	26	15 630	43 170	44 010
San Po Kong Public Library	27	51 440	49 600	52 130
Tsz Wan Shan Public Library	3	6 860	7 060	7 120
<i>Yau Tsim Mong</i>				
Fa Yuen Street Public Library	29	21 420	18 860	36 740
Tai Kok Tsui Public Library	14	22 370	22 010	21 530
Tsim Sha Tsui Public Library	5	6 780	8 020	6 510
Yau Ma Tei Public Library	16	27 250	28 970	29 350

<i>District/Library</i>	<i>Number of Computers</i>	<i>Number of Users in 2006</i>	<i>Number of Users in 2007</i>	<i>Number of Users in 2008</i>
<i>New Territories</i>				
<i>Islands</i>				
Cheung Chau Public Library	10	20 040	21 020	20 970
Mui Wo Public Library	2	3 300	3 200	3 240
North Lamma Public Library	1	740	860	950
Peng Chau Public Library	2	2 370	2 030	2 060
South Lamma Public Library	1	190	220	310
Tai O Public Library	2	2 240	2 170	2 260
Tung Chung Public Library	7	16 990	16 550	15 770
<i>Kwai Tsing</i>				
North Kwai Chung Public Library	32	81 730	94 340	94 500
South Kwai Chung Public Library	10	22 100	21 680	21 070
Tsing Yi Public Library	31	75 630	78 410	73 470
<i>North</i>				
Fanling Public Library	39	72 920	83 210	85 440
Sha Tau Kok Public Library	1	1 220	1 320	950
Sheung Shui Public Library	18	45 860	41 850	40 880
<i>Sai Kung</i>				
Sai Kung Public Library	8	17 090	17 340	15 160
Tseung Kwan O Public Library	26	38 350	39 420	37 760
<i>Sha Tin</i>				
Lek Yuen Public Library	3	10 130	10 190	10 120
Ma On Shan Public Library	40	80 170	84 180	84 600
Sha Tin Public Library	68	111 810	109 520	74 750
<i>Tai Po</i>				
Tai Po Public Library	37	94 360	95 610	93 240
<i>Tsuen Wan</i>				
Shek Wai Kok Public Library	1	4 410	4 090	3 640
Tsuen Wan Public Library	57	129 910	140 840	134 350
<i>Tuen Mun</i>				
Butterfly Estate Public Library	3	5 380	5 090	4 730
Tai Hing Public Library	10	26 480	26 400	24 290
Tuen Mun Public Library	52	75 250	87 300	81 400
<i>Yuen Long</i>				
Tin Shui Wai North Public Library	6	490	13 200	13 650
Tin Shui Wai Public Library	34	62 310	62 250	61 650
Yuen Long Public Library	19	22 730	64 310	83 120
Total	1 628	4 031 800	4 252 590	4 227 930

Training Courses Organized by Travel Industry Council of Hong Kong

20. **MR PAUL TSE** (in Chinese): *President, section 32I of the Travel Agents Ordinance (Cap. 218) stipulates that travel agents shall periodically pay to the Travel Industry Council of Hong Kong (TIC) a levy for it to meet operational expenses. Yet, I have learnt that no less than 20% of TIC's total operational expenses have to be met by other incomes (including the income derived from organizing training courses). In this connection, will the Government inform this Council:*

- (a) *whether it knows the number of training courses organized by the TIC and the income derived from such courses in each of the past three years, the percentage of income used for paying the administration expenses of organizing courses, as well as the names and tuition of the five courses with the highest and lowest tuition fees;*
- (b) *whether it knows how the TIC makes use of the profits derived from organizing training courses;*
- (c) *whether it has monitored if the quality and applicability of the courses organized by the TIC meet the needs of travel agents, as well as whether it knows if the TIC has regularly reviewed the qualifications and choices of trainers; whether the TIC has recruited trainers through open procedure; if it has, of the recruitment details; if not, of the channels through which the TIC uses to recruit trainers; and*
- (d) *of the government department and officials to whom travel agents and other people of the industry who are dissatisfied with the courses may lodge their complaints; and the number of complaints received by the departments and officials concerned in each of the past three years?*

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

- (a) *Income of the TIC derived from training courses in the past three years is as follows:*

<i>Year</i>	<i>No. of Classes</i>	<i>Income (HK\$)</i>
2005-2006	196	2.76 million
2006-2007	171	2.34 million
2007-2008	134	1.86 million

In addition to its own courses, the TIC also organizes courses under the Skills Upgrading Scheme (SUS) and co-organizes short-term courses with the Vocational Training Council (VTC). The tuition fees of these courses depend on factors such as the costs (for curriculum development, compilation and printing of training materials, trainers' fees, staff salaries, rentals of classrooms, procurement and maintenance of training equipment, reference books, as well as air conditioning charges during non-office hours, and so on) and the duration of individual courses, and so on. The TIC also takes into consideration the affordability of the courses to the trainees and actively seeks subsidies on their behalf. For example, the Government subsidizes 70% of the costs of SUS courses; the TIC Bonding Fund Limited subsidizes 70% of the course fee of the Cruise Selling Training Course; and trainees with less than three years of experience in ticketing service who have completed the Fare Construction and Ticketing Certificate Course can apply to the VTC for reimbursement of up to 50% of the course fee. For the reasons set out above, it is not feasible for the TIC to calculate the percentage of income used for administration expenses of individual courses.

Details of the courses organized by the TIC in the past three years are set out in the following table. The lowest tuition fee is \$230 and the highest is \$2,000.

<i>Course Title</i>	<i>Tuition Fee (examination fee included) (HK\$)</i>
Fare Construction and Ticketing Certificate Course (60 hours)	2,000
Certificate Course for Outbound Tour Escorts (26.5 hours)	1,250
Tourism SUS: Tour Guide Training Course (II) (63 hours)	790
Tourism SUS: Practical Putonghua for Tourist Guides and Tour Escorts (22 hours)	245
Tourism SUS: Customer Services and Effective Communication Skills for Travel Agency (21 hours)	230

- (b) It is not the objective of the TIC to make profit through organizing training courses. All income derived from training courses will go into the total income of the TIC to meet its daily operational expenses, including those relating to the administration of training courses.
- (c) The TIC's objective in organizing training courses is to upgrade the skills and knowledge of employees of the tourism trade so as to foster a higher standard of service. The TIC has established a Training Committee to take charge of all training matters, including examining training needs; designing, reviewing and updating course contents; determining entry requirements for trainees and qualification requirements for trainers; as well as appointing recruitment committees to handle recruitment matters. In addition to TIC members and employees of the tourism trade, the Training Committee also comprises representatives of trade unions and professionals from training institutions who have a good understanding of the demands of the trade and changing market needs.

Trainers are recruited through open procedures, including notices issued to all members, and recruitment advertisements on the TIC website as well as Chinese and English newspapers. Candidates have to pass an interview and a practical test before employment. Before starting the actual teaching, prospective trainers have to participate in training, experience sharing and class observation activities. Upon completion of courses, trainees will fill in course assessment forms which are submitted to the Training Committee for consideration and provided to the trainers concerned for review purposes. The appointment of a trainer is valid for one year, and may be revoked or renewed having regard to his or her performance.

- (d) Travel agents or trade members who have any suggestions or complaints about the TIC's training courses may put forward their views to the TIC directly. In the past three years, the Government did not receive any complaint concerning the TIC's training courses.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bills: First Reading.

DOMESTIC VIOLENCE (AMENDMENT) BILL 2009

CLERK (in Cantonese): Domestic Violence (Amendment) Bill 2009.

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

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading.

DOMESTIC VIOLENCE (AMENDMENT) BILL 2009

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I move the Second Reading of the Domestic Violence (Amendment) Bill 2009 (the Bill).

This further amendment of the Domestic Violence Ordinance is raised in response to the request of the Council made last term, and to honour the promise to extend the ambit of the Ordinance from heterosexual cohabitants to same-sex cohabitants made by the Government in the resumed Second Reading debate on the Domestic Violence (Amendment) Bill 2007 (the 2007 Bill) in this Council on 18 June last year.

The Government has been very clear in its stance: it does not recognize same-sex marriage, civil partnership or any same-sex relationship as a matter of legal status and policy stance; this would not be changed because of this amendment, which would not involve or affect other existing legislation.

First of all, I would like to explain briefly the policy objective and background of the amendment of the Ordinance.

Under the law of Hong Kong, any person subject to violence, intimidation or harassment could make a report to the police under criminal law and bring the abusers to justice. However, the fact is that more particular power interface, dynamics and risk factors will be involved in some specific intimate relationships, such as spouses or cohabitants. In the event of violence, usually due to their intricate emotional relationship, or the fear of losing the family breadwinner, or the desire to cater for the feelings of their children, and so on, victims are often reluctant or are afraid to report to the police for various worries and concerns, rendering it impossible for the abusers to be sanctioned under the criminal law framework. The Ordinance aims precisely to address this unique situation, to provide additional injunction protection for those who are in intimate relationships, separating them temporarily from the abusers so as to allow both parties time and space for calming down and resolving the problems. It can be seen that the original intent of the Ordinance is to provide additional civil protection on top of criminal protection to protect those in specific relationships from being molested.

To realize the legislative intent of the Ordinance, the ambit of the Ordinance was extended to cover former spouses, former cohabitants, and other immediate and extended family members in the 2007 Bill passed last year. Public awareness of the fact that there is indeed no difference in intimate relationship between same-sex cohabitants and heterosexual cohabitants was aroused by the discussions at that time: when one party is molested, the other party will be reluctant or afraid to report to the police due similarly to concerns arising from the special power interface, dynamics and risk factors existing between them. Considering that violence incidents of this kind could develop into personal bodily harm within a short span of time, or even to the extent of life endangerment, the Government agreed, on the premise of "not acknowledging the legal status of any same-sex relationship", to make special consideration for further amendments to the Ordinance to provide additional civil protection for same-sex cohabitants, in a bid to address violence involving persons with specific relationships.

Unanimous support for the proposal was obtained from members of different political parties of the Bills Committee in the last term of the Legislative Council. In December last year, we proposed to consult the views of the current

Panel on Welfare Services Commission, but some current Members raised strong concerns and reservations about the proposal. The Panel held two special meetings subsequently to listen to the views of representatives from about 100 deputations and 45 individuals. I attended the two special meetings as well and listened carefully to all views and concerns.

Members and groups who oppose the amendment are mainly concerned that the proposal may result in a twist of the "marriage" and "family" concept. They are also worried that some may succeed in putting forward legal challenges such that same-sex marriage may be recognized as a result of the amendment.

President, marriage formed in law under the "Marriage Ordinance" refers to the voluntary union for life of one man and one woman to the exclusion of all others. Let me reiterate here that the proposed amendment to the Ordinance bears no relevance at all to the legal definition of marriage. It remains the Government's clear and established stance not to recognize any legal status for same-sex relationships, and the proposed amendment would not involve or affect other existing legislation other than the Ordinance.

After thorough consideration of the views put forward by all sectors, it was decided that the Bill would be drafted with the flexible three-pronged approach:

Firstly, we propose that current provisions pinpointing only heterosexual cohabitant relationship be deleted, and a new definition of "cohabitant relationship" be added to the Ordinance without any reference to gender, nor would there be any link or reference to "marriage", "spouse" or "couple" and "same-sex cohabitation". Specifically, we propose to define "cohabitation" under the Ordinance as "to mean the relationship between two persons living together as a lover-couple in an intimate relationship", including those relationships which have come to an end. We have also made reference to many common law precedents on the context and nature of "cohabitation", whereby a series of factors of consideration would be listed in the Ordinance to assist the Court in ruling whether a particular application for injunction falls within the ambit of "cohabitation" under the Ordinance.

Secondly, we propose changes be made to the structural layout of the Ordinance for clear delineation of the three different categories of persons

protected under its ambit, namely, spouses, former spouses and their children as the first category; immediate or extended family members as the second category; and cohabitants, former cohabitants and their children as the third category. Persons protected under these three groups are not involved with one another in any manner.

Thirdly, we propose that the short title of the Ordinance be amended as Domestic and Cohabitation Relationships Violence Ordinance to indicate clearly that the Ordinance as amended is applicable to cohabitants, and to reflect that family and cohabitation relationships fall under different categories and are similarly not involved with each other in any way.

There are views that the Ordinance should be extended to cover all persons living under one roof, such as elderly with no specific relationship but living together. We consider there is no policy justification for such a proposal. As I have explained clearly in the beginning of my speech, the policy objective and legislative intent is to cater for those who are in specific relationships or are related by blood, but not for all categories of individuals who for some reasons decide to live under the same roof; or to cover all acts of violence occurring in the home environment. Violence between or among these persons who are not related in any manner but living under the same roof (such as landlords and tenants, the various tenants in sublet units, employers and employees (such as domestic helpers), school-boarders living in the same room, elderly or children living in hostels) never fall within the scope of family violence, nor does any intimate relationship or risk factor exist between/among them that would render the victims reluctant to report to the police the abusers' acts of violence and seek redress through criminal proceedings.

In fact, when the ambit of the Ordinance was extended to cover former spouses, former heterosexual cohabitants and their direct and extended family relationships in the 2007 Bill, the condition of "living together" was deleted, rendering a decision to be based purely on the intimate relationship or blood-tie relationship between the victim and the abuser. For example, a grandmother who is molested by her grandchild could apply for an injunction under the Ordinance to avoid being molested even she does not live with the grandchild but lives in an elderly home.

More importantly, if civil remedies such as prohibition from entering order are extended to cover the abovementioned persons under the Ordinance, certain

irrational situations may arise, and even other complicated legal issues may be brought about as well, such as domestic helpers applying to the Court for injunction orders to prohibit their employers from entering their homes, or boarding students getting rid of their roommates, or even tenants prohibiting owners of the premises from returning to their residences, and so on.

As for the elderly, they should report at once to the police if they face violence intimidation or molestation by their flat mates. Assistance would be rendered by the Housing Department and Social Welfare Department to address the concern that housing or financial difficulties would arise after making the report. Incompatibility of elderly people living together should not be resolved by means of the Ordinance.

President, in the course of drafting the Bill, views in support of and in opposition to the amendment to the Ordinance were heard. Though different stances and various views exist among people from various sectors, they all have the same objective of protecting intimidated individuals in specific relationships. It has been the attitude of the Government to listen carefully, pool collective wisdom and follow good advice. The Bill is the best possible option derived from the principle of seeking common grounds while reserving the differences. Not only could the concerns expressed by relevant bodies be appropriately addressed, but the policy objective of protecting same-sex cohabitants from molestation is also attained. I hope Members can support the Bill so that same-sex cohabitants could enjoy protection early. Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Domestic Violence (Amendment) Bill 2009 be read the Second time.

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

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): We now resume the Second Reading debate on the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009.

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2009**Resumption of debate on Second Reading which was moved on 18 February 2009**

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, Chairman of the Bills Committee on the above Bill.

MR LEE CHEUK-YAN (in Cantonese): President, I submit the report in my capacity as Chairman of the Bills Committee. The Bills Committee has held four meetings and listened to the views of civil service unions.

In principle, the Bills Committee supports providing for the possible forfeiture and reduction of retirement benefits of Civil Service Provident Fund (CSPF) Scheme civil servants in the legislation relating to the disciplined services upon their removal punishments. Some Members have expressed concern about whether or not the relevant proposal would constitute variation of the employment contract of CSPF civil servants. The Administration explained that the proposed amendments had no conflict with the terms and conditions of the employment contract.

The Bills Committee also examined the possible sanctions to be imposed on CSPF civil servants whose misconduct or offence comes to light only after they have left the service and fully withdrawn the accrued benefits attributable to the Government's voluntary contribution (GVC benefits), for example, former directorate CSPF civil servants in breach of the control regime for post-service outside work. The Administration advised that according to the terms and conditions of the CSPF Scheme, the Administration may recover, either wholly or in part, such benefits by means of civil action if the officer is convicted of any of the four specified offences.

In addition, if a former directorate civil servant on CSPF terms is in breach of the post-service outside work restrictions, the Administration explained that the authority may impose various kinds of sanctions, such as initiating civil action to seek an injunction or sue for damage under contract law, withdrawal or suspension of approval for the officer to undertake outside work, issue of a public

statement of criticism, and so on. After discussion, the Bills Committee agreed that the issue relating to the control regime for post-service outside work of former directorate civil servants be referred to the Panel on Public Service for follow-up.

Some members have expressed concern that although the Administration's current proposal for the maximum percentage of reduction of GVC benefits is 25%, the reduction ceiling for the retirement benefits on compulsory retirement of CSPF civil servants is not explicitly provided for in the legislation. Members considered that it was necessary to specifically protect the percentage from any abrupt changes in the future. The Administration has agreed to give a clear undertaking during the resumption of the Second Reading debate of the Bill that the Administration will consult the staff sides extensively through the established staff consultation mechanism as well as the Panel on Public Service in the event that there is a need to revise the reduction ceiling in future.

The Administration has not proposed any Committee stage amendment (CSA). Mr James TO will move CSAs in his personal capacity to provide for the reduction ceiling of 25% in the legislation for disciplined services.

President, in the following part of my speech, I will speak on behalf of the Hong Kong Confederation of Trade Unions. Earlier on, the Administration consulted the unions of the disciplined services on the Bill and there was an adequate exchange of views between the Government and these unions. There was no dispute on aligning CSPF civil servants with their pensionable counterparts by setting the reduction ceiling at 25% on punishment.

The only point is they considered that a two-pronged approach should be adopted. What does a two-pronged approach mean? On the one hand, amendments have to be made to the Bill to put in place a mechanism limiting the reduction to 25% for CSPF civil servants and lay down an explicit provision in the legislation. No one raised any objection to this point. However, they strongly demanded that the Secretary for the Civil Service play a co-ordinating role among all disciplined services, that is, to standardize the different disciplinary procedures for all disciplined services, with a view to attaining a more reasonable standard than that at present. For example, there is no particular view regarding the existing mechanism for civilian civil servants. When imposing punishment on a civilian officer, at the stage of hearing, all the

grounds of defence and allegations by the other side may be video-recorded. All the aforesaid procedures have been accepted by civilian civil servants and there is no problem at all because they are dealt with under an established system.

However, regarding the disciplined services, we find that different disciplined services have different practices. For example, for some disciplined services, no video or audio recording is allowed in a hearing and only written records are allowed. Why can the practices not be standardized? The Secretary said that we had to discuss with all the disciplined services if we wanted to standardize the different procedures for various disciplined services at present. In my view, the Secretary certainly has to hold discussions. However, why can we not solve the problem of standardizing the disciplinary procedures at the same time when this Bill is tabled before the Legislative Council for scrutiny today? Why can this not be done?

Therefore, we think that these two matters can absolutely proceed in parallel. However, the Secretary's explanation was that we had to discuss with the disciplined services. We also hope that when the Secretary speaks later, she can disclose when all the criteria for disciplinary procedures can be standardized, so that they can be aligned with the established punishment mechanism for civil servants and conform to a reasonable, open, fair and impartial disciplinary hearing procedure. It is also hoped that such standardized criteria can be put in place as soon as possible.

Secondly, President, I support the amendment proposed by Mr James TO. He is not asking the Government to change its policy, rather, he only stipulates the reduction ceiling of 25% in the legislation. Of course, the Government will explain and the Secretary will also give the assurance that consultations will be carried out in the future, but we all understand that the procedures will be entirely different depending on whether or not the ceiling is written into the legislation. If the ceiling is written into the legislation, when it is necessary to make amendments in the future, it will be necessary to establish a Bills committee and the approval of the Legislative Council has to be sought. If the ceiling is not written into the legislation, only an administrative measure will be involved. Insofar as an administrative measure is concerned, I believe the Government will also consult the public but after doing so, it can still do whatever it likes and even if a lot of people have voiced their opposition or some people have expressed their support but others their opposition, there is no need to subject it to the usual scrutiny. This is as if a Bill was scrutinized but the approval of the Legislative

Council for it was not sought and it was not put to the vote. For this reason, I support specifying the reduction ceiling at 25% in the legislation and I think this is more reasonable. However, a loophole still exists with this move. Even if this ceiling is specified in the legislation, this provision will only apply to civil servants in the disciplined services. Why? Because the amendment being discussed is only applicable to the disciplined services and this piece of legislation is not applicable to civilian civil servants. In the latter's case, the approach of administrative orders is still used to resolve issues relating to the CSPF.

Therefore, Members all know that this piece of legislation applicable to the disciplined services to be passed today is designed to amend the legislation applicable to each disciplined service but civilian civil servants are not covered by it. Why are they not covered? Because there is no legislation regulating civilian civil servants. Therefore, even if we specify the proportion of 25% in the legislation, it is only applicable to the disciplined services because at present, the Government has only introduced legislation on the CSPF Scheme applicable to the disciplined services. Therefore, concerning this point, I have to explain to Members that this is not the best approach. I believe that there should be a more comprehensive approach. In the past, civil servants were protected by the Pension Ordinance but no legislation has been introduced for the present CSPF system and the Pension Ordinance does not cover civil servants under the CSPF Scheme. Can the authorities draw up a piece of legislation for civil servants under the CSPF Scheme? Since the Government has no such plan at present, a more comprehensive approach is to place the entire CSPF Scheme under the protection and regulation of the law. Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 (the Bill) seeks mainly to align the disciplinary punishments for civil servants who joined the service after 2000 and entitled to the CSPF Scheme with those for pensionable civil servants who joined the Civil Service before 2000, so as to make them fair and comparable. Standardized punishments will help the disciplined services reinforce their excellent culture of compliance with rules, unity and co-operation. This is the legislative intent supported by various disciplined service unions. In fact, generally speaking, the Bill can achieve this objective.

Disciplinary punishment is an issue of general concern to the disciplined services because officers of the disciplined services are far more susceptible to disciplinary punishment than the civil servants of other departments. Their greatest concern is whether or not colleagues in the disciplined services can get fair and consistent treatment when subjected to disciplinary punishment, as Mr LEE Cheuk-yan pointed out. For example, in the hearings of some disciplined services, the recording of testimony is allowed only with pen and paper, whereas in other disciplined services, audio recordings and even the use of video-recording equipment is allowed. Certainly, the protection afforded by the latter is far greater. For this reason, in response to the demands of unions, we request that the Government make improvements to these arrangements. We have also learnt that the Government has consulted the staff sides through the existing mechanism. We will continue to follow up through the Panel on Public Service and monitor the Government's progress in implementation. We approve of the Government's practice of holding discussions with its staff under the existing mechanism, which is a show of respect for the staff.

Regarding the amendments proposed by Mr James TO requesting that the proportion of reduction of the voluntary contribution benefits be specified in the legislation, we do not consider this necessary. We understand that Mr TO's intention is to stipulate in the law the proportion of the contribution that can be reduced. In fact, the Government and various disciplined services have a consensus on the proportion of reduction being 25% of the contribution and we think that we should leave it to the Government and civil servants to agree on the specific details of employment through discussion. The Government also promised in its papers and in the meetings of the Bills Committee that if the ceiling had to be changed, the staff side and the Legislative Council would be consulted in advance. In view of this, we believe the present arrangement is appropriate.

With these remarks, President, I support the motion.

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

MR JAMES TO (in Cantonese): President, the Government's aim in proposing this Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 is

to make those — perhaps I should call them civil servants who are not entitled to pensions under the new system if we want to specify the punishments, insofar as the disciplined services are concerned, it is necessary to amend the legislation in order to, say, reduce their provident fund benefits, so as to align this principle with that applicable to other non-disciplined services. We in the Democratic Party support this move. However, there are several issues that I hope the Government will think about.

First, in fact, the new civil service system — or we can call it a non-pensionable system — will surely be even more widely adopted in the future and one can even say that in time, it is possible that it will make the pension system disappear altogether. Of course, I do not know if society will change in the future, so much so that there will be a return to the pension system but it seems this (that is, the Civil Service Provident Fund (CSPF) Scheme) will be the main trend. The CSPF Scheme has been implemented for many years but the Government has still not made it statutory or institutionalized. I think that the Government, in adopting a purely administrative approach in implementing this system, is totally — I should not just call this undesirable — I think the Government does not respect the rule of law at all and it does not respect the protection put in place within such an important system. The important protection for the rights of both sides has to be enshrined in the highest form possible.

Of course, since the Government is implementing this system not through legislative means, but administrative means, it says it will carry out consultation. But after consultation, where does the power rest? After consultation, the power still rests with the Government, does it not? The Government can give civil servants confidence and protection, but this cannot compare to a piece of legislation. Certainly, it is desirable to make a system statutory, particularly with regard to matters relating to retirement benefits. In fact, it is already wrong for the Government not to have done so for so many years, and I think this is basically wrong. Now, someone has proposed an amendment to seek greater protection for all disciplined services by way of legislation, yet the Government still wants to oppose it, saying that this is not the best approach. I think that in doing so, the Government has disregarded the rule of law.

What I find even stranger is that the Honourable colleagues here, including those from trade unions, have gone so far as to say that this does not matter, that consultations are also acceptable, that there is no need to introduce legislation,

that the ceiling of 25% does not have to be written into the legislation, that one can reduce whatever proportion as it pleases, that reductions can be made after completing the consultation, that perhaps our labour unions can also serve as a form of protection, so on, so forth. We have to know that frankly speaking, the entire service life of an officer in a disciplined service can span several decades and, be it in respect of the pension scheme or other matters, the disciplinary procedures for the disciplined services are different from that for officers of non-disciplined services.

Perhaps Members may ask why this is so. Of course, why is it necessary to give the disciplined services greater protection in this area? In fact, there are compassionate, legal and practical grounds to do so. As Dr PAN said just now, because they have greater worries about such things as the disciplinary actions that they may have to face. For this reason, in respect of all the disciplined services, all along, a system of greater stringency and higher legal status has been adopted for such matters as disciplinary procedures. The Government now says that similar systems have to be standardized because the CSPF benefits will be reduced under the new system, so all systems should be standardized. However, if the Government does not stipulate the reduction ceiling in the law, I think this will inevitably give rise to two systems, that is, this is tantamount to gradually reducing the protection for the rights of the disciplined services and the term to describe this move is "wash down".

The Government can refuse to stipulate the ceiling but this will lead to some trivial proceedings. Frankly, in that event, this can give rise to a lot of disputes. The Government can say that it can give you something by administrative means. Just now, Mr LEE Cheuk-yan talked about the experience of many colleagues. Some officers said that in various types of disciplinary proceedings, audio recording was permitted in some but not in others, and legal representation was allowed in some but not in others, that is, the arrangements vary. It is true that in the past, when various disciplined services were established, in response to the needs of the time, there are some conventions or the situation was rather complicated. However, the point is that society now no longer finds it acceptable for various departments to act in the manner of "different villages acting according to their customs" or practise "regionalism". It is no longer possible, so everything should be standardized or institutionalized instead.

In particular, in the recent incident involving the police force, after an officer initiated proceedings in Court, he could find legal representation after winning the case. In particular, those cases relating to rank and file officers actually reveal that there are many problems with the disciplinary procedures of the disciplined services. Frankly speaking, how possibly would the old system attach any importance to rights? As some people say, "If your 'Sir' (superior) wants to question you, why should you want to find a lawyer to find fault with your 'Sir'? And you also want to make audio recordings? In that case, would it not be necessary for your 'Sir' to be very leery and if he wants to scold you with expletives, it would not be impossible for him to do so, would it? Because audio recordings will be made, will it not?" However, this system belongs to the past and I think that it is time it was reformed. However, it seems that the Government has been working on this and aware of this for a long time, but it has not done anything. Frankly, I do not understand why it takes the Government such a long time to work on this.

Therefore, here, I have to talk about the second viewpoint with Honourable colleagues. Why do I propose that the reduction ceiling of 25% be stipulated in law? In fact, there are two types of officers in the disciplined services, that is, pensionable officers and officers not entitled to pensions, that is, those entitled to the CSPF. The systems for both groups should be enshrined in law and the situation of two systems within one disciplined service should not arise. Therefore, the underlying logic is that since a certain provision can be prescribed for the pension scheme, there is no reason for prescribing fewer provisions in respect of the CSPF Scheme and this is what I mean by "wash down" just now. If it is possible to prescribe fewer provisions, in the future, on many issues, it will be possible to have two systems in one disciplined service and this will lead to the differences in rights among colleagues.

Finally, I can only say that I hope Honourable colleagues some people said they had heard the Government say to us that there was no need to provide for a reduction ceiling of 25% in the legislation because if the Government really wanted to make changes in the future, it would carry out consultation and would not act rashly. However, Members must remember that from the perspective of the power structure, if this is prescribed in law, the power to make the final decision will rest with this Council, but if the Government only carries out an administrative consultation, the Government will have the final say.

I believe that to colleagues representing the civil service unions, in particular, since there are many affiliated unions for officers of the disciplined services and these officers may even have formed their own unions, have its members ever told the civil service unions that it does not matter even if the protection for them is reduced? Why did they take such an approach? What are the reasons? Some people may say that when the consultation was carried out, they did not think of this point. It does not matter even if this point did not occur to them at that time. Now that a Member as meticulous as I am has noticed and thought of this point, I have raised it and we can offer further advice after it has been raised for discussion, can we not? We cannot simply say that it did not occur to us. Moreover, after considering this, it is necessary for us to form an opinion. When we voice our views, we should ask if officers of the disciplined services are asking for an exorbitant price. Do Members mean that they should not be entitled to additional protection and is such protection really so very additional? Is this more than what they should ask for?

However, this is not the reality. Rather, such a provision can be found in the legislation relating to pensions. Now, why does the Government not state this clearly in the case of systems other than the pension system? Moreover, all along, the system has been subject to statutory supervision, so why is this ceiling not provided for in this case? We are not demanding an additional provision or undermining the Government after the consultation was completed. I have never said so and now, it looks as though I were wrong in lending my support to this matter. It should not be like this and it is only a matter of course, is it not?

Therefore, I think that in the final analysis, it is all about one thing, that is, the Government wants to achieve executive put nicely, this is being executive-led, if not, this is administrative hegemony. All in all, the Government wants to say: Even with regard to the disciplined services, I am keeping a tight rein on them. I am the Secretary for Civil Service, so I oversee civil servants, do I not? Regarding this amendment, you should just forget about this matter. No matter if I have tricked you or overlooked something, in any event, I have consulted you and you have agreed to this, so no matter what, I will not accede to this request. This kind of attitude betrays a very domineering mentality and also an extremely totalitarian way of thinking. If the Government carries out consultation anew, in fact, the colleagues may still agree with this approach adopted by the Government but even if I am wrong and suppose the Government says that no, if consultation is carried out and if they want to have such an arrangement, still, it will not let them have it, in that event, I think the

Government will probably not be able to pass public scrutiny. Now, it seems that the Government will be able to iron out the wrinkles this piece of legislation. In fact, this is because it says it wants to align them with other people but in agreeing to standardization, they would also find that after the amendment, their disciplinary procedures are still different from that of other departments and they would still ask about the reason, would they not? Why are many of their rights and procedural protection absent?

You have already gagged them and said, "Forget about this. Pass this piece of legislation first because we are running out of time." Why are we running out of time? Because it will be the 10th year soon and in theory, some colleagues can retire after working for 10 years. This is such a hasty affair. Why is the legislation tabled only now? In fact, we are running out of time, so I can only say that if the Government tells Honourable colleagues that there is no need to be worried and that they should just trust it — I remember that the former Secretary, Mrs Regina IP, also said that we had to trust her in matters relating to the legislation on Article 23 — we must remember that matters relating to discipline, reduction of pay, and so on, are all highly sensitive.

The Government is still carrying out lobbying in the Ante-Chamber in relation to the recent issue of pay reduction, saying, "What do you think? Senior civil servants will have had their pay reduced by 5%." The Government knows that this matter is very sensitive. It can easily lead to great repercussions, not conducive to social stability, particularly when officers in the disciplined services are involved. However, their demand on the Government now is not something extra. It is in line with what is stipulated in law. This did not occur to the Government at that time and this subject was not raised for discussion so that there could be exchanges. If this matter had been raised at that time and the Government had said that it believed this could be included in the legislation but those people had said that there was no need and they could do without this provision, there would have been no need for me to meddle with this matter now. If the staff unions were to say there is no such need and there is no problem, that even if the Government had provided for this, they would not have wanted it however, this is not the case and everyone has overlooked this — I have already shown my goodwill by assuming that the Government had overlooked this and that the Government did not trick them or fool them by purposely not talking about this during the consultation or that it was because it could not see this then. At that time, it might not have occurred to Mr Jasper TSANG — even though it did not occur to them at that time, they have thought of this now, so it

should restore the rationality that this provision represents. However, I know that the Government has gone so far as to lobby everyone secretly, making it sound as though a matter of life and death was at stake in providing for this 25% in the legislation. This make me feel very surprised and some Honourable colleagues even said, "What? Why is the Permanent Secretary so anxious and why has he been looking for us several times, as if it was a matter of life and death, a big deal, if the pay of officers in the disciplined services do not have to be reduced by more than 25%, as if there would be a riot or something?" Honourable colleagues were simply scared out of their wits. They just do not understand why the Permanent Secretary and the Under Secretary have been pestering and lobbying them all the time.

Of course, it is only right for the Government to carry out lobbying because they all receive over \$200,000 in pay each month and they have to do their work, do they not? The point is: They have gone so far as to make it sound as though people would die if this provision relating to 25% were passed and Honourable colleagues have been scared by them, have they not? Colleagues all find this very strange. In fact, if we go to the bottom of this matter, this is not so at all. Originally, this matter was about prescribing a statutory system in the legislation and the system should be aligned with the provisions on pensions. However, it looked as if the Government wanted to make a mountain out of a mole hill. Originally, I was wondering whether officers in the disciplined services would ultimately have less or more protection after the passage of the legislation. Should they be given some protection? This is all what it is about. However, the Government is making it sound to Honourable colleagues as though by prescribing this in law, the administration of Hong Kong would be undermined and it would be very difficult to keep the situation under control. According to it, this matter is in fact very troublesome and it is now dealing with it, so why should you people demand that a provision be written into law? If this situation continues, this may even cause a division between the civilian and non-civilian grades.

Wow, this allegation is really so frightfully serious. All along, there are laws governing the disciplined services, are there not? If the Government puts it this way, it looks as if it were discriminating against civilian officers because the reduction ceiling for them is not prescribed in the law. Frankly, if the Government wants to slap such allegations I do not know if the Secretary will say so later. Maybe he has said one thing to Honourable colleagues in private but another thing in public. Moreover, he would probably put it very politely — however, if the Government really does so, I will return all the

allegations to it. I did not cause any division and throughout, the protection for the disciplined services has always been greater, so how can the Government put it in such a way?

I hope Honourable colleagues, in particular, colleagues representing the trade unions will think carefully. If this is something to which they should be entitled rather than something they demand in addition, please cast your vote. Even if this amendment cannot be passed, at least, you should agree to give them the most reasonable and consistent protection from the angle of the workers and the consistent treatment to which they are always entitled.

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 Civil Service to reply. This debate will come to a close after the Secretary for the Civil Service has replied.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 (the Bill) was tabled before the Legislative Council by the Government on 18 February this year. The Bills Committee has completed the scrutiny of the Bill. My heartfelt thanks go to the Chairman of the Bills Committee, Mr LEE Cheuk-yan, all Members of the Bills Committee and colleagues of the Legislative Council Secretariat for their efforts that enabled the scrutiny to be completed smoothly.

The Bill seeks to make amendments to the disciplined services legislation and relevant provisions in the Police (Discipline) Regulations as well as the Traffic Wardens (Discipline) Regulations, with a view to achieving the following four purposes:

Firstly, to extend the provisions on disciplinary punishments that may be imposed so that, on removal from office of middle ranking officers or below in

disciplined service grades who have been employed on new permanent terms and have joined the Civil Service Provident Fund (CSPF) Scheme, their accrued benefits attributable to the voluntary contributions made by the Government (GVC benefits) under the CSPF Scheme may be reduced or forfeited.

Secondly, to include certain former public officers who have retired from the disciplined services, with their GVC benefits under the CSPF Scheme paid to them, as beneficiaries under their respective disciplined services welfare funds.

Thirdly, to provide for the compulsory retirement of traffic warden grade officers and to make minor textual amendments for achieving consistency in certain provisions on punishments that may be imposed on them.

Fourthly, to revise the date from which pay and allowance may cease to be payable to police officers who are found guilty of a criminal offence by a Court.

Under the civil service disciplinary mechanism, civil servants in the civilian grades and senior ranking officers in disciplined services grades (that is, officers at a rank equivalent to Superintendent of Police/Assistant Superintendent and above) has to be dealt with by an executive order made by the Chief Executive, that is, the Public Service (Administration) Order. Generally speaking, middle and junior ranking officers in the disciplined services grades are dealt with in accordance with the provisions laid down in the relevant disciplined services legislation. Be it under the mechanism of an executive order or a piece of legislation, if the nature of the misconduct or offence committed by the civil servant is very serious, the Administration can impose a removal punishment on the officer concerned.

For all those who joined the Civil Service on or after 1 June 2000, their retirement benefits are provided under the CSPF Scheme. Under the CSPF Scheme, the retirement benefits provided by the Government as the employer mainly include the accrued benefits attributable to Government's Mandatory Contribution (GMC benefits) and GVC benefits. According to the Mandatory Provident Fund Schemes Ordinance (MPFSO) (Cap. 485), the GMC benefits are not to be tampered with by the Government, as the employer, under any circumstances. As for the GVC benefits, they are by the terms of the employment contract fully vested and payable to the civil servants when they leave service as eligible for his GVC benefits. However, if the civil servants

concerned leave service as removal punishments, the Government can forfeit or reduce their GVC benefits.

Based on the above terms of contract and with reference to the current removal punishments applicable to pensionable civil servants who joined the service before 1 June 2000, as well as extensive consultation with the staff sides and the Legislative Council Panel on Public Service, the Government has introduced three levels of removal punishments for CSPF civil servants. They are: Dismissal with forfeiture of full GVC benefits; compulsory retirement with reduction of up to 25% of the GVC benefits and compulsory retirement with full GVC benefits. The middle ranking officers and below in disciplined services grades are subject to the disciplined services legislation and the provisions of removal punishments stated in the legislation but its relevant regulations will just impinge on the provision of pension benefits. Therefore, it is necessary for us to update the relevant provisions by means of the Bill to enable its application to CSPF civil servants as well.

Moreover, under the existing legislation and regulations, the description of former member/employee of the disciplined services as beneficiaries of their respective departmental welfare funds mainly covers former pensionable civil servants of the disciplined services. Once the Bill is passed and comes into effect, this description can also be applicable to former CSPF civil servants of the disciplined services with retirement benefits as well.

In addition, when the Bill is passed and comes into effect, the payment of salary and/or allowance of a police officer may be stopped on the date the officer is convicted of a criminal offence. The punishment of compulsory retirement may also be imposed on a Traffic Warden grade officer who is found guilty of disciplinary offence after disciplinary proceedings. These arrangements are in line with the arrangement for the rest of the Civil Service.

In the meetings of the Bills Committee, the Government provided further information on a number of subjects. The Government did not propose any Committee stage amendment to the Bill.

In the course of scrutiny, Mr James TO proposed to provide in the legislation for the maximum level of reduction (that is, 25%) of the GVC benefits on compulsory retirement of civil servants of the disciplined services. The Administration has explained in detail to the Bills Committee that at present, the

entire CSPF Scheme is provided on the basis of the employment contract. These contractual provisions also provide a framework for the vesting, payment, reduction and recovery of the GVC benefits. After the enactment of the Bill, we will issue a circular (a circular also forms part of the employment contract) to announce to all civil servants the maximum level of reduction of the GVC benefits. In fact, before 2003, there was a large-scale consultation with the staff sides and the Legislative Council Panel on Public Service on the entire CSPF Scheme. The proposed amendments to the Bill were made after extensive consultation. The majority of staff members raised no objection to the provision of GVC benefits by way of contract or to the terms of reduction.

Just now, Mr TO expressed the concern that civil service unions might not have been "smart" enough to consider the possibility of providing for the terms of reduction by legislative means. Mr TO was also worried about whether the Civil Service Bureau would deliberately misguide civil service unions or staff representatives, so that they are unaware of the possibility of legislating on the terms of reduction.

President, all the representatives of civil service unions that I know are very smart, particularly when it comes to the details of their terms and conditions of employment.

On this issue, Mr TO also said just now that with regard to civil servants on pensionable terms, in the event that it is necessary to reduce their pension, the ceiling of 25% is specified in the Pensions Ordinance. Therefore, it is not possible for these very smart civil service union representatives not to have thought of the possibility of specifying the maximum level of reduction of the GVC benefits for CSPF civil servants by way of legislation.

However, civil service unions and staff representatives of civil service bodies invited by the Bills Committee a number of times, including staff representatives from the disciplined services, all raised no objection to the Government's proposal of providing for the terms and conditions of reduction by way of contract after consideration.

President, I am happy to give a clear undertaking here that in future, if the Government finds it necessary to consider amending the reduction ceiling for the GVC benefits, it will definitely consult the staff sides extensively through the staff consultation mechanism as well as the relevant panel of the Legislative

Council. Before any decision is made, the views received will be fully considered. Therefore, I do not agree with the CSA proposed by Mr TO in his personal capacity.

Subject to the passage of the Bill, we will subsequently amend the Public Service (Administration) Order applicable to civil servants in civilian grades and senior ranking officers in disciplined services grades in order to enable the application of the proposal to other CSPF civil servants regulated by the Order.

President, lastly, I wish to spend a little time to respond to the proposal made by Mr LEE Cheuk-yan in his personal capacity concerning a review of the disciplinary mechanisms and procedures for the disciplined services. Regarding the disciplinary mechanisms and procedures for the disciplined services, although they are not directly related to the Bill we are examining this afternoon, the Bills Committee and staff side representatives who attended the meetings of the Bills Committee also expressed a certain degree of concern. In this regard, just as we pointed out in the meetings of the Bills Committee, the Civil Service Bureau has set up a task force to review the relevant arrangements of disciplinary proceedings in conjunction with the management of various disciplined services.

The Civil Service Bureau will continue to maintain dialogue with relevant staff consultative councils and staff unions on the subject and report to the Legislative Council Panel on Public Service when progress has been made. In the event of making major changes to the disciplinary procedures as a result of the review, the Administration will also consult the staff side before making any amendment.

I implore Members to support the Second Reading of the Bill this afternoon. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Disciplined Services Legislation (Miscellaneous Amendments) 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.

(No hands raised)

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

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

Council went into Committee.

Committee Stage

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

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2009

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009.

CLERK (in Cantonese): Clauses 1, 2, 3, 5, 6, 11, 14, 16, 18 to 26, 29 and 30.

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, 2, 3, 5, 6, 11, 14, 16, 18 to 26, 29 and 30 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.

(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): Clauses 4, 7 to 10, 12, 13, 15, 17, 27 and 28.

MR JAMES TO (in Cantonese): Chairman, I move the amendments to clauses 4, 7 to 10, 12, 13, 15, 17, 27 and 28.

Chairman, just now, in the debate on the Second Reading, I have already presented most of the arguments. I will now focus solely on responding to the comments made by the Secretary just now. In fact, the speech of the Secretary made only one point. What she meant was that government disciplined services unions had looked at the Government's proposal and also come to the Legislative Council to voice their views. Since they were smart, they could not possibly fail to see this. If they could see this but did not express any opinion, no matter for what reason, this meant that they supported the Government's Bill and considered that there was no need to provide for the ceiling of 25% in the legislation.

I think that all along, the Government has adopted such a mentality in carrying out consultations. But what problem will this mentality in carrying out consultation lead to? Frankly speaking, we should make allowances for situations that the Government, the public and any other groups may not have thought of. I wonder if the Government, in talking in this way, means that it has

already considered all situations and whatever it has not thought of cannot possibly happen. But, I think we cannot adopt such a mentality in doing our work.

If someone actually puts forward a proposal and the ground given is justified President, as far as I understand it, in their reply to me, the representatives of the staff sides of the disciplined services agreed that the reduction ceiling of 25% should be included in the legislation, that is, they agree with my amendment. However, the point is, I certainly cannot say that in agreeing with the inclusion of the ceiling of 25% in the legislation, so that they can have legal protection, this is tantamount to being unfair in some ways. Otherwise, they are giving the Government their tacit support. The Secretary can perhaps clarify this later. However, the ceiling of 25% is not mentioned, but it can be found in the Pensions Ordinance, so they cannot possibly fail to see this.

I think this will surely lead to a great deal of tension in consultations by the Government among officers of the disciplined services. I do not know how the Government will explain its grounds. What actually are the grounds? We have conducted debates on various amendments and on government amendments and we can oppose this amendment. This is the Government's position, but what is the ground? If the ground is that consultation has been carried out and no one said that this was necessary, so the ceiling should not be included in the legislation because we have to respect the mechanism I wonder if the Government will explain in this way later. It seems that just now, I did not hear it say so but let me assume that the Secretary will say so. Can the Secretary comment on this later?

If it wants to object, there will always be grounds to do so. If the ground of opposition — I have looked at the papers — is that for now, the Government does not consider including the ceiling in the legislation to be the best approach, as it said in the papers it issued in reply to the Bills Committee, this is just empty talk. In that case, what is the best approach? The best approach is not to include the ceiling in the legislation. This is just putting the same thing in another way, is this not? Will this course of action be taken only at the present stage or will this also be the case in the future? If this course of action is being taken only at the present stage and the legislation is already in place now, if I take this juncture to put forward this proposal, what is wrong with this? If the

Government thinks that to include this ceiling in the legislation is to follow rules seriously, that this is OK and there is no problem, it should just do so.

Now, I maintain that there was oversight in the consultation process — to put it not so nicely, the Government said that there had been oversight, that since no one had raised this point, the ceiling would not be included. Moreover, since the ceiling would not be included and this was agreed, it cannot be included. I wonder what kind of logic this is. In this way, the relationship will be very strained in future consultations. Why is it necessary for us to establish Bills Committees to carry out scrutiny? Why is it necessary for Honourable colleagues to polish the legislation and make comparisons with the legislation on pensions and between various ranks according to various principles? That is meant to examine if there is an acceptable alternative to those procedures. If it is found that we have overlooked something and the suggestion is reasonable, what does it matter if we include it in the legislation? Will this injure the Government's authority?

In the future, if, for some reasons, some Legislative Council Member notices and raises this point and the Government agrees with him, will the situation not become very confusing? I do not understand what the Government's ground of opposition is? President, I have written several pages stating the main points of my rebuttal for Honourable colleagues in the pan-democratic camp, but I do not know which point will hit the mark. Frankly speaking, I cannot see which point in the Government's refutations holds water and the only reason is that the Government wants to save face no matter what. In other words and in sum, any amendment will affect the leading role of the Government. I wonder if this is the Government's rationale, but I did not put this ground down because I do not expect the Government to reply in this way. If it does, Honourable colleagues may as well do what they think fit. If the reason is that the Government wants to save face no matter what, I think it is not necessary for me to respond in any particular way.

President, what I have proposed is a sensible and reasonable amendment in line with the legislation, which, as far as I know, the officers of the disciplined services also agree, that is, I have proposed a more refined and more reasonable safeguard provision.

Proposed amendments

Clause 4 (see Annex I)

Clause 7 (see Annex I)

Clause 8 (see Annex I)

Clause 9 (see Annex I)

Clause 10 (see Annex I)

Clause 12 (see Annex I)

Clause 13 (see Annex I)

Clause 15 (see Annex I)

Clause 17 (see Annex I)

Clause 27 (see Annex I)

Clause 28 (see Annex I)

CHAIRMAN (in Cantonese): Members may now debate the original clauses and the amendments jointly.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): Secretary for the Civil Service, do you wish to speak?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Chairman, as pointed out in my speech at the resumption of the Second Reading debate, the Administration opposes Mr James TO's amendments.

There is in fact one reason for our opposition, that is, all along, the retirement benefits of CSPF civil servants are provided for by employment contract which comprises the letter of appointment, Memorandum on Conditions of Service (MOCS), the Civil Service Bureau Regulations and circulars (including a CSB circular in 2003 on the Terms and Conditions of the CSPF Scheme). The provision for reduction of retirement benefits of CSPF civil servants who have committed misconduct or an offence is also stipulated in the Terms and Conditions of the CSPF Scheme. The CSPF Scheme is provided under a contract rather than the law. The approach of providing the Scheme by way of contract was adopted by the Administration after conducting wide consultations with various parties for more than two years before the Scheme was launched in 2003. The parties consulted at that time included the staff sides, management of departments/grades, civil service advisory bodies, employers' federations, professional federations on human resources, members of the public and Legislative Council Members. The detailed conditions of the CSPF Scheme (including the provision of reduction of the accrued benefits of the Government's Voluntary Contribution (GVC)) are provided for under the contract. This is a consensus reached by all parties. The arrangement to cap the ceiling of reduction of GVC benefits at 25% under the contract is the most appropriate approach and is most compatible with the consensus. I believe it was on the basis of the consensus that the staff sides agreed to provide for the reduction ceiling of GVC benefits at 25% by way of contract. The main objective of the Bill is to deal with the present situation where disciplinary punishments applicable to CSPF civil servants found guilty of misconduct or offences are not provided for under various disciplinary legislation and regulations.

Before tabling the Bill, we conducted extensive consultations with the staff sides and the Legislative Council Panel on Public Service. The Bills Committee has also invited civil service organizations to express their views. The majority of the representatives of the staff sides did not raise objection to the present provision on reduction by way of contract.

Chairman, perhaps I should repeat the undertaking made during the resumption of the Second Reading debate. Should the Government see a need to

consider changes to the reduction ceiling of GVC benefits in future, it will consult the staff sides through the established consultation mechanism and will seek the opinions of the Panel on Public Service, and it will take into account all the views collected before making a decision.

Mr TO's amendment has not got the unanimous support of members of the Bills Committee. Chairman, I implore members to reject the amendments by Mr TO.

Thank you.

MR JAMES TO (in Cantonese): Chairman, if the Government said that the whole case is founded on the contract instead of legislation, I can teach you a trick. If I were your counsel, I would simply tell you not to amend the legislation, then there is no need to have any First Reading, Second Reading or Third Reading today. What are we going to do? Let me show you. It is very simple. If you say it is a contract, insofar as no amendment is made to the legislation, when someone has committed an offence, he could all the same be entitled to the employer's contribution. However, after he has got the payment, you could make a claim as you have the right to do so under the contract. In other words, after the payment, if you concluded that 25% of the payment should be recovered, you can just go ahead and recover the money from him. It could be regarded as a civil debt. Then there is no need to amend the legislation.

Had the Government done this, I would have nothing to say, and I would not ask you to write the ceiling into the legislation. However, with this amendment, you are seeking to have the reduction to cover your loss. It therefore necessitates the legislative amendment. As such, the question I am asking is the amount to be reduced. What I mean is, the Government may simply set down a ceiling. The Government introduces an amendment simply because it wants to recover the money. It is the Government who takes the lead in amending the law.

You may ask what should be done without the amendment. What are we going to do? We could do so by simply adopting the method mentioned by me just now. However, the Government is worried that the money could not be recovered under more complicated circumstances. For example, if the person who got the money has spent all of them, it would be useless even if you have

won in the civil proceedings. It is therefore necessary for the Government to amend the legislation. I support the legislative amendment as I think it is a reasonable course of action. However, if it is reasonable, then it should be included in the legislation, rather than, just as you said, using the contract as the basis. If you use the contract as the basis, the amendment is unnecessary, right? Chairman, it is as simple as that.

The Government is saying that the basis lies in the contract. If so, it is tantamount to telling me to oppose the Second and Third Readings of the Bill. The Government is getting more and more ridiculous. You are in fact forcing me to object to your amendment and your approach of using the contract as the basis. You even said colleagues agreed with this approach.

It may be better if the Government is saying that it will do it at a later stage. In that case, you may say that as there is no consultation this time, you will do it next time after conducting a consultation. You can also save your face by saying so. Would it not be better for you to do so in future after getting the agreement of colleagues? Yet, if you say that it is by nature a matter of contract, then you should not legislate at all. If the Government wants to do so, Chairman, I may ask you to suspend the meeting for a few minutes, to allow time for the pan-democrats and other colleagues to decide whether we should support the Second and Third Readings of the Bill. The Government did not have to introduce the Bill in the first place. If you say that you have the right inherent in the contract, then you can do it on the basis of the contract and recover the debt.

How can the Government say such thing? It is really ridiculous.

MR LEE CHEUK-YAN (in Cantonese): As the Chairman of the Bills Committee, I would like to add a few remarks about the procedure. The Secretary just now said Mr TO's amendments did not have the support of the Bills Committee, as a matter of fact, that was a technical issue. On that say, only three members attended the meeting, and I did not want to have a situation of two against one. Thus, to be fair, I have to say something. Otherwise, it seems to be unfair. The Secretary's remarks gave us the impression that Mr TO was the only member of the Bills Committee, or it seemed that he had lost in the voting. In fact, I dispensed with the voting on purpose as I thought it was meaningless. This I have to point out.

As regards the issue raised by the Secretary, I understand why she said the whole issue could be resolved by way of contract. However, as I pointed out in my speech, the issue should not be dealt with by way of contract, not just the disciplined services, but the entire CSPF Scheme should be dealt with by law. Therefore, as I just said, I do not think we only have to deal with the reduction ceiling of 25% for the disciplined services. As I pointed out in my speech, the amendment is only applicable to disciplined services, but not the civilian civil servants. They will be dealt with on the basis of contract. However, I think the civilian civil servants should indeed not to be dealt with by way of contract and should be dealt with by law.

The existing Pensions Ordinance is applicable to all. However, when this Ordinance no longer exists or after all the civil servants on pensionable terms have gone, CSPF civil servants are not covered by any legislation related to the CSPF Scheme. Therefore, the crux of the question is, while the Secretary is of the view that the entire issue should be dealt with on the basis of contract, I believe that the issue involving civilian civil servants should be dealt with by way of legislation. As such, I think the inclusion of a 25% reduction ceiling in the legislation for disciplined services represents only a beginning. In the end, we should have a comprehensive piece of CSPF legislation.

Thank you, Chairman.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments 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.

(No hands raised)

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, 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.

Functional Constituencies:

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

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendments.

Ms LI Fung-ying and Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO and Mr WONG Yuk-man voted for the amendments.

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 amendments.

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

THE CHAIRMAN announced that among the Members returned by functional constituencies, 22 were present, three were in favour of the amendments, 17 against them and two abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 14 were in favour of the amendments and eight against them. 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 put the question to you and that is: That clauses 4, 7 to 10, 12, 13, 15, 17, 27 and 28 stand part of the Bill.

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): Council will now resume.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bills: Third Reading.

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2009

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, the

Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009

has passed through Committee without amendments. 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 Disciplined Services Legislation (Miscellaneous Amendments) Bill 2009 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

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

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): We now resume the Second Reading debate on the Dutiable Commodities (Amendment) Bill 2009.

DUTIABLE COMMODITIES (AMENDMENT) BILL 2009**Resumption of debate on Second Reading which was moved on 13 May 2009**

PRESIDENT (in Cantonese): Mr CHAN Kin-por, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

MR CHAN KIN-POR (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Dutiable Commodities (Amendment) Bill 2009 (the Bills Committee), I report to this Council the major deliberations of the Bills Committee. The Bills Committee has held two meetings and received views from the public.

The Dutiable Commodities (Amendment) Bill 2009 (the Bill) seeks to amend the Dutiable Commodities Ordinance (Cap. 109) so as to implement the proposal of increasing the duty rate on tobacco by 50%. The objective is to strengthen tobacco control efforts to protect public health.

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

Members of the Bills Committee generally support the policy objective and proposal of the Bill. However, some members have expressed doubt about the effect of the increase in tobacco duty on smoking prevalence as they consider that the increase will only prompt smokers to switch to consuming illicit cigarettes, thus stimulating the smuggling activities of illicit cigarettes. Moreover, many illicit cigarettes are counterfeit cigarettes which pose even more serious harm to health.

Members opine that there are incentives for smuggling activities to increase if the sale price of illicit cigarettes has risen significantly. Hence, the Bills

Committee has requested the Administration to crack down on illicit cigarette activities on a comprehensive scale. In this connection, the Administration has made an undertaking to continue to devote sufficient resources, and enhance enforcement intelligence gathering efforts in order to crack down on illicit cigarette activities on all fronts.

Regarding the effectiveness of the tobacco duty increase in reducing smoking prevalence, the Administration pointed out that since the announcement of tobacco duty increase by the Financial Secretary, the number of enquiries received by the Smoking Counselling and Cessation Programme has increased significantly. However, some members hold that the increase in the number of calls is insignificant compared to the smoking population of 600 000 in Hong Kong. The tobacco duty increase has seriously affected the livelihood of cigarette retailers, particularly the newspaper hawkers, in Hong Kong. These members criticized the Administration for failing to conduct an assessment on the social and economic impacts of the increase in tobacco duty before its introduction. They considered that the tobacco duty rate increase would only lead to an upsurge in the sale of duty-free cigarettes, which would reduce tax revenue to the Government. But in reply, the Administration provided the statistics on the monthly average sales of duty-free cigarettes for the two months both before and after the tobacco duty increase as well as the statistics for the same period last year, showing that there has been no significant increase in the average monthly sales of duty-free cigarettes.

Members have expressed grave concern about the impact of the tobacco duty rate increase on the livelihood of newspaper hawkers. The Administration has advised that it is in active discussion with the trade to explore possible ways to improve their business environment, such as permitting sale of additional commodities other than those specified in the relevant licence and enlarging the proportion of stall area designated for selling additional commodities, provided that no adverse impact will thus be posed to environmental hygiene. The Administration has indicated that it is also prepared to consider the trade's suggestion on advertising at the stalls. It has also confirmed that the Food and Environmental Hygiene Department will continue to maintain dialogue with the hawker representatives and will actively consider their proposals.

The Bills Committee has also expressed concern about the adequacy of the allocation of resources for smoking cessation and whether the additional revenue from tobacco duty will be used for setting up a dedicated fund for smoking

cessation services. While the Administration has made no undertaking to this effect, it pointed out that more financial resources has been devoted every year to tobacco control in recent years. The provision for publicity and education programme on smoking prevention and cessation for 2009-2010 will be \$33.7 million.

The Bills Committee has requested the Administration to provide a progress report to the relevant panels within six months to one year after the enactment of the Bill in relation to the effectiveness of the Administration's efforts in combating illicit cigarette activities, the sale figures of duty-free cigarettes, the statistics on changes in the number of smokers in Hong Kong as well as the measures taken to increase the business opportunities of newspaper hawkers.

The Bills Committee supports the Bill and both the Administration and members have not proposed any Committee stage amendments.

I so submit. Thank you, Deputy President.

MR TOMMY CHEUNG (in Cantonese): Deputy President, in April this year, customs officers who were carrying out an anti-cigarette smuggling operation in Tai San Wai, Yuen Long, met with resistance when trying to stop two suspected lorries loaded with illicit cigarettes. Desperately trying to flee the scene, the smuggler rammed his lorry into two customs vehicles. The dangerous scene reminiscent of those in television drama series became a reality. Luckily, the four customs officers only sustained non-fatal injuries. On the same note, the Customs and Excise Department (C&ED) has detected 955 cases of smuggling, storage, distribution or peddling of illicit cigarettes in the first four months of 2009, involving 25 million sticks of cigarettes. Compared with the same period in 2007, the number of detected cases has increased by a staggering 100% while the number of cigarettes seized has also gone up by 11.1%.

These figures and statistics bear good testimony to the increasingly rampant illicit cigarette activities after the drastic increase in tobacco duty in February. The underlying reason is of course the hefty profit to be gained. Some illicit cigarette sellers have pointed out that since the increase in tobacco duty, their customers have increased significantly because of the lower price of illicit cigarettes. Their business turnover has increased by some 30%. Some

illicit cigarette peddlers have even said playfully, "Thanks to Financial Secretary John TSANG."

Some illicit cigarette syndicates have even evolved and expanded their operation by increasing their points of sales and providing one-stop service of telephone ordering and delivery. Smokers can now buy cheap illicit cigarettes without having to leave their homes. All these have made enforcement more difficult. It is really a case of "while the priest climbs a post, the devil climbs ten".

The Liberal Party considers that there is nothing wrong with the Administration's motive and intention of trying to discourage smokers from smoking by increasing tobacco duty. The World Health Organization has also pointed out that "price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons." Given the utmost importance of promoting public hygiene and health, the Liberal Party can find no reason not to support the Second Reading of the Dutiable Commodities (Amendment) Bill 2009 today.

But the Liberal Party has to put in a word of caution that the sale of illicit cigarettes has indeed become more rampant after the increase in tobacco duty by the Government. It has in fact almost become out of control. Notwithstanding the increasing number of illicit cigarettes seized by the authorities, the number of undetected cases must have been astronomical. If the authorities cannot effectively crack down on smuggling at source, its proposal would only benefit the illicit cigarette syndicates and the intended good outcome of this sumptuary tax could never be achieved.

More worrying though is that one third of the illicit cigarettes seized by the C&ED are counterfeits which have much more tar, nicotine and carbon monoxide and hence, pose even more serious harm to health than smoking authentic cigarettes. Under the circumstances, the negative impact brought by the increase in tobacco duty has outweighed the intended good outcome. The Administration should address this squarely.

In the meantime, the smoking cessation hotlines operated by the Tung Wah Group of Hospitals, the Hospital Authority, as well as the University of Hong Kong have all recorded a significant increase in the number of calls received since the announcement of tobacco duty increase. Citing the figures of the Department of Health as an example, a total of 4 782 enquiries was handled

between 26 February (the day of tobacco duty increase) to end March 2009, exceeding the 4 335 calls handled in the whole year of 2008.

But giving up the habit of smoking is like treating drug addiction and the smokers need continuous support to succeed. The Government should examine the usage of smoking cessation service and suitably allocate more resources to enhance these services so that no smoker determined to kick the habit would fail to do so because of inadequate support.

Deputy President, while public health is a major concern, we should also give due regard to the livelihood of newspaper hawkers selling duty-paid cigarettes. According to the estimate provided by a convenience store chain, the domestic market of duty-paid cigarettes has shrunk by as much as 37% since the tobacco duty increase. The income of some newspaper hawkers has even dropped as much as 50%. Given the severe economic conditions, newspaper hawkers who supplemented their income by the sale of cigarettes would invariably suffer as a result of the tobacco duty increase.

For the above reason, the Liberal Party urges the Administration to maintain close dialogue with the newspaper vendor representatives so as to understand their plight and to come up with practicable measures expeditiously to alleviate their hardship.

The Administration has advised earlier that it is prepared to consider suitably relaxing the restrictions on the newspaper hawkers to allow them to sell additional commodities other than those specified in the relevant licence and enlarging the proportion of stall area designated for selling additional commodities. These proposals as well as the trade's suggestion on advertising at the stalls would help the newspaper vendors tide over the difficult times. The Liberal Party urges the Administration to finalize such new measures expeditiously and draw up a timetable as a response to the trade's demand.

Deputy President, I so submit.

MR WONG TING-KWONG (in Cantonese): Deputy President, I have been a smoker for 40 years. As the Financial Secretary proposed to increase tobacco duty, the price of cigarettes would also rise. To a certain extent, this would have an adverse impact on my interest as a smoker. But I understand the

Government's intention in making this proposal, that is, to strengthen tobacco control efforts to protect public health. Apart from discouraging smokers from smoking, the proposal would also help reduce the harms of passive smoking on non-smokers. As such, both the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) and I support the Dutiable Commodities (Amendment) Bill 2009 (the Bill).

In fact, when we walk down the streets, it is not uncommon to see young people smoke. According to the statistics of the Government, smokers are picking up the habit at an earlier age and the number of smokers in Hong Kong is increasing. In recent years, the problem of drug use among secondary school students has also become more serious. Recently, I read a newspaper report on an interview with a young person who said cigarette smoking was a prelude to drug abuse. Young people who do not have a strong mind might easily succumb to the smoking habit either because of inducement or peer pressure. In order to protect our young generation from the harms of smoking, the Government has increased tobacco duty drastically in a bid to reduce tobacco consumption among the young. The Government's intention is understandable. I think increasing tobacco duty is a quick and direct measure to encourage smokers to kick the habit and in turn, help reduce the number of smokers in Hong Kong. It would be particularly effective under the prevailing adverse economic conditions as young smokers with no regular financial resources and those low-income earners would consider quitting if they cannot afford the expensive cigarettes. According to overseas research findings, a price increase would likely reduce demand for cigarettes by about 4% to 8%. In 1991, after a 100% increase in tobacco duty, the smoking prevalence rate dropped 0.8% in Hong Kong. Moreover, the smoking cessation hotlines operated by the Department of Health, the Hospital Authority (HA) as well as the University of Hong Kong have all recorded multiple-fold increases in the number of calls received since the announcement of tobacco duty increase. Hence, I believe the increase in tobacco duty would to a certain extent help reduce the number of smokers in Hong Kong.

Of course, many members of the Bills Committee, including myself, are concerned about the "side-effects" of the proposed measure, that is, the rampant increase in the sale of illicit cigarettes and counterfeit cigarettes. It has been reported that after the tobacco duty increase, the income of illicit cigarette sellers has increased as a result and they are making greater profits. They have even resorted to blatant sales methods such as touting in the streets, distributing leaflets, and telephone order and delivery. Some even use the newspaper hawkers as brokers. According to the C&ED, a total of 955 illicit cigarette cases

were detected in the first four months of 2009, which has increased by 100% when compared with the same period last year. It is also founded that some of the illicit cigarettes are counterfeits. According to the authorities, about one third of the illicit cigarettes seized is counterfeit. According to some reports, the counterfeit cigarettes are poor in quality and may contain harmful substances. The tar and nicotine contents of these cigarettes do not meet standards and they would pose more serious harm to health. I think no initiative can be perfect. As the Government is taking forward its proposals proactively, it should also carefully assess whether there might be any negative impact or pitfalls so that suitable support measures can be put in place beforehand as a total package to minimize the adverse results. It would be a pity to see a policy born out of good intention turn sour. I hope that the Government, while increasing the tobacco duty, can devote more resources to stepping up enforcement against illicit and counterfeit cigarette activities, for example, active intelligence gathering and intensive patrolling of illicit cigarette distribution points and hotspots frequented by young people. I think it is only through these vigorous enforcement actions that the illicit sale and purchase of cigarettes could be deterred and eliminated.

Apart from tax increase and enforcement, preventive education, publicity and smoking cessation services are all important elements to a successful tobacco control campaign. Schools and the relevant tobacco control authorities could work together to enhance education in schools and the community, publicize the negative impacts of smoking and counterfeit cigarettes and promote the awareness of smoking cessation services. Moreover, the Government and other organizations in the community should formulate more support measures and organize more support and counselling services to help quitting smokers. A multi-pronged approach would ensure the success of the tobacco control campaign.

In the course of deliberation on the Bill, members of the Bills Committee have considered the impact of the tobacco duty increase on newspaper hawkers selling cigarettes. Some hawkers claimed that after the tobacco duty increase, their income had dropped drastically by 30% to 50% due to a drop in the sale of cigarettes. I am concerned that these hawkers are all small business operators and they have been facing tough competition from convenience store chains. With the tobacco duty increase and drop in cigarette sales, their business will be hit harder. I am very glad to see that the Government has addressed the issue as a matter of importance and adopted an open attitude. The Administration is

currently holding discussions with the trade to explore possible ways to improve their business environment, such as permitting the sale of additional commodities and enlarging the proportion of stall area designated for selling additional commodities. I hope the Administration will reach a consensus with the newspaper vendors soon and report the result to members.

With these remarks, Deputy President, I support the Bill.

MR ALBERT CHAN (in Cantonese): Deputy President, it has been the third or fourth time that I have made remarks as the following one in this Chamber, but I feel I am bumping my head against the wall. As Dr York CHOW is a morbid Secretary who discriminates against and hates cigarettes, I can therefore hardly debate with him in a reasonable and logical manner.

When the Government proposed to substantially increase tobacco duty, I pointed out that it is an act of class discrimination. As tobacco and alcohol being national habits cause harms to people, governments of countries all over the world often deal with them with the same policy. I hope the Secretary can provide us information, telling us which government in the world would exempt duty on wine and substantially increase tobacco duty at the same time. Please forgive me for my ignorance, I have searched all over on the Internet and cannot find such a government.

Academic studies by many governments, no matter in Europe, the United States, Canada, Australia or New Zealand — I am talking about independent academic studies, not those biased ones sponsored by the government — clearly pointed out that the harms caused by tobacco and alcohol are similar, both being harmful to psychological health and exert pressure on our health care system. As far as social productivity is concerned, the impact caused by alcoholic beverages is many times more serious than that by tobacco products. The impact of alcoholic beverages on domestic violence and law and order is much more serious than that of tobacco products.

In some South American countries, 60% of the crimes are connected with alcohol, not to mention casualties caused by drink driving. This Government is really ridiculous. As our Chief Secretary, Mr Henry TANG, is so fond of red wine, the duty on red wine is therefore exempted, saving him more than \$10 million in tax every year. As high-ranking officials and wealthy Legislative

Council Members like first-class red wine, this is a policy of benefit transfer. Also, the duty on tobacco is substantially raised because they do not take a liking to smoking. This is a policy of class discrimination.

Worse still, after the substantial increase on tobacco duty, dangerous drugs become cheaper than cigarettes. I have heard young people say that they would buy drugs instead of cigarettes for the same fun. When drugs are cheaper than cigarettes in the market, the problem of young drug abusers will then become much more serious. Yet, the Government said authoritatively that after the increase in tobacco duty, the number of calls received by smoking cessation hotlines had increased many times. When I enquired into the figures, I found that previously only a dozens of calls had been received every month and the number now is a few hundred. At present, there are as many as 600 000 smokers in Hong Kong. With a few hundred calls each month, the problem of smoking is still far from being solved. If the Government thinks that it has won the war by increasing the duty on tobacco, it is really ridiculous.

I have pointed out on a number of occasions that, having been a Legislative Council Member for several years, I have seen that in the past decade, the Government has been taking a retrogressive approach in policy formulation. Previously, when the Government wanted to launch a new policy, a social impact assessment would be included in the paper provided to the Legislative Council, stating its impact on society. However, this item no longer exists in the present paper.

The biggest mistake with the drastic increase in tobacco duty is the absence of a social impact assessment, without studying the impact. Many Members, including Mr CHAN Kin-por, have pointed this out on behalf of the Bills Committee. What impacts would the policy have on illicit cigarettes and newspaper hawkers? They were not mentioned in the initial government report. It was not until the Government had received strong objections from the newspaper hawkers did it realize the problem and meet with them hastily. Presently, the Government is still in active discussion with the trade to explore possible ways to help them.

Deputy President, the formulation of all public policies, including changes to our taxation policy, must be accompanied by an objective, scientific assessment. Unfortunately, it is not the case now. The Secretary is as blind as the Red Guards in the Cultural Revolution. Believing that smoking is hazardous

to public health, he therefore drastically increases the tobacco duty rate by 50%. How many people does he think can be helped? How many people will cut back on smoking as a result of the increase of tobacco duty rate by 50%? Out of the smoking population of 600 000, how many have done so? Will the Secretary give us some figures? The Secretary looks so powerful and so uncompromising to cigarettes, among the smoking population of 600 000, how many of them will quit smoking? In order to reduce a few smokers, how much harm has he caused? This policy has affected thousands of newspaper hawkers, rendering them unable to pay the school fees of their children. Secretary, have you taken care of this group of people? This policy is absolutely ridiculous. To address the small impact caused by smoking, he has gone so far as to kill so many people and sacrifice so many people.

The problem of illicit cigarettes is much more serious, right? Even though I have told him, it seems that he is still in his dream. It seems that he is always dreaming, shutting himself up in his air-conditioned office and imagining his own glorious achievement. He has completely lost touch with the outside world. When leaflets are dropping everywhere, he is still blind to all the facts. To a certain extent, the Secretary is blind. It was not until the Bills Committee brought his attention to these problems did he wake up from his dreams. We do not know what the whole Bureau has been doing.

As the Secretary believes subjectively that smoking is harmful, he therefore wants to wipe it out. The Secretary might as well ban smoking in the entire territory by prohibiting the sale of cigarettes in Hong Kong. However, he does not have the guts, for he even allows prisoners to smoke. The existing legislation on smoking is absolutely absurd — smoking is allowed in the airport and prisons. He is indeed bullying the good people but scared of the evil ones.

Deputy President, the effectiveness of a public policy can be seen sometimes in its assessment as I mentioned just now. When a public policy is to be launched, it may affect a certain community group. Some policies may cause nuisances to the public and at the same time do harm to innocent people. I am now speaking to the Secretary, yet he is grinning. Does he know that the poor would be affected? You are destroying them. The Secretary will remain unscathed and still get his salary. What kind of an attitude is that?

For this reason, we must object to this policy which smacks of class discrimination. This is a policy biased in favour of a certain class. If the

Secretary is so smart, he can also increase the duty on wine. He must explain to me why a reduction of the duty on wine will not affect public health? Why will a reduction of the duty on wine not affect productivity? Why will a reduction of the duty on wine not give rise to more domestic violence? Why will a reduction of the duty on wine not affect the operation of society? All that the Secretary can say is stepping up publicity by allocating more resources to conducting studies in this respect. This is nonsense. Why had no study ever been conducted when the reduction was introduced? Therefore, as I just said, the entire policy was launched blindly to achieve the desired effect, turning a blind eye to the harms and effects caused to other people in the community.

Deputy President, the Administration also failed to take into consideration the unique situation of Hong Kong. Unlike other places, we have eight custom clearance points where duty-free cigarettes are sold. For this reason, people can make a trip through these points to buy duty-free cigarettes on their way back. This can be done within the same day. If the trip lasts for more than one day or up to three days, more duty-free cigarettes can be bought. These figures are also very confusing.

Deputy President, I do not smoke and I do not like smokers. I always tell Long Hair not to smoke in my presence and quit smoking. Thus, I take no liking to smoking. I hate smoking as much as the Secretary does, but in formulating public policies, the standard I set for myself is absolutely higher than that of the Secretary. As a Secretary, he should not take the matter lightly. As a Secretary, he should not be so irresponsible. In formulating public policies, he has neglected the fundamental factors for any consideration of a public policy. I hope he will go back to study Introduction to Social Policy. Perhaps because he studied medicine, he does not know how to formulate public policies. All the public servants or Under Secretaries should learn social policy formulation before assumption of duty, which means they should possess basic knowledge in formulating social policies. I do not know what assistance he has been given by the officials beside him.

In my opinion, the entire system on public policy is a mess. The Secretary is good at making gestures. I feel he is the Secretary who knows the trick best. As in the case of the swine flu, he closed the entire hotel and closed schools for 14 days for a single confirmed case. I do not know why the measures taken by the United States and Canada are so lax. I have just come

back from Canada, where no school is closed for 14 days for any confirmed case. Our measure is particularly stringent, is it not?

However, to the toilets under his ambit, the Secretary is rather lax. He does not find it a problem when liquid soap is not available in 30% to 40% of these toilets and he has not set down a timetable to improve the situation. I put this question to him several times during the Question Time today, asking him to set down a timetable, but it was to no avail. If the Secretary is so mighty in increasing the duty on tobacco, why is he doing such a lousy job in providing the toilets with toilet rolls and liquid soap? He fails to fulfil his basic responsibility of improving environmental hygiene and kills other people instead. What kind of a Secretary is he?

All he knows is making gestures and showing off. He shows off to the poor but grovels to high-ranking officials and millionaires. He allows the rich to enjoy cheaper wines while the poor are required to pay for expensive cigarettes. This is the policy effect of administration by the Secretary. How much money has he saved for these millionaires and Henry TANG? To these people, the Secretary wags his tail like a Pekinese, but to the poor, he sniggers. I really have to denounce these Secretaries devoid of social conscience.

Deputy President, this issue has been discussed several times. Even though my blood pressure reading is 30 mmHg higher, or even if I keep on roaring, other Members will still support the motion blindly. I hope Members can think seriously about what kind of a policy it is. What is the effectiveness of the increase of duty on tobacco? What they are supporting is a purely imaginary and illusionary policy indicator with no actual figure. As Members, you should ask the Government to supply figures, stating the effectiveness of increasing the tobacco duty rate by 50%. How many people will be affected? Otherwise, you are helping in the execution, victimizing members of the public. You have indirect responsibility.

Deputy President, the League of Social Democrats will continue to oppose this policy. I declare again that I do not encourage smoking. However, as the policy is biased in favour of a certain class and it is also absurd and immature, many people will be victimized as a result. It also aggravates the problem of sale of illicit cigarettes by triad societies and unlawful elements, giving these people more and more profits. In the end, the enforcement authority will be

subject to more pressure and a heavier burden. Hence, it could be described as the worst public policy and tax arrangement in recent years.

Deputy President, we will continue to object to the proposal of increasing significantly the duty on tobacco.

MR WONG YUK-MAN (in Cantonese): Deputy President, my party comrade Albert CHAN strongly condemned the Secretary. But, however strong his remarks are, it is useless, for the Secretary will not be convinced and he will probably rebuke, am I right? The Government officials' pay is cut only by a few percentage points, yet the Chief Executive has come out in a high profile to put up a show, saying that he is prepared to tide over the hard times with the public. What is the "hard times"? It refers to the economic hardship. In fact, the people suffering from the hardship are those victimized by the government policy, not the Secretaries who are receiving high salary of hundreds of thousand dollars in an air-conditioned office. Honestly speaking, when Donald TSANG came out and said he would be facing a pay cut of \$20,000 out of his salary of \$370,000, some people would say that his monthly salary is only \$12,000, and after the pay cut, he can only get \$8,000 a month now.

The Hong Kong Federation of Trade Unions is going to stage a demonstration later. In connection with the annual report published by The Link, Secretary, can you tell them to "PK" (drop dead)? These extortions by trick, collusion between the Government and business were caused by the Hong Kong SAR Government. When we objected to the listing of The Link, we faced a thousand accusing fingers, condemned by the whole world. At that time, the DAB and the Democratic Party supported the listing, but they are now instead championing for the commercial tenants of The Link. What kind of a society is it, buddy? As such, it is reasonable for Albert CHAN to make those fierce condemnations, seeing his blood pressure rising, is it not? I am not going to do the same thing as I like making enemies and hate making friends. If you criticize people, you can only make enemies, right? How can we make friends by telling the truth? Therefore, I do care a dime.

Cutting only \$20,000 from his salary of \$370,000, how dare he say he is doing this to tide over the hard times with the public. Talking about riding out the storm, what kind of difficulties is he facing? The people caught in dire straits are those living in cubicles, paying \$1,200 a month for a bedspace and not benefiting from the \$16.8 billion relief measures. The people in dire straits are

those living in public housing estates, those who have been laid off and those students who are out of work. On 21 June, a group of university graduates will take to the streets to celebrate their joblessness. Does the Secretary know about that? They are not celebrating their graduation.

For this reason, as regards the increase of duty on tobacco, the League of Social Democrats (LSD) thinks it is absolutely not feasible. One of the reasons is that as we are facing an economic downturn and people are living in hardship, the policy should therefore be suspended, buddy. Starting from the 1 July, a smoking ban will be enforced in places of entertainment completely. As many of these places are facing closure and a number of people will be rendered jobless, would you also suspend the implementation date? We should make a delay in the hope of making everyone happy by not acting in haste. I wonder if the Secretary who studied abroad knows the meaning of this phrase. It is no use acting impetuously, right? If you seek instant success, you may overkill.

Honestly speaking, if I really want to criticize what you are doing, 15 minutes would not be enough. You had better let me talk about all this now as there are only a few people present. We have a live TV broadcast and there are people listening in the public gallery. When I upload this clip onto the YouTube this evening, many people will watch it. There must be someone watching, right? What I am saying now is not for the people here or the Secretary to listen. It is a waste of efforts as you have closed your ears.

For only one confirmed case of swine flu, Secretary, you closed the entire hotel for seven days. Now we have more than 100 confirmed cases, we had better go nowhere. That hotel is really innocent. Fortunately, as it is a China-affiliated organization, it therefore did not dare say anything. Is that right, Mr IP Kwok-him? It did not dare say anything when it was caught in that plight. If the case took place in the Four Seasons Hotel, LEE Sau-kee would definitely have given you a hard time for the closure. Is that right? For a single confirmed case, the entire hotel was closed for seven days. If there was an outbreak in the community, then we would have nowhere to go. While you are simply closing the schools with confirmed cases, do you think you have overreacted in the case of the hotel?

I met a professor the other day. I do not want to disclose his name. He has assisted in combating the disease. He told me that the Administration had

overreacted. If the Secretary wants to know his name, I can tell you later in the Ante-Chamber. After the SARS outbreak in 2003, no one dares to say anything about the hotel closure. 299 people died during that period — had there been one more death, we could have a round up figure of 300. As 299 people died, we are therefore scared. The Secretary knows it very well.

I will go to the United States and Canada in August, or I may be quarantined for seven days on my return, right? They are not taking the matter as seriously as we do. I am not going to argue with you about this, but the whole matter can be summarized in a few words, that is, you are overreacting. Most ridiculously, at first, the Administration asked the patients to remain in quarantine in hospitals or isolation facilities, but in the end, they were only asked to confine themselves at home. Is the Administration not changing its mind?

Now we have 100 confirmed cases, and soon there may be 200, or 300. Are all of us not going to go out anymore? The taxi drivers have been grumbling. When you go to Mong Kok, it is no longer a popular place. The business turnover of the retail and catering sector there has dropped at least more than 30%, and newspaper hawkers suffer loss in the cigarette sale. With all these factors adding together, the public have difficulties in making a living.

Let me tell you, in this quarter, as the unemployment rate has stabilized, the Administration will therefore be so complacent that it will raise its tail. Insofar as there is a little improvement, it will raise its tail. It is exactly what you will do. Let me tell you, do not be so complacent as to think you have won the war in preventing the spread of a pandemic flu and have enhanced the Administration's popularity by closing the hotel for seven days on the basis of a confirmed case. At that time, when we saw people being isolated looking desperately out onto the street, it was as if they had been cut off from the outside world for ages. In fact, it was later found out that it was only an overreaction. Now we are going to spend \$700 million to buy vaccines, but I am not sure if this Council will approve the funding.

I have to take this opportunity to criticize the Secretary as he has no chance to rebut. I am giving an account of his policy blunders, but not his behaviour. I hold no gripes about him personally. However, as public policies affect everyone, please do not think that we are only three mad men of the LSD. Why we oppose the increase of duty on tobacco, buddy? We are talking about people's livelihood. This is a difficult time, is it not? If you say that it has

nothing to do with people's livelihood, then you do not have to ask the people of the Food and Environmental Hygiene Department (FEHD) to have talks with the newspaper hawkers. Am I right? Have they held any discussions? The answer is yes, only the discussions were not held before the introduction of duty increase, but after problems have been identified and criticisms had been directed against them.

Buddy, before formulating these policies, can you conduct an extensive consultation and assess which people will most likely be affected by the policy, and also the timing of introducing the initiative? At a time like this, it will cause adverse impact. The issue of public health is an exaggeration, but it is also politically correct. In this Chamber, who dares to raise objection? The duty on tobacco is raised for public health and to discourage people from smoking, but it cannot serve the desired purpose. As I said last time, the Government had failed to ban smoking, it only managed to control smoking and it was done in a messy manner.

We have done what we should do. A couple of years ago, I took part in filming a publicity clip made by the Hospital Authority (HA), urging people not to smoke. The clip is shown in hospitals. I have also done my part. We are making some efforts in this regard. We also hope that people in Hong Kong can cut down on smoking and more people can sing healthily. We want people to cut down on smoking and we want Long Hair to cut down on smoking. It is our wish to improve our environment, public health and the serious air pollution. Dr LAM Tai-fai raised a question on air pollution this morning. The Secretary concerned spent 12 minutes to make a reply. The time spent on the oral question was 20 minutes in total, so I hope he would not do it next time — Secretary, you only used seven minutes to respond to me just now — in regard to answering questions, his attitude is good, but he should not deprive us of our speaking time. We have all together 60 Members, so discounting the President, 59 Members need to speak. Members may give up their right to speak, it is their own business. Why do you obstruct us from speaking? As such, I am going to use up my speaking time. I have seven minutes left. I am going to use up all my speaking time. Secretary, do not smile at me, I can speak for another half hour, and that may still be not enough.

In formulating public policies, consideration must be given public opinion. The policy may be well-intentioned, but if the public are not fully consulted before it is launched, a lot of problems will arise and troubles caused to the Government. It is not going to work. Some policies are rigid, but the people enforcing them are not. For instance, recently, a hospital under the HA asked a

patient to pay the bill before administering treatment. Is it a crazy thing to do? In the past, the public hospitals were highly praised for putting life in the first and foremost consideration, and both the rich and the poor would not be denied treatment. It is no longer the case now. The patient was charged as under the rigid system, the medicine to be used carries a fee. We all know that the system is like that, but we should know how to apply it flexibly. Some people said we should not condemn the hospital anymore because it has tendered apologies. Should we stop criticizing it simply because it has apologized? We have to remind them not to repeat the same mistake next time. How come you should charge people before rescuing the patient? You are actually learning from the bad examples on the Mainland. I really have to censure you for learning the bad examples but not the good ones. As there are so many to be said, Deputy President, can you give me 15 minutes more?

The stance of the LSD is very clear. Last time, Mr Albert CHAN moved an amendment to reject the Public Revenue Protection Ordinance. Of course, only three Members supported our view. We are really fighting a lonely battle. We have done a lot of things that are not supported by the public, but does it mean that we are not doing the right thing? As a matter of fact, if the Government does not respect the views of the minority, then we will not be able to correct the wrong. You should pay regard to the views of the minority. When we think we are upright, we shall go forward against thousands and tens of thousands.

Why we object to increasing the duty on tobacco? What is the motive and reason? What good does it do us? Someone said we have received money from the tobacco traders. Some people may be audacious enough to say whatever they like. You may have this conspiracy theory, but you had better produce the proof. Our motive is very simple. We have received complaints from newspaper hawkers and the entertainment industry, including people operating sauna parlours, mahjong parlours, karaoke establishments and nightclubs. We have held a few meetings with them, in a bid to understand their situation. I am not asking the Government not to implement the policy, but only a suspension — to delay the implementation, in particular to extend the smoking ban by two years. In the face of the recession, I only ask the Government to suspend this policy which makes things worse in a bad situation. These are the reasons for our action. However, you accused us instead of ignoring public health for the interest of a few smokers, smearing us of acting as an enemy of the public. It is not the case actually.

We in fact support the smoking ban. If the Government can ban smoking in the entire territory, I would be thankful to you for no longer having to be exposed to the hazard of passive smoking. I made people suffer from passive smoking for several decades, so I understand that it would be a retribution for me to be exposed to passive smoking now. If the Government is so powerful, it should ban smoking in the entire territory. Yet, it is not able to do so, and the measures implemented only make everyone suffer and grievances can be heard everywhere. When we go out, we will see that the streets are almost deserted. Secretary, even if you go to the busiest street in Mong Kok the traders in Mong Kok have been hard hit by the recent incidents of acid bombs. Fortunately, Donald TSANG has gone to Guangxi this time. If he shows up again, there would be an incident for the fourth time.

I went with the Security Panel for a site inspection on that day and had a look at the CCTV camera. We made a tour in Mong Kok and talked to Mr LEUNG Ka-ming, Senior Superintendent of the Kowloon West Regional Police Headquarters. I actually gave him some tips. He said, "Mr WONG Yuk-man, it is indeed a very complicated case because the culprit simply did not seem to have any motive for committing the crime. If we cannot identify his genuine motive, the case would be very difficult to crack. If he is in the police files, he could be easily tracked." I give him a hint. The acid bottle was first thrown onto Sai Yeung Choi Street near the section of Nelson Street. After that, the Chief Executive patrolled the spot in a high profile and pointed his fingers at every direction on the roof-top of one of the high rises. We could all see that on the television. Shortly afterwards, we had the second attack. This time a little farther, near the CTMA Centre. It was unfortunate that my wife's shop was right at the back of the street. After the Chief Executive had patrolled again, we had the third attack. On this occasion, the culprit was able to evade the CCTV and there was also a thunderstorm on that day. We all thought that the culprit was really smart. After the second attack, the police installed the CCTV and stepped up surveillance, yet he was able to throw the corrosive at a blind spot. How smart is the culprit. It also took place after Donald TSANG had pointed his fingers. After the third attack, I said on the net radio, "Please, Chief Executive, do not come again. Otherwise there will be a fourth attack." Fortunately, he was in Guangxi, therefore he did not show up.

Besides, when the Chief Executive conducted an inspection, the FEHD staff had to cleanse the entire district, making Mong Kok a solitary place and

denying the traders business. A small restaurant serving Chiu Chow food used to put tables and stools all over Fa Yuen Street received quite often penalty tickets from the FEHD. However, counting the tickets as part of the operating cost, they did business in this way all the same. As the Government allows people to smoke on the street, there are people smokers everywhere. Hong Kong-style cafes putting their tables and stools on the pavement were mopped up by the FEHD. Yet, shortly afterwards, they took out their tables and stools again. They had no choice as they had to do business. When the Chief Executive inspected the place, the Administration would clear up everything, causing many complaints from the traders. A boss told me, "Yuk-man, please tell the Chief Executive not to come again." I said, "I do not think he would listen to what I say." This is how he breeds grievances in the community.

I am now telling Secretary Dr York CHOW with good intentions, not to stir up dissatisfaction and grievances. What you have been doing is indeed inviting criticisms. To increase the duty on tobacco by 50% is the best illustration of this. Thank you, Deputy President.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I will now call upon the Secretary for Food and Health to speak, after which I will call upon the Secretary for Financial Services and the Treasury to reply. This debate will come to a close after the Secretary for Financial Services and the Treasury has replied.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I thank Members for their precious views aired just now and individual Members for their insightful suggestions.

The Dutiable Commodities (Amendment) Bill 2009 (the Bill) seeks to increase tobacco duty rates by 50%. As I explained to the Legislative Council and the public earlier, the increase in tobacco duty is a public health policy and also an important element in the smoking control policy of the Government. I have to reiterate that our discussion on the Smoking (Public Health)

(Amendment) Bill lasted more than one year from 2005 to 2006. During that stage, we discussed all tobacco control strategies, including duty rates. Hence, this is not a short-term strategy but a long-term one. The objective of this proposal to increase tobacco duty is the protection of public health. We particularly want to prevent the youths, who are more sensitive to prices, from starting smoking and to help more smokers quit smoking.

I am delighted to see that during the related motion debate at the Legislative Council meeting on 2 April and in the course of deliberation on the Bill by the Bills Committee on Dutiable Commodities (Amendment) Bill 2009 (the Bills Committee), a majority of Members agreed with the proposal of the Government to increase tobacco duty rates by 50%. During the deliberation of the Bills Committee, many organizations have attended the meetings of the Bills Committee and tendered their submissions, indicating their support for the government proposal and their hope that the legislation could be endorsed by the Legislative Council as soon as possible. In fact, the result of the public survey conducted by a consultancy entrusted by us also shows that nearly 80% of the public support the increase in tobacco duty. Therefore, there is already a conspicuous consensus in the community for the increase in tobacco duty rates.

In regard to the function of the increase in tobacco duty rates on the reduction of smoking, we gave a detailed explanation during the motion debate of the Legislative Council on 2 April and have also submitted substantial figures to the Bills Committee. The information indicates that the smoking cessation hotlines operated by the Department of Health (DH), the Tung Wah Group of Hospitals (TWGHs), the Hospital Authority (HA) and the University of Hong Kong (HKU) have all received a large number of calls since the announcement of tobacco duty increase by 50% by the Financial Secretary. The number of calls is a few times more than the number before the increase of tobacco duty. The number of people receiving smoking cessation services has also increased significantly. From the announcement of the budget on 25 February this year to mid-May, a total of 500-odd people have joined the smoking cessation classes of the DH and the TWGHs. This number is higher than the number of 300-odd participants for the whole year last year. From 26 February to mid-May, the number of participants in the smoking cessation classes of the HKU has also increased remarkably by 900%. As regards the smoking cessation classes of the TWGHs, we note from the preliminary result that more than 60% of the participants can successfully quit smoking within three months. Although a

Member is of the view that this number of people are insignificant compared to the smoking population of 700 000-odd in the whole territory, this number of participants is only a partial figure. We have to understand that many people do not need others' help to quit smoking. Only if they have confidence and determination, they can succeed. The increase of tobacco duty rates will indeed give impetus to more smokers to quit smoking in the short term, and the number of smokers in Hong Kong is expected to decrease further. This is a fact that one can deny.

I have to point out another fact which is related to the tobacco duty and cigarette price in Hong Kong. A Member has queried that the increase of tobacco duty rates by 50% is too much. Some people in the community have also mistakenly pointed out that the relative proportion of tobacco duty in cigarette price of Hong Kong may be the highest in the world. Before the increase of tobacco duty rates by 50% by the Government, the tobacco duty accounted for 50% of the cigarette price. After the increase in tobacco duty, the latest information shows that the tobacco duty accounts for about 60% of the cigarette price. This is closer to the level of some overseas advanced economies, but is still lower than that of European countries like the United Kingdom and France. Therefore, the existing proportion of tobacco duty in the cigarette price is definitely not too high.

Today, I have to reiterate the declaration in the Framework Convention on Tobacco Control of the World Health Organization (WHO) which took effect in 2005: "..... price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons." This is a conclusion of the WHO based on the evidence provided by its signatories in the world, and I am also convinced that this conclusion is applicable to Hong Kong.

At the same time, the established tobacco control policy of the Government is to encourage the public not to smoke and minimize the impact of passive smoking on the public through a gradual, progressive and multi-pronged approach. Apart from increasing the tobacco duty, the Government will also continue to allocate resources to carry out smoking prevention and cessation work through various means like publicity, education, legislation, law enforcement and promotion of smoking cessation. The important tobacco control work for the second half of this year includes stepping up publicity and providing more smoking cessation services; implementing an indoor smoking ban on 1 July as

scheduled in accordance with the provisions of the Smoking (Public Health) Ordinance in six kinds of designated premises, namely bars, clubs, nightclubs, bathhouses, massage establishments and mahjong-tin kau premises; implementing the smoking offence fixed penalty system on 1 September this year after the related subsidiary legislation is passed by the Legislative Council; and implementing a smoking ban in covered areas of public transport interchanges.

In regard to the impact of the increase in tobacco duty on newspaper hawkers, during the motion debate of the Legislative Council on 2 April, I stated that we would step up communication with newspaper hawkers in order to understand their situation and aspirations. I know that the Food and Environmental Hygiene Department (FEHD) met with the newspaper hawkers' organizations in mid-April this year. It has listened to the concern and the proposals to improve the business environment of newspaper hawkers from their representatives. The representatives for newspaper hawkers told the FEHD that after collecting the views from members of the industry, they would submit a substantial proposal for consideration by the FEHD. The FEHD has recently contacted the industry again and learnt that their consultation work is nearly finished. They will hold a meeting with the FEHD shortly afterwards in order to map out a proposal. The FEHD has proposed to meet with them as soon as possible and that it will positively consider their proposal with a view to providing appropriate assistance to newspaper hawkers. We will report the relevant progress to the Legislative Council in due course.

Deputy President, in order to encourage more smokers to quit smoking and to minimize the harmful effects of smoking and passive smoking on the public so that Hong Kong will have a healthier future, I hope Members can respond to the clear aspiration of the public by supporting the Bill passing the Second Reading.

Thank you, Deputy President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, I would like to supplement four points to Secretary Dr York CHOW's speech. First of all, I thank Mr CHAN Kin-por, Chairman of the Bills Committee on Dutiable Commodities (the Bills Committee), members of the Bills Committee and colleagues of the Legislative Council Secretariat for their completion of the deliberation work within a short period of time, and for

their support for the resumption of Second Reading debate on the Dutiable Commodities (Amendment) Bill 2009 (the Bill).

Secondly, many Members have, in their speeches earlier on, obviously shown their worry about the increase in tobacco duty stimulating the sale of illicit cigarettes. I would like to reiterate that the Customs and Excise Department (C&ED) will continue to spare no efforts in combating illicit cigarette activities. Since the levying of the new tobacco duty as announced in the budget, the C&ED has been closely monitoring illicit cigarette activities at various control points and at the street level, and has strengthened its enforcement actions against different aspects of illicit cigarette activities, including smuggling, storage, distribution and peddling. Tactically, with enhanced intelligence gathering, the C&ED will not only crack down on smuggling at source, but will also conduct intensive operations against retailing and peddling of illicit cigarettes. Due to the complaints about the sale of illicit cigarettes through leaflets by unlawful elements, the C&ED has already contacted the complainant organization in order to collect information on such illicit cigarette activities. It will also spare no efforts in combating such activities. In response to the request of the Bills Committee, we will submit a report on combating illicit cigarette activities within one year after the Bill has come into effect.

(THE PRESIDENT resumed the Chair)

Thirdly, a Member has said that the Government's policy of reducing the duty rates on alcoholic beverages last year on the one hand and increasing duty rates on tobacco products this year on the other is unfair to the grassroots. However, we think that these two issues should not be discussed together. It is a recognized fact that smoking is hazardous to health. Irrespective of age, gender or class, smoking is hazardous to our health. In regard to the consumption of alcoholic beverages, our policy is not to curb general consumption of alcoholic beverages, but to formulate measures to deal with the problem of alcohol misuse and drink driving. The purpose of waiving the duty on wine last year is to promote the development of wine trading, distribution and the related business, as well as to create new job opportunities. Benefiting from this policy, the wine business in Hong Kong has enjoyed great development in the past year.

Lastly, although the budget proposal of increasing the duty rates on tobacco already came into immediate effect by virtue of the Public Revenue Protection Order 2009 (the Order) on the day the budget was announced (that is, 25 February), the validity period of the Order is only as long as four months. Therefore, we need to have Members' support to pass the Bill in order to amend the Schedule to the Dutiable Commodities Ordinance so that the duty rates on various kinds of tobacco products can be increased by 50%.

I hereby reiterate the appeal by Secretary Dr York CHOW earlier. In order to encourage more people to quit smoking and to minimize the harms of smoking and passive smoking on the health of the public, I urge Members to support the Second Reading of the Bill.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Dutiable Commodities (Amendment) 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.

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, Mr WONG Yung-kan, Mr LAU Kong-wah, Ms Miriam LAU, Ms Emily LAU, Mr Andrew CHENG, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Alan LEONG, Mr CHEUNG Hok-ming, Mr WONG Ting-kwong, Mr Ronny TONG, Prof Patrick LAU, Mr KAM Nai-wai, Ms Cyd HO, Mr CHAN Hak-kan, Mr Paul CHAN, Mr CHAN Kin-por, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr WONG Sing-chi, Mr IP Wai-ming, Mr IP Kwok-him, Mrs Regina IP and Dr PAN Pey-chyou voted for the motion.

Mr Albert CHAN, Mr WONG Yuk-man and Mr Paul TSE voted against the motion.

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

THE PRESIDENT announced that there were 42 Members present, 38 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.

CLERK (in Cantonese): Dutiable Commodities (Amendment) Bill 2009.

Council went into Committee.

Committee Stage

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

DUTIABLE COMMODITIES (AMENDMENT) BILL 2009

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Dutiable Commodities (Amendment) Bill 2009.

CLERK (in Cantonese): Clauses 1 to 3.

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 to 3 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.

(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): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bill: Third Reading.

DUTIABLE COMMODITIES (AMENDMENT) BILL 2009

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

Dutiable Commodities (Amendment) Bill 2009

has passed through Committee stage 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 Dutiable Commodities (Amendment) Bill 2009 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Dutiable Commodities (Amendment) Bill 2009.

MEMBERS' MOTIONS

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

First motion: Promoting cooperation between Hong Kong and Shenzhen.

PRESIDENT (in Cantonese): Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mr LAU Kong-wah to speak and move his motion.

PROMOTING COOPERATION BETWEEN HONG KONG AND SHENZHEN

MR LAU KONG-WAH (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, Hong Kong is now facing two crises. The first is the ravaging of the swine influenza, and the second is the attack of the financial tsunami on Hong Kong. In regard to the ravaging of the human swine influenza, although we have no idea when it will come to an end, we can approximately predict the extent and time for the control of this pandemic. As to the financial tsunami, according to our past experience, we will recover ultimately. However, Hong Kong has another crisis of a deeper level which has been incessantly discussed by various sectors in Hong Kong over the last decade but has yet to find a way out, and that is, Hong Kong is in lack of new economic drives.

Facing this crisis of a deeper level, is Hong Kong dwelling on its past gains? Is the competitiveness of Hong Kong decreasing? Will Hong Kong be marginalized under the speedy development of China? If it stops moving

forward, it will fall behind. Will this remark of Premier WEN Jiabao come true to Hong Kong? Recently, we notice that the Port of Yantian is taking over. We are also aware that the ranking of the Hong Kong International Airport is a little declining. We also hear the announcement from the Central Authorities that Shanghai will become an international financial centre. This series of events is just like alarm bells ringing to Hong Kong.

The public hope to see Hong Kong maintaining its competitiveness in the years to come, and also hope to see that the success of Hong Kong in the past 30 years can have sustainable development. In these two aspects, we hope that the officials of the SAR and Members of this Council can work together with one mind to carry out this transformation work properly. In fact, the public have given a very clear message to the colleagues of this Council, and that is, among the many social issues, the economic issue is at the top of the list. They hope that we can develop a better economy. The public have also clearly told us that "handing out goodies" every year may not achieve much. The public very much hope that the Government can lead Hong Kong out of the plight and can, in particular, find new economic drives. Therefore, while we can always hear fighting against the pandemic together nowadays, when can we work for the economy together? It is very important to work for the economy together.

Although the financial tsunami has impacted on Hong Kong, there are always opportunities amidst the crisis. When the whole world is paying heed to the recovery and further development of China, the Central Authorities announced the Outline of the Plan for the Reform and Development of the Pearl River Delta (PRD). It has also recently made known its Reform Pilot Programme of Shenzhen. To Hong Kong, these two sets of documents are a new opportunity as well as a new challenge. If we are unable to grasp this opportunity fast, it will vanish very soon. Therefore, we very much hope that by means of this motion debate, Members from various political parties and groupings, as well as the SAR Government can be aware to grasp this opportunity. The motion debate today has attracted not a few amendments. I feel very happy about that as various political parties and groupings can concentrate their efforts to work for a better economy.

The Guangdong Province needs to be upgraded and transformed. The Guangdong Province is now the world factory, and this world factory definitely has to carry on. Nonetheless, it also needs to have a modernized and quality service industry to go with it and support it. Modernization and quality service industry are exactly the strengths of Hong Kong. The combination of these two

is, in fact, unique in the world. The combination of these two can make our economy stronger. The Reform Pilot Programme of Shenzhen mentions four centres, including logistics centre, trade centre, innovation and technology centre and cultural creativity centre. These centres are not only national, but international. Of course, it has not mentioned the financial aspect. However, it does not mean that in the financial area, there is no room for co-operation between Shenzhen and Hong Kong. On the contrary, I think that in the financial area, since Hong Kong is an international financial centre, uniting and co-operating with Shenzhen is very important.

As regards my proposal in the motion to explore the possibility of further co-operation and even merging of the two stock exchanges in Hong Kong and Shenzhen, this of course is a rather long-term plan. Some members in the industry and experts have told us that in the absence of free circulation of Renmenbi, this merger is meaningless, and I very much concur with this. However, who can guarantee that there will never be free circulation of Renmenbi? Therefore, it is highly important that we can prepare and design beforehand. But before that, we should know that there are quite a lot of Hong Kong banks in Shenzhen at present and they have quite a substantial amount of Renmenbi deposits. In fact, people of the two places also want people in Hong Kong want to invest in the stocks of the Mainland, while people in the Mainland also want to invest in the stocks of Hong Kong. In regard to the combination of strengths of both places and the wish of people in both places, can there be exchanges and reciprocal sales of certain products? In fact, the Mainland and Taiwan are having exchanges in ETF. Can we promote this kind of work? Only if restrictions are set on such work, and it is carried out in an orderly manner at an early stage and on a pilot basis, I believe that the approval of the Central Authorities can be sought.

As far as logistics industry is concerned, our airport still possesses certain edge. However, if we can co-operate with the Shenzhen Airport and develop international routes as well as domestic routes, our network can be expanded and strengthened. When talking to some members of industries, in particular the logistics industry, they said that if electronic clearance could be successfully fought for, Shenzhen and Hong Kong would have a common platform where members of the industry would be spared of repeated customs declarations. I believe that this will greatly help the logistics industry of Hong Kong. If we can fight for 24-hour clearance for containers, I think this will be highly helpful.

Colleagues from the Democratic Alliance for the Betterment and Progress of Hong Kong will explain in detail in this aspect later.

In the aspect of innovation and technology, Shenzhen has focused on three areas, namely electronic communication, biotechnology and new sources of energy. DuPont Apollo Limited has recently set up a research and development centre in Hong Kong and a production base in Shenzhen for the research of issues concerning thin-film solar. I think that this approach is highly beneficial. Foreign investors want to invest in Hong Kong as they are more familiar with this place and the operation will be more convenient. However, as far as production is concerned, Shenzhen will be in a better position in terms of price and cost. Thus, a combination of the strengths of these two places will become invincible. If this approach is successful, I think it is worth being promoted by the Government to the whole world.

As regards Qianhai, some colleagues just asked me where it is. If you know where Baoan and Shekou are, you will then know the location of Qianhai, which is the outer zone of these two places. Qianhai has been reclaimed with an area of about 15 sq km and its planning is underway. We know that Chief Secretary for Administration Henry TANG has signed an agreement with the Shenzhen Government on a common project in this place what kind of a place is it? In fact, it is the midpoint of a rail link built between the two airports (namely the Shenzhen Airport and the Chek Lap Kok International Airport of Hong Kong). Such a favourable position will provide a new platform and a new springboard to the quality service industry of Hong Kong in the future. I believe this is a new economic opportunity. Of course, for the future planning, I totally agree that this Council should have detailed discussion on it in future.

President, although there are differences between the two systems of Shenzhen and Hong Kong, given the short distance between the two places, we should have a complementary relationship. Therefore, in future, Hong Kong should firmly grasp the concept of co-operating with Shenzhen and operating businesses in the PRD. I believe that this is a new way out. Nevertheless, in order to grasp this opportunity, we must change our mindset. I think there are three aspects to which we have to pay attention.

First, it is the change of concepts. From positive non-interventionism to "big market, small government", and even to the role of a champion recently proposed by the Government, Hong Kong is changing with the different trends,

and this is the right way. However, though being a champion as it is, the Government cannot take all the responsibilities while the market also needs to give full play to its functions. In the past, we see that many agreements under the CEPA have already been signed. When the main door is already open while the small door remains closed, one thing that we heavily rely on is whether the Government is trying its best to promote communication and co-ordination. I personally think that this concept definitely has to be changed.

Second, it is the structural support. In the absence of a strong and powerful co-ordinating department to promote co-operation between Shenzhen and Hong Kong and the Outline of the Plan of the PRD, I am afraid that the opportunity will vanish very soon. I thus suggest setting up an integrated office on Hong Kong-Shenzhen opportunities which can provide one-stop co-ordination services.

Third, it is the adjustment of strategy. In the past, Hong Kong may, on its own, discuss with the Central Authorities the issue of economic development, while Shenzhen may also have its own discussion. However, co-operation between Shenzhen and Hong Kong will give us an opportunity in which Shenzhen and Hong Kong will formulate some strategies and plans together for the submission to the Central Authorities. In this way, I believe that they will have a greater chance of approval. This is particularly essential to the financial and logistics industries.

President, someone may ask whether Hong Kong will have its own agenda in the coming 20 years. In my opinion, at present, we have already identified the most important agenda of Hong Kong. Co-operation between Shenzhen and Hong Kong in the coming 20 years is an important agenda of Hong Kong. Therefore, I very much hope that the Government can grasp this opportunity while colleagues in this Council can give their support and have this task successfully accomplished. Thank you, President.

Mr LAU Kong-wah moved the following motion: (Translation)

"That, under the impact of the financial tsunami, Hong Kong's economic development should seek new opportunities amid the crisis and enhance co-operation with Shenzhen, and operating businesses in the Pearl River Delta will be the new economic drive for Hong Kong in the future; recently, the State Council has approved the Shenzhen Overall Comprehensive Reform Pilot Programme and Shenzhen has proposed to

jointly establish with Hong Kong a global "logistics centre", "trade centre", "innovation centre" and "international cultural creativity centre", which is a course of action taken by the Central Authorities to implement the Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020), and Hong Kong should also grasp the opportunity, change its mindset and take the initiative to plan for the future; this Council urges the Government of the Hong Kong Special Administrative Region to:

- (a) take the initiative to expeditiously start discussion with Shenzhen on jointly establishing a global "logistics centre", "trade centre", "innovation centre" and "international cultural creativity centre", so as to deepen its co-operative relationship with Shenzhen;
- (b) enhance co-operation between Hong Kong and Shenzhen on the financial front, assist local securities companies in setting up offices in Shenzhen at an early stage and on a pilot basis, and study the feasibility of merging the two stock exchanges in Hong Kong and Shenzhen, thereby combining the strengths of both places and increasing the depth and breadth of the market, so as to consolidate Hong Kong's status as an international financial centre;
- (c) create a new Hong Kong-Shenzhen co-operation mechanism, and study the feasibility of setting up an integrated office on Hong Kong-Shenzhen opportunities;
- (d) formulate publicity strategies to promote to the world Hong Kong's opportunities for co-operation with Shenzhen and the Pearl River Delta, so as to attract more investments and talents;
- (e) discuss with Shenzhen the joint planning and development of the Qianhai zone in Shenzhen, and explore the feasibility of Hong Kong and Shenzhen jointly operating businesses in the Qianhai co-operation zone;
- (f) expedite and push forward the works for the interface of major infrastructural facilities in Hong Kong and Shenzhen, and speed up the implementation of measures to facilitate Shenzhen residents to visit Hong Kong, so as to achieve a more convenient and efficient flow of people, capital, goods and information;

- (g) assist Hong Kong's professional services industries to develop in Shenzhen, and implement facilitation measures to further relax market entry for the services in 20 areas covered in Supplement VI to the Mainland and Hong Kong Closer Economic Partnership Arrangement, namely, legal, architecture, healthcare, research and development, real estate, convention and exhibition, telecommunications, audio and visual, distribution, banking, securities, tourism, cultural and recreational, maritime transport, air transport, railway transport, individually-owned stores, job intermediary, printing and publishing, and public utilities, etc;
- (h) jointly build green and environmental cities with Shenzhen, raise the air and water quality in Shenzhen and Hong Kong, and develop green and environmental industries;
- (i) jointly develop education industries with Shenzhen, and assist Hong Kong's tertiary institutions in setting up branch campuses in Shenzhen;
- (j) co-operate with Shenzhen to facilitate Hong Kong products in entering the Mainland's local consumption market, so as to boost Hong Kong brands and assist Hong Kong enterprises in their transformation;
- (k) expeditiously implement various development proposals in the Hong Kong-Shenzhen river-loop area; and
- (l) foster integration of the two places, including abolishing telephone roaming charges in both places, developing an Octopus Card (electronic wallet) which can be used in both places, establishing public transport services systems which link up the two places, and setting up 24-hour boundary control points, etc."

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

PRESIDENT (in Cantonese): Mrs Regina IP, Mr Tommy CHEUNG, Mr Andrew LEUNG, Mr Albert HO, Ms Cyd HO, Mr Ronny TONG, Mr Paul CHAN and Mr CHAN Kin-por intend to move amendments to this motion. Dr

Margaret NG also intends to move an amendment to Mr Albert HO's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon the Members who intend to move amendments to speak one by one; but no amendments are to be moved at this stage.

MRS REGINA IP (in Cantonese): I thank Mr LAU Kong-wah for moving this motion on promoting co-operation between Hong Kong and Shenzhen. We can see from the many amendments moved by Members to this motion that this Council is very concerned about this topic.

My amendment is about science and technology. Of course, I am delighted to hear from the speech of Mr LAU that co-operation in the fields of science and technology has been mentioned and is also an area of concern. When I first noticed that science and technology was not mentioned in the areas of co-operation announced in the outline plan concerning the co-operation between Shenzhen and Hong Kong, I was a little worried. When I saw that in the Shenzhen Overall Comprehensive Reform Pilot Programme approved by the State Council, several global centres would be established between Shenzhen and Hong Kong, including logistics centre, trade centre, innovation centre and international cultural creativity centre, but with the exclusion of science and technology centre, I was initially a little worried. Do the Central Authorities or Shenzhen feel disappointed of or have they even lost hope on the development in science and technology of Hong Kong? Have they written off Hong Kong as they think that we will not have any contribution to the co-operation of science and technology? However, when I look into the detail of the Programme and the history of recent co-operation between Shenzhen and Hong Kong, I believe that my initial understanding is wrong. It is because a few years ago, Shenzhen in fact put great efforts in promoting co-operation with Hong Kong in science and technology. In 2005, Mr LIU Yingli, Executive Vice Mayor of Shenzhen Municipal Government, introduced the Shenzhen Hong Kong Innovation Circle, in which a lot of scientific research projects under the co-operation between Shenzhen and Hong Kong will be jointly subsidized by the Shenzhen and Hong Kong Governments. We thus see that co-operation between Shenzhen and Hong Kong in scientific research has prospects, and there is a certain consensus between the two cities in this aspect.

I would like to raise a point for consideration of colleagues and the Government. In fact, co-operation between Shenzhen and Hong Kong is not only on research and development (R&D), and not limited to only the solar energy research projects put forward many times by officials or Members. Our Science Park or small and medium enterprises outside the Science Park are also engaging in a lot of creative projects in scientific research and even have them industrialized. I would like to introduce a product. It is a smart plug jointly produced by Hong Kong engineers and a British company. This smart plug is inserted with a micro chip. On the one hand, it can be plugged into a computer. On the other hand, it can also be plugged into the printer, scanner and monitor attached to the computer. Only if you turn off the computer, with one click — the name of the company is "One Click" — the electric current will be automatically cut off and so is the source of electricity for the attached electrical appliances. A lot of energy can thus be saved. The cost of developing this product is not expensive and a patent has already been successfully acquired in Britain, especially because the British Government has set up some funds to encourage the development of these energy-saving products. Since its production to date, 1 million-odd pieces have been sold, which is quite encouraging. This is a typical mode of co-operation. The product is a result of R&D under the co-operation between Hong Kong and British engineers, with the support of an electronic and plug producer from Hong Kong and being manufactured in the city of Heyuan in the Mainland. This mode of production tells us that the creative industry in Hong Kong actually has a bright prospect and is not only limited to the mode of R&D in the Science Park of Hong Kong and industrialized production in Shenzhen.

If our mindset is not only limited to certain economic areas or industries but instead, we look from the angle of the entire production chain, Hong Kong is actually not devoid of creative talents. Hong Kong can take up the role as a co-ordinator and assist mainland industries to get integrated into the international community, co-operate with overseas engineers and develop the products in Hong Kong. Part of the procedures can be done in Hong Kong, while part of production procedures can be carried out in the Mainland. The company responsible for the production of this smart plug and the factory assisting its production have employed a few dozens of people in Hong Kong. Many creative researches are now underway in our Science Park. Apart from solar energy products, the air purifier is also coming near to the industrialization stage. New products will be introduced very soon.

Therefore, generally speaking, my amendment seeks to remind the Government that our mode of co-operation with Shenzhen in science and technology is not purely restricted to scientific research in Hong Kong and industrialized production in the Mainland. This will lead to a total denial of the capacity of Hong Kong in industrialization. On the contrary, in this chain of production, the creative talents and engineers in Hong Kong also have a lot of work to do, especially in information technology. Information technology can be roughly divided into three major areas, namely hardware, software and network services. Of course, in the aspect of hardware production, there are several renowned world-class companies in Shenzhen, for example, Huawei. Huawei is now producing some very successful network hardware devices. Under the current global economic recession, Huawei still achieved very bright performance last year and its profits have risen by 30%. The mobile phones sold by ZTE are getting more popular. As reported by some overseas media, it is a secret weapon which has taken up a large market share without a fuss.

Of course, in the production of hardware, due to insufficient land and talents, it is very difficult for us to compare with these large-scale companies in Shenzhen. However, in the development of software, no matter in digital, entertainment, multimedia or Internet games, Hong Kong actually has its competitive edge. I know that some software companies are planning to move back to Hong Kong. It is because although the programmers and engineers in the Mainland are familiar with the mainland market, their understanding of the international market is after all not as good as the managers or engineers in Hong Kong. Therefore, we should explore positively new options. Apart from the mode of R&D in Hong Kong and manufacturing in the Mainland, we can actually step up co-operation with Shenzhen in various fields of technological innovation so as to achieve better division of labour and strategic partnering relationship.

Next, I would like to talk about the various development proposals concerning the Hong Kong-Shenzhen river-loop area. I thank Mr LAU Kong-wah for introducing us to the Qianhai development plan. I have also talked with the officials in Shenzhen and they, of course, think that the function of Qianhai is much bigger than that of our Lok Ma Chau. Firstly, its area is much bigger, which is equivalent to 15 Lok Ma Chau river-loop area. Secondly, it is much faster. Once they have decided, they start working. Our Lok Ma

Chau river-loop area at least has to wait until 2020 before the land formation and foundation works can be finished for development. The schedule is actually too long. That being said, the river-loop area still has its geographical and strategic advantages, because it is just beside Shenzhen and near to our control point. Hence, I also want to suggest to the Government that while developing the Lok Ma Chau river-loop area, it should focus on the future direction of strategic development of technological innovation with Shenzhen, instead of purely leaving the land for the universities to develop something that they think are profitable, for example, organizing some management courses which are popular among mainland students. On the contrary, we should setting aside more land for future development so that people engaging in technological innovation projects in the two places can build some smart or knowledge factories. By setting aside some land for the future technological innovation-based industries, there will be more room for strategic co-operation between the two places.

I am also concerned that although the Chief Executive has stated in the policy address that the Lok Ma Chau river-loop area was initially intended to develop higher education and to be supplemented by the R&D of high and new-technology, in a recent speech by Mr Gregory SO, Under Secretary for Commerce and Economic Development, in the Legislative Council, the word "initially" was missing. I hope that the Government will not make a decision before consultation. I do not wish to see such a situation. I will continue to liaise with the science and technology industry and put forward our views to the Government. Thank you, President.

MR TOMMY CHEUNG (in Cantonese): President, Hong Kong and Shenzhen are only separated by a river and their relationship is very close. Hong Kong and Shenzhen should thus step up co-operation long ago. Therefore, the Liberal Party is in absolute support of the original motion today.

For instance, the Shenzhen Overall Comprehensive Reform Pilot Programme announced in May this year has particularly mentioned co-operation with Hong Kong to develop four centres, namely logistics, trade, innovation and cultural creativity. Such planning has provided very good co-operation opportunities to Hong Kong and we should grasp them well.

However, the Liberal Party thinks that apart from the four industries mentioned in the Programme, there is also ample room for co-operation between Hong Kong and Shenzhen in the areas of education and health care. This is also one of my reasons to move an amendment today.

The education industry, for instance, has already been identified as one of the six new industries of Hong Kong by the Task Force on Economic Challenges. However, in the past, higher education institutions in Hong Kong have always been regarded as overseas organizations and they are not allowed to set up branch campuses in the Mainland. Even if it is run under the co-development mode, it is subject to very strict restrictions.

In fact, Guangdong Province, especially the Shenzhen Municipal Government, very much welcomes higher education institutions of Hong Kong to run education in the Mainland. The Shenzhen Municipal Government even confirmed earlier the 10 Major Breakthroughs Programme to be implemented this year, which include achieving substantial progress in the promotion of independent running of education in Shenzhen by higher education institutions of Hong Kong. We hope that this is no empty talk but can be put into practice as soon as possible.

President, the health care industry is also one of the potential items for development in the co-operation between Hong Kong and Shenzhen. Although health care services providers of Hong Kong can set up out-patient clinics in sole proprietorship in Guangdong Province under the framework of CEPA, in-patient services are excluded. Therefore, the Government should step up discussions with the Mainland and Shenzhen so as to realize the spirit in the document of the Central Authorities that the co-operation between Hong Kong and Shenzhen is allowed at an early stage and on a pilot basis. It should assist Hong Kong health care institutions to expand their businesses further in Shenzhen, for example, in-patient services can be run so as to deal with complicated and detailed surgeries and to provide higher quality health care services.

Besides, the Government should also discuss with the Shenzhen authorities the opening up of the provision of training for local service industries to Hong Kong's quality training institutions, so as to enhance the overall standard of service industries in Shenzhen.

In the financial aspect, in recent years, not a few people view that there should be the merging of the stock exchanges of the two places in order to enhance the competitiveness. However, Mr ARCULLI, Chairman of the Hong Kong Stock Exchange, stated as early as in 2007 that since the legal systems and structures of Hong Kong and the Mainland were totally different, the merging of the stock exchanges would face monitoring, technical as well as cultural difficulties. He opined that instead, Hong Kong and the Mainland should establish a centralized listing and transaction platform covering Hong Kong, Shenzhen and Shanghai to become the largest stock exchange in the world. I think these remarks are of great reference value. Hong Kong and Shenzhen can first study how to step up co-operation so that the financial markets of the two places can turn bigger and more prosperous. Recently, the Exchange Traded Funds is prepared to be listed in the stock exchanges of the three places across the Taiwan Strait. This is a good example of enhanced co-operation.

As mentioned in the draft of the Overall Urban Planning of Shenzhen City (2007-2020) in 2007, there will be two city centres, namely Futian and Qianhai, in Shenzhen in future. Futian centre will be formed by the existing Futian central district and Luohu central district. Qianhai centre will be formed by Qianhai, Houhai and Baoan central district. This new district will mainly be responsible for supporting the transfer of regional high-end service industries, and it will be developed into a regional high-end service industries cluster. Besides, there will be transport facilities like ports, airport rail links, highways, inter-city rail transit and underground railways, and it will also be the midway station of the Hong Kong-Shenzhen Airport Rail.

Therefore, early this year, the Liberal Party suggested that the Government should discuss with the Shenzhen authorities concerning the setting up of an interchange station of scale to the Hong Kong-Shenzhen Airport Express under planning where clearance and boarding procedures can be processed. They can even examine the feasibility of co-location of immigration and customs facilities to facilitate as far as possible the speedy clearance of travellers into and out of Hong Kong through Qianhai. This can maximize the function of Qianhai station as a transportation hub, and can promote the flow of people and cargo of the two places.

President, due to geographical convenience, more and more Hong Kong residents go to Shenzhen to work or live in recent years. According to the statistics, as at March 2008, there were about 155 000 Hong Kong people residing

in the Mainland. Among them, 31.3%, that is, about 48 000 people lived in Shenzhen, representing an increase of more than 100% to the 23 000 people in May to July 2005. Many of these Hong Kong people working or living in Shenzhen will meet various problems but can turn to nowhere for help, especially when there is a distance between the Hong Kong Economic and Trade Office in Guangdong and Shenzhen. Those who want to seek assistance are usually unable to come back to Hong Kong immediately and they inevitably will feel very helpless.

One latest example is about a divorced woman who has opened a shop at Futian port. However, shortly after opening her business, she discovered that she had mistakenly fallen into a business trap and had even been attacked by a number of strong men wearing security uniforms and people for demolition works. Nevertheless, the public security officers thought that this incident was an economic dispute and did not make any arrests. That Hong Kong woman was then forced to sleep in the street of Shenzhen and her \$200,000-odd savings were all gone. Therefore, the Liberal Party thinks that the SAR Government should consider setting up a Hong Kong Economic and Trade Office in Shenzhen in order to strengthen assistance to the Hong Kong people in dealing with various problems involved in working and living in Shenzhen.

Besides, the two Governments in Hong Kong and Shenzhen can also take reference from the "City of Guangfo". They should gradually reduce the communication fees of mobile phones and take the abolition of roaming fees of mobile phones in the two cities as the ultimate goal. If this is successful, I believe that exchanges of residents of the two places can be greatly promoted.

In order to promote exchanges between the residents of the two places, one of the ways is to jointly explore the development of electronic currencies to be commonly used in the two places. It is said that the Octopus Holdings Limited of Hong Kong and the Shenzhen Tong Co. Ltd. have already studied the above issue for quite a period of time. We hope that this project can be carried out as soon as possible, so as to facilitate the residents of the two places.

President, since CEPA encourages Hong Kong people to go north to start up businesses, we of course cannot overlook the supportive measures involved. However, in order to combat speculative activities, Guangdong Province started to put up an instruction to restrain land purchase by foreign capital in 2006, mainly restricting the purchase of residential and commercial premises by Hong

Kong, Macao and Taiwan residents. Therefore, I hope that the SAR Government can discuss with the Guangdong Provincial Government to extend the scope of the abolition of this instruction in March this year to cover commercial premises, and to turn this short-term measure into a long-term policy with a view to facilitating Hong Kong people to live and to set up companies in Shenzhen. This will have positive effect on the economic development of Shenzhen and on the strengthening of co-operation between Hong Kong and Shenzhen.

At the same time, I think that the SAR Government should also commence discussions with Guangdong Province on the cross-border emission reduction work after 2010. They should work together to turn Hong Kong and Shenzhen into environmentally-friendly cities and create a quality environment for living and working.

President, in regard to other amendments, such as the amendment of Mrs Regina IP which suggests enhanced co-operation in the fields of science and technology, the amendment of Mr Andrew LEUNG which asks for the setting up of an exclusive distribution centre for the products of Hong Kong enterprises, and the amendment of Mr Albert HO which suggests making arrangements for Members of the Legislature of Hong Kong to meet with officials of the Shenzhen Municipal Government and pay visits to Shenzhen on a regular basis, the Liberal Party thinks that they basically are beneficial to the promotion of co-operation between Hong Kong and Shenzhen. Therefore, the Liberal Party concurs with them all.

I so submit.

MR ANDREW LEUNG (in Cantonese): President, the population of Hong Kong and Shenzhen amount to a total of more than 20 million. And they are adjacent cities of considerable importance in southern China. Since the governments of the two places advocate enhanced co-operation and co-ordination of the development of pillar industries, Hong Kong and Shenzhen would play complementary roles in the future, driving the development of other peripheral industries. Since the signing of the Memorandum on Closer Co-operation between Hong Kong and Shenzhen in 2004, there has been increasingly closer co-operation between the two cities in various areas, including major infrastructural projects, boundary control points, town planning, economic and

trade, innovation and technology, tourism, environmental protection and education, and so on. In the face of the financial tsunami and the less favourable external economic situation, the industrial and commercial sectors all the more want to grasp new opportunities amid the crisis, and step up co-operation with Shenzhen. The co-operation between Hong Kong and Shenzhen not only can promote steady economic growth in the two places and create new factors for economic growth, it can also further improve the quality of life of the people in the two cities, even radiating to the various provinces and cities within the Pearl River Delta (PRD) framework.

On 2 June, the leadership of the Federation of Hong Kong Industries (FHKI) and I attended with Chief Secretary for Administration Henry TANG a luncheon and seminar hosted by the leaders of the Shenzhen Municipal Government, at which views on further co-operation between Shenzhen and Hong Kong were expressed. I am very grateful to Mr LAU Kong-wah for proposing this motion today, and I am very pleased to find that quite a few proposals in the original motion are very similar to those of the FHKI. Therefore, I have proposed an amendment with a view to making more specific proposals.

First of all, I propose that Hong Kong should take the initiative to pursue with the Shenzhen authorities for the setting up of an exclusive distribution centre for the products of Hong Kong enterprises. Recently, quite a number of Hong Kong businessmen on the Mainland have intended to adjust their business strategies in co-ordination with the mainland policy requiring the upgrading and transformation of traditional industries, and take the chance to open the domestic market. So, the FHKI has suggested making use of our strengths of having 60 000 to 70 000 Hong Kong-invested factories in the PRD Region to set up in Shenzhen an exclusive distribution centre for the products of Hong Kong enterprises, which specially welcome the participation of newly-emerged Hong Kong brands. In co-ordination with the relevant Shenzhen departments, the exclusive distribution centre can contact the procurement personnel of large shopping malls and supermarket chains on the Mainland for sample examination, business negotiation and order placement, with a view to establishing a Shenzhen-based distribution channel, and then pushing it forward and radiating to the PRD and even the whole country.

To many small and medium enterprises that lack the ability to build their own brands or establish retail business, this sales platform can help them make effective use of the convention and exhibition supporting facilities in Shenzhen

for smaller enterprises' exhibitions at any time. Other industries such as the logistics and import and export industries will also benefit, and it will be conducive to the establishment of a national logistics centre and trade centre, and so on. With a further expansion in scale, it would become an important international centre in the Asia-Pacific Region.

We also hope that government policies would co-ordinate our efforts. The FHKI and I suggest implementing the "single tax rebate for multiple domestic sales" arrangement to help the processing trade handle repayment of duty for domestic sales, in order to facilitate multiple domestic sales by enterprises within a certain period of time before calculating the overall tax rebates.

The trial run of this measure has already been implemented during the Foreign Trade and Domestic Sale Fair held between 1 and 5 May. According to the feedback of Hong Kong businessmen, the duty repayment formalities are convenient and the Fair helps them understand the preferences and spending habits of mainland consumers.

President, I advocate the early establishment of an integrated office on Hong Kong-Shenzhen opportunities to formulate external publicity strategies jointly adopted by the two cities, and promote to the world the co-operation opportunities between Hong Kong and Shenzhen, and even the PRD. These strategies not only can make foreign investors become aware that Hong Kong is an international financial centre and a convention and exhibition centre while Shenzhen is the biggest costal city in China, but also make everyone who thinks of Hong Kong also thinks of Shenzhen, and vice versa. Taking advantage of the two-city effect, we would be able to attract more foreign investors and professional talents.

President, talking about Hong Kong and Shenzhen, there are indisputably co-operation and even competition in areas of aviation and airport. We in Hong Kong already noticed a few years ago that future development of air transport should tie in with Shenzhen and there should be a rail link between the two places. On the premise of supporting the development of the Hong Kong-Shenzhen Airport Rail, the FHKI and I suggest that the SAR Government should reflect to the Shenzhen authorities that multi-modal transportation and seamless connections should be implemented at the Qianhai station for linkages with various transportation systems within the municipality and the province. Quite a few people with a certain understanding of Shenzhen know that Qianhai

is one of the planned city centres in Shenzhen, at the interchange of the Shenzhen municipal development belt and the Hong Kong-Shenzhen-Dongguan-Guangzhou urban development belt at the eastern coast of the Pearl River. At the starting point of the western industrial development axis, it occupies a significant strategic position and location. When we met with Shenzhen leaders, we specifically stated that the Shenzhen authorities might draw reference from the Hong Kong Station and Kowloon Station of the Airport Express Hong Kong, so as to gain the advantage of having various transportation modes and transport links connecting various parts of the country.

The Shenzhen authorities have explicitly expressed that Qianhai would be developed into a demonstration zone for the service industry, in which success hinges upon the smooth and fast flow of people. To provide travellers with convenience and facilitate the transport of the residents of Shenzhen and Hong Kong, the Qianhai station should have sufficient supporting facilities to compete for land-to-air passengers, that is, passengers travelling from Shenzhen to the Hong Kong Airport for overseas flights will not be required to undergo customs formalities at the Hong Kong boundary. Moreover, we must strive for the co-location of immigration and customs facility for land-to-land passengers from Shenzhen to Hong Kong. So long as we can facilitate people flow and achieve more flexible entry and exit of travelling residents, passengers, businessmen and professionals, we would be able to promote the development of Qianhai into a carrier for enhancing co-operation with the service industries as well as new and high technology industries in Hong Kong.

Furthermore, President, in the course of the upgrading and transformation of Guangdong and Shenzhen, talents training for high technology service industries is fairly important. The Vocational Training Council chaired by me started co-operating with Shenzhen in developing the education industry a few years ago. At present, local vocational training institutions offer quite a lot of quality courses at very high accreditation standards, and the academic qualifications of the trainees are internationally recognized. Along with the development of Shenzhen, there will be more eager demands for our vocational training courses. Hong Kong should grasp this opportunity for development.

Regarding the mode of co-operation, the vocational training personnel in Hong Kong can directly introduce to Shenzhen our successful experience, and even gradually integrate and classify various levels of vocational training

institutions in Shenzhen, and certify the qualifications of the training institutions. Through the introduction of various kinds of international general certificates and training modes needed for the development of Shenzhen's industries, and the systems and development modes of relevant courses, we would be able to combine our advanced vocational training of international standards with the huge Shenzhen market. Taking international vocational certificates as the standard requirement, a regional vocational training system featuring course/academic structure interconnection, mutual certificate recognition and teacher sharing will be established.

About the use of the Hong Kong-Shenzhen river-loop area, I think that as quite a few proposals have been made, the SAR Government should make greater efforts and finalize with the Shenzhen authorities the use of the river-loop area as quickly as possible. It should conduct assessment on its cost-effectiveness, commence feasibility studies, and expeditiously publish the results and extensively consult the public, lest the land should be left vacant to no purpose and sunning itself day after day.

President, lastly, I would like to say a few words on the interconnection and intercommunication of the electronic currency between Shenzhen and Hong Kong. Currently, there are two separate systems in Shenzhen and Hong Kong. As far as I understand it, three teams have been set up by two companies to conduct preliminary technical studies. Of course, I hope that the interconnection and intercommunication of the two systems can be accomplished at an early date. Yesterday, there was a media report that one card would be used in nine PRD cities to cover all forms of public transport in a few years' time. At that time, one card can be used in nine PRD cities. However, this electronic currency system does not cover Hong Kong. Electronic currency has already been used in Hong Kong for 10 years, and we have rich experience, advanced technologies and fairly comprehensive systems. We should proactively fight for the inclusion of Hong Kong into this electronic currency platform, and contribute our experience in this regard to the development of electronic currency in the PRD. This would enable passengers to interchange among different public transport modes in the two places, facilitate cross-boundary spending by individual travellers from both sides, as well as promote regional integration.

I so submit, President.

MR ALBERT HO (in Cantonese): President, along with the reunification of Hong Kong with our Motherland, the Special Administrative Region (SAR) has been established under the policies of "one country, two systems" and "a high degree of autonomy". Moreover, with our country's accession to the World Trade Organization and the continuous opening up of its economy to integrate into the world economy, it is a general trend for Hong Kong to foster closer ties and co-operation with other mainland cities and regions. Not only is this beneficial to Hong Kong, it will also be advantageous to the development of our country. Therefore, I think that the direction of Mr LAU Kong-wah's motion and its many proposals are positive and worth supporting.

Nevertheless, while rendering support, I think there are two important points. Firstly, the motion is only restricted to the co-operation with Shenzhen. In my opinion, we should definitely not only focus our attention on our neighbouring city, Shenzhen. Regionally speaking, the partners and objects of our co-operation should absolutely not be restricted to Shenzhen, but to be extended to the entire Guangdong Province or Guangzhou, and even Shanghai in the Yangtze River Delta, or Chengdu in Sichuan Province. Why not?

I remember that, a few years ago, the Hong Kong Airport Authority (AA) requested this Council to amend the relevant ordinance to allow the AA to make investment overseas and on the Mainland, with the scope covering aviation and other businesses. When we were lobbied by government officials, we were told that it was a general trend for strategic partnering relationships to be established between the Hong Kong airport and mainland, and even overseas airports; otherwise, development would be difficult. So, they made it clear to us at that time that we should not only focus our attention on Shenzhen for it might be Guangzhou, even Shanghai, Chengdu or Chongqing. This point was made very explicitly.

Actually, the scope of many economic activities includes different alliances and co-operation, as well as closer links, which are really necessary, and we should definitely not only focus our attention on Shenzhen. Certainly, I understand that there is a very special relationship between Shenzhen and Hong Kong: Shenzhen is adjacent to Hong Kong and there is a river-loop area for common use. It is very convenient for Shenzhen residents to travel to Hong Kong and we all speak Cantonese. Yet, considering Shenzhen alone is not enough. I originally wanted to add some amendments to cover regions other than Shenzhen, but the President told me that those would go beyond the scope of

Mr LAU Kong-wah's motion and had not given leave for me to do so; I understand that. Nonetheless, I want to point out in the course of this debate that we should not only focus our attention on Shenzhen.

Secondly, we should not forget why "one country, two systems" and "a high degree of autonomy" were implemented at the time of the reunification years ago. I believe the leaders of our country understood very well that Hong Kong had a special status, not only in terms of its historical status but also its cultural background and international status. It will be helpful to the development of the whole country for Hong Kong to remain special. If Hong Kong is simply integrated with or swallowed by our Motherland, and becomes a part of the whole mother's body or another big city in our country, I trust that it is not what the leaders who designed "one country, two systems" at the time would like to see. It would also not be the favourable objective expected by all Hong Kong people to be achieved under "one country, two systems" and "a high degree of autonomy".

Furthermore, objectively speaking, Hong Kong should remain unique, continue to face the world and move towards the international forefront in various areas, to keep up with many different jurisdictions outside China, making the best efforts to strive for the continuous preservation and even development of many internationally-superior factors in Hong Kong. These are the special features of Hong Kong and our conventions, that is, we are an international city, a metropolis and the freest place. Insofar as freedom is concerned, we not only enjoy a free lifestyle but also a freer flow of information. Failure to preserve these features would be a loss to the whole country and, needless to say, an even greater loss to Hong Kong.

Thus, I emphasize in my motion upholding the basic principle of "one country, two systems" without any shifting or narrowing. On that basis, I have made two specific proposals. First, freedom should be upheld in Hong Kong and the exchanges and co-operation between Members in Hong Kong and mainland personnel should not be unreasonably restricted. Why should our return to our Motherland, for home visits or exchange visits in various places, be unreasonably restricted? President, not long ago, you once again successfully led some 30 Legislative Council Members on an inspection tour to several mainland cities, which was a good thing for we had taken a small step forward. Nevertheless, please remember that all Members without the travel documents were unreasonably subject to "investigations at the prescribed time and place".

Of course, I understand why officials who committed corruption offences should be subject to "investigations at the prescribed time and place", but to my surprise, Members from the SAR who wanted to have normal, open and lasting exchanges were subject to "investigations at the prescribed time and place". This also got Members who had the travel documents into trouble, and they were also subject to "investigations at the prescribed time and place", which was utterly abnormal. President, you have made this point as well, and I hope for a return to normality in the future.

President, what does this demonstrate? It demonstrates that freedom as enjoyed in the two places is actually very different. In Hong Kong, there can be free transmission and exchange of a lot of information, and there is no problem at all. But, the case on the Mainland is entirely different. To put it very simply, a lot of information is subject to restrictions on the Mainland, and many publications and websites may be the subjects of screening, not to mention the June 4 candlelight vigil and the Falungong activities. In light of the future integration of or co-operation between the two places, there may be considerable differences in these areas, and many, many unnecessary obstacles may be placed in the way of our forging connections on all fronts. This is a point we must note.

I would like to emphasize again that, to achieve more comprehensive connections and co-operation between the two places, the restrictions on the return of Hong Kong compatriots and residents to the Mainland should be completely lifted. Indeed, why is the use of that travel document still necessary? It has a name, but as I do not have that travel document, I do not know what its name is. Before, that document was called a home return permit, and it may not be the case now. Anyway, it is a travel document, and it is now not a booklet but a card. Why is that travel document still necessary? Why can the holder of a Hong Kong identity card not return freely to various places in his own country? This is the first point that I would like to emphasize. In my view, if this restriction is not lifted, we can hardly talk about integration and connection.

I place greater emphasis on the second point but I will not say too much about it. It is the merger of the stock exchanges in the two places, about which I have serious doubt. We all know that the stock exchange of Hong Kong is very important to us. Since Hong Kong is a financial centre, the Government must strategically make investments in the stock exchange with a view to managing it well. Stock exchanges on the Mainland are different from the stock exchange of Hong Kong. The stock exchange of Hong Kong is a listed company which runs

business for profit, and it definitely has statutory obligations. According to my understanding, the mainland stock exchanges are not profit-making organizations but trade platforms of the State. This is the first point. How are the two going to co-operate and be merged?

Second, as I have just said, there are many differences in terms of information regulation and the legal framework, and even the compositions of the boards of directors are different. I do not know if there is still a secretary of the party committee in the mainland stock exchange. If it is a commercial organization, it may no longer be made up of party members. Yet, we have no idea if there are any party members in the mainland stock exchange. To be sure, the stock exchange of Hong Kong operates under market rules and is subject to the law. In that case, can the two be merged? I have serious doubts about that.

MS CYD HO (in Cantonese): President, apparently, the amalgamation of the two cities is inevitable as well as compatible with development needs. We can see from numerous examples of town planning and development that, despite the gap between two cities during the initial development stage, their boundaries will merge with their gradual expansion.

Today, we see that the development of Shenzhen has reached the Shenzhen River bank, whereas Hong Kong has begun releasing land at its boundary for development. It is therefore timely for us to discuss in this Council as well as in society how the two cities can integrate. But President, while the "one country, two systems" is no doubt a great idea, the road from "one country, two systems" to "one country, one system" is full of danger, which should be treated with great caution.

The motion today is not about direction, as the motion already contains some very specific details. Furthermore, there is no mention of conducting studies for certain proposals before their implementation. Hence, this is a matter of great concern to us, and it must be brought up for handling with care.

President, the largest gap between Hong Kong and Shenzhen is not the Shenzhen River, but the huge disparity between the two places in the legal system, transparency and accountability of governance, flow of information, freedom of the press and speech, as well as protection and development of civic

rights. This is something we must pay attention to while promoting economic and social integration. Governance and legal system must come before, not after, protection of civic rights. Otherwise, we may have to experience the process of a further widening of the disparity between the rich and the poor by the collusion between the government officials and businessmen of the two places.

President, the proposals set out in the motion, from (a) to (l), involve numerous areas and extensive levels. Among other things, the taxation system, legal system, process of governance, as well as rights, freedom and social order might be affected. It is unacceptable to me if, without consultation being conducted, a decision is made solely by the executive authorities of Hong Kong and Shenzhen, and then the public is informed after an agreement is proposed and reached. This is why I propose this amendment, which is related to principles, by requesting the two cities to maintain a high degree of transparency in the course of integration should there be any proposals involving policy areas. By transparency, I do not mean publishing information after an agreement is reached. What I mean is extensive consultation on the timetable and details in the formulation process must be conducted to enable the public to participate in relevant discussions.

As regards my proposed amendment, I understand that should the amendments preceding mine be passed, my amendment, which is related to principles, would then become item (m). President, I must reiterate that my amendment is a prerequisite, not just one of the 13 proposals raised. It is entirely due to the technical requirement of the Rules of Procedure that my amendment should become item (m).

President, the premise of this motion raised by Mr LAU Kong-wah is that under the impact of the financial tsunami, Hong Kong's economic development must seek new opportunities amid the crisis. Actually, a number of commentators and government officials have recently, knowingly or unknowingly, emphasized that Hong Kong's economy is performing very badly, and thanks to the State's arrangements of CEPA and Individual Visit Scheme, our situation is not too bad, and our economy is able to be maintained. While I agree that economic integration is good to the economy of Hong Kong and the Mainland, I hope the premise of the integration is not because Hong Kong is poor. It is rather because the livelihood of the people of the two places will turn better, and in particular, there will be no more need for families of the two places to be separated.

This is why, President, I must quote some data here to clarify the phenomenon of Hong Kong being dwarfed economically. Let us look back at the past. According to the information provided by the Commerce, Industry and Technology Bureau, the Trade and Industry Department and the Census and Statistics Department, an extra HK\$2.639 billion in capital investment, with HK\$239 million brought by CEPA and HK\$2.4 billion by services industries, was recorded in 2007. The Individual Visit Scheme also brought Hong Kong HK\$9.3 billion in 2006 and a total of HK\$13 billion in 2006 and 2007. Actually, we should really not dwarf ourselves. In the past, we could see from the Hong Kong Exchanges and Clearing Ltd. (HKEx) the staggering amount of funds raised through the listing of mainland enterprises. From 2005 to 2007, a total of \$135.1 billion was raised in two years by red chip companies listed on the Main Board in Hong Kong. In 2007, Alibaba.com alone raised \$13.13 billion, exceeding the total revenue from the Individual Visit Scheme and CEPA in the same year.

Therefore, I hope that Hong Kong people must have every confidence in themselves. As our economic vitality, which is still there, hinges on the rule of law, the flow of information and freedom, we still enjoy these advantages. Of course, we must not be complacent. We must seek co-operation and develop more space. President, I am not being calculating in that when we receive \$1 from the Mainland, we should give back 10 cents. Instead, we should look at concrete data in examining economic integration between Hong Kong and the Mainland so as to get to know the strength of Hong Kong's economic vitality. We should not act like begging for mercy and, without looking at the details, hastily accept co-operation proposals which might not be the most beneficial to the people of the two places.

President, I emphasize the people because it can be envisaged that the future development will just be a process of collusion between the officials and businessmen of the two places, which makes the livelihood of ordinary people even harder. This is why I hope Honourable Members can adopt a "people-oriented and people's-livelihood-based" attitude in looking at the integration between Hong Kong and Shenzhen.

Some of the 12 proposals raised in the motion, including air quality, potable water, greening, and so on, have been examined before and are familiar to us. Members are also most willing to raise their hands in support of these proposals. However, some of the proposals are less discussed. This is even the

first time I have heard of such proposals as merging the two stock exchanges, developing an Octopus Card which can be used in both places, abolishing telephone roaming services, and jointly developing education industries, an issue we have discussed before. President, a lot of legislation is actually involved in these areas. Let me cite some examples. For instance, the merging of stock exchanges will involve the monitoring and management by the Securities and Futures Commission, the registration and licensing of brokers, the timing for exercising suspension rights, and then declaration, financial legislation, exchange rates, stamp duty, accounting guidelines, legal matters, and so on. If a more in-depth study is conducted, Members will find that at least 20 pieces of relevant legislation will be involved. Furthermore, there are questions of how to appoint and establish advisory frameworks for regulation. Should five people be appointed in Shenzhen and 15 in Hong Kong? What will be the ratio? All these require detailed discussions among us and cannot be decided in just one motion debate.

Furthermore, there are certain areas which are more relevant to our lives. For instance, while the Octopus Card sounds very simple, it can actually store a great deal of private information. Even the police will examine the information contained in certain Octopus Cards in investigating cases to ascertain whether a certain person has visited a certain place. Access to certain buildings is now by Octopus Card, not by entrance codes. The same goes with telephone roaming services. Are we talking about the same network? Or calls are recorded under mutual arrangements made by network providers? Will there even be a chance of us being subject to surveillance or interception? President, when we mention integration on numerous fronts and when our lives, finances, and legal systems are involved substantially, detailed information must be released to let everyone know what it is all about before this step can be taken. Perhaps some Members might find me worrying too much, but I think this is necessary because we do not have any detailed information as these matters have not been formally discussed in this Council. Should all these be implemented hastily, I am afraid that civic rights will be compromised.

President, integration between the two places has indeed become a major trend. However, the requisite is there must be protection of the freedom and rights of the residents and the legal system. Moreover, the Government's transparency and accountability can only be enhanced rather than receded. Therefore, I would like to implore political parties and the authorities to consider cross-boundary family reunion, promotion of bribery prevention and

anti-corruption efforts in the two places and prevention of collusion between businessmen and the Governments in the two places, so as to avoid making people's lives even harder while discussing economic collaboration. President, I hope Members can support my amendment, which is related to principles. Thank you.

MR RONNY TONG (in Cantonese): President, in recent months, we have seen motion debates, similar to the one held today, conducted almost weekly primarily on the development of the Pearl River Delta (PRD) and integration between Hong Kong and various cities on the Mainland. President, from the amendments and original motions proposed in the debates on every occasion, I could see that Honourable colleagues were very ambitious and they preferred selective reporting by covering good news only. Just now, I even heard Ms Cyd HO talk about — I hope I heard it wrong — integration of the two cities. President, I have absolutely no objection if we talk about economic integration. However, if we talk about integration of the two cities, then what needs to be examined is not only economic integration and support, but also integration of the two places in terms of politics, culture, rule of law and human rights. I hope Ms Cyd HO did not mean that the "one country, two systems" had to be abandoned to facilitate Hong Kong's quick integration with Shenzhen without bearing in mind the differences between the two places in terms of politics, culture, rule of law and human rights.

MS CYD HO (in Cantonese): President, I would like to seek elucidation.

PRESIDENT (in Cantonese): Mr TONG, please wait.

MS CYD HO (in Cantonese): I did not mention abandoning the "one country, two systems" in my speech.

PRESIDENT (in Cantonese): Ms Cyd HO, your speaking time is up. Mr TONG, please continue.

MR RONNY TONG (in Cantonese): As I mentioned just now, President, when many Honourable colleagues spoke in relation to these motions, they seemed to

focus merely on praising the achievements made by the PRD as a result of its rapid development. They even quoted the Chief Executive's pet phrase "remarkable achievements" while neglecting the problems brought about by economic integration. President, through this amendment proposed by me today, I hope to share with Honourable colleagues some of the major issues confronted by Hong Kong people as a result of economic integration.

President, I would like to share with Honourable Members some stories. Two weeks ago, 600-odd shop owners of the Wensha Plaza in Dongmen Street, Dongmen (including 100-odd small owners from Hong Kong) who were dissatisfied with the failure of the developer of the Plaza in complying with the agreements and the original judgment delivered by a Shenzhen court joined several hundred other owners to stage a protest and prepared to lodge an appeal against the court's judgment.

Furthermore, a month ago, the rented shops of three Hong Kong investors who just went up north and started their businesses in the Futian district in Shenzhen several months ago were demolished. Because of the exceedingly low compensation rates offered by the demolition company, the three Hong Kong people saw their investments go down the drain in one go. Among them, a 36-year-old investor, Ms LIU, even said that she might be forced to become street sleepers with her eight-year-old daughter.

In June last year, several Hong Kong businessmen who were cheated when they made investments on the Mainland formed a concern group on the rights of Hong Kong businessmen in making investments on the Mainland and petitioned to the Xinhua Gate in Beijing in the hope of bringing their grievances about the unfair treatment received by Hong Kong businessmen on the Mainland to the attention of central leaders. But what they got in the end was the Public Security Bureau's interference and surveillance. Their complaints have not been treated effectively so far.

In fact, the commercial disputes encountered by Hong Kong people who go northward for investment are no novelty. With the gradual economic integration of China and Hong Kong, there is also growing exchange between Hong Kong and the Mainland, particularly Shenzhen. According to the statistics published by the Shenzhen Industrial and Commercial Administration Bureau, as of May 2007, there were more than 13 000 enterprises invested by Hong Kong people in

Shenzhen, with the investment total exceeding US\$42 billion. Of these enterprises, over 70% were owned solely by Hong Kong people.

Against this background, there are naturally quite a number of Hong Kong businessmen involved in commercial disputes on the Mainland. According to the figures provided by the Economic and Trade Office of the Government of the HKSAR in Guangdong (Guangdong Office), a total of 375 distress cases not relating to immigration or personal safety and another 383 distress cases concerning people involved in incidents on the Mainland were recorded in 2007. In 2008, a total of 267 distress cases involving members of the public and 298 cases concerning people involved in incidents on the Mainland were handled. All these figures were recorded prior to the occurrence of the financial tsunami. We can thus reasonably predict that, with the rapid change in the investment environment in both China and Hong Kong after the occurrence of the financial tsunami, the number of problems encountered by Hong Kong businessmen on the Mainland will only rise rather than falling, and the impact on Hong Kong businessmen will become even more serious.

President, owing to the difference in the judicial systems of China and Hong Kong, coupled with the varying business laws and regulations as well as investment environments in different provinces/municipalities, the risks faced by Hong Kong businessmen in policy and laws and regulations in making investments on the Mainland have become one of the greatest risks to be taken into account by the businessmen in making investments on the Mainland. Mr FOK Ying-tung, former Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference, revealed before he passed away that regional officials had made things difficult for him when he invested in a project in Nansha and he was so angry that he said, "I have never seen anything so ridiculous." If regional officials could have made things difficult for someone like FOK Ying-tung, a national leader, in his investment, the enormous hardship encountered by ordinary Hong Kong businessmen, especially businessmen of small and medium enterprises, in seeking assistance when encountering difficulty on the Mainland is imaginable.

President, the difficulties faced by Hong Kong businessmen on the Mainland include those in financing, exploring the market, legal support, seeking redress against unfairness, and so on. However, assistance is most needed in how to lodge complaints, how to seek legal aid and how to interpret mainland laws in order to protect one's own rights and interests when Hong Kong

businessmen are faced with unfairness on the Mainland. All this is extremely vital, too. For instance, although the Office of the Government of HKSAR in Beijing and the Guangdong Office will offer assistance in handling distress cases on the Mainland, almost all Hong Kong businessmen who have sought assistance from the Hong Kong Government share the view that the Guangdong Office and the Hong Kong Government, in handling these cases, merely play the role of "messengers" or offer some basic knowledge of mainland laws. After an appeal for assistance, the case will very often disappear without a trace, and the complaint cannot be dealt with effectively. In the end, the persons in distress can only seek to be self-reliant and look for other solutions by themselves.

President, these situations are nothing new. Furthermore, the problem brought about is: Should we continue to ignore these situations and merely focus on development, integration and co-operation while completely ignoring the difficulties brought about as a result of such co-operation and integration? Therefore, President, if more assistance and support are to be offered to Hong Kong businessmen on the Mainland today when there is growing co-operation between Shenzhen and Hong Kong, please allow me to make a bold suggestion here that an integrated office on Hong Kong-Shenzhen opportunities be set up to be primarily responsible for offering enhanced legal support to Hong Kong businessmen in Shenzhen. The office may consider employing a few more mainland lawyers who will be stationed in the office and are well versed with the laws and regulations governing the operation of businesses in Shenzhen to provide Hong Kong businessmen approaching the office for assistance with immediate legal advice, provide them with guidance on the direction to be taken for the problems to be solved, and address the urgent needs of the Hong Kong people who approach the office for assistance. Should the practice be proven to be effective, it can even be expanded to other offices on the Mainland.

President, another issue of concern to us is not only the difficulty brought about by the varying laws and regulations, but also the imbalance in administration, political systems or human rights, thereby making it extremely difficult for Hong Kong businessmen to even take a step forward. In fact, all these problems should be resolved through collaboration and close discussions between the Hong Kong Government and the Mainland in an equal manner, but not addressed with the attitude of focusing merely on reaping money. Therefore, President, regarding integration between the two places, consideration must be given in many areas. We should not merely pay attention to how to

bring Hong Kong people more business opportunities or how much should be achieved economically.

In the long run, President, a permanent and transparent mechanism must be set up to mediate business disputes in China and Hong Kong to enable the relevant disputes to be resolved through negotiation before being brought before the Mainland's judicial system, with a view to offering enhanced protection to Hong Kong businessmen involved in such business disputes.

Lastly, President, I wish to point out that Mr LAU Kong-wah's original motion proposes that a study be conducted on the merger of the two stock exchanges in Hong Kong and Shenzhen. President, in view of the enormous gap between the legal systems of the two places and the principle of the "one country, two systems", the Civic Party has great reservations about this proposal. President, one of our major reasons is that the success of this financial centre or stock exchange lies in the full confidence of investors in our ability in such aspects as carrying out surveillance, enhancing the principle of good governance, and so on. President, I believe there is still a considerable gap between the stock exchanges in Hong Kong and Shenzhen. Certainly, we cannot rule out the possibility that the Shenzhen stock exchange will meet the standard acceptable to us in the near future. However, before this day comes, it is dangerous for us to recklessly propose merging the two stock exchanges.

President, for this reason, we can hardly support this proposal made in the original motion. Should the original motion be passed, I believe we can hardly support other amendments, too. Thank you, President.

MR PAUL CHAN (in Cantonese): President, the issue of co-operation between Shenzhen and Hong Kong has been brought up for discussion for 10-odd years since the reunification. In 1998, an agreement was jointly signed by the SAR Government and the Guangdong Provincial Government for the establishment of a joint meeting to begin establishing a platform to study and co-ordinate matters of mutual concern and facilitate co-operation and exchanges between both parties. In 2004, the SAR Government and the Shenzhen authorities again signed a memorandum on enhancing co-operation between Shenzhen and Hong Kong and eight collaboration agreements for the promotion of the work of CEPA. In 2007, seven more collaboration agreements were signed in an attempt to deepen

co-operation between Hong Kong and Shenzhen. It is thus evident that the two places are most willing to co-operate with each other.

During the 30 years between 1949 and 1979, Hong Kong was the only passage through which foreign businessmen could access China for operating business and investment. With the reform and opening up of the Mainland, more and more mainland cities opened up themselves on all fronts to the outside world in the past decade. With the emergence of these cities, Hong Kong's status as the springboard to operating business in China has gradually diminished. We are no longer the only passage for operating business in China. We are merely one of such passages.

During the past three decades since 1979, the Mainland began from opening up 14 coastal cities and establishing four special economic zones to a ladder-style development progressing from coastal to inland areas and from east to west. In the recent decade, however, the Mainland's economic development has become focused on regional development, such as the Yangtze River Delta Region, the Bohai Sea region, the northeastern region, the southwestern region, the Pearl River Delta (PRD) Region, and so on. It is believed that these areas will become the locomotive for the Mainland's economic development.

If we look at the situation from a more macroscopic angle, in the light of globalization, countries or even cities all over the world can no longer fight alone in competing. Instead, they must foster partnership with their neighbouring countries and establish a regional economy to enable cities in the same region to upgrade their competitive edge in the region through sharing of resources and complementarity of edge for the purpose of gaining benefits.

Therefore, if Hong Kong's economy is to have a way out in the future, it must, apart from maintaining its status as an international financial hub, to integrate into the PRD Region and position itself successfully in the region are inevitable.

In this regard, I would like to share with Honourable Members my personal experience. In 2003, I was invited by the Hong Kong Trade Development Council to participate in a series of road shows staged in several cities in North Asia and Europe to promote our services industries and Hong Kong as a "walking stick" for overseas businessmen to enter the mainland market. In the road shows, Hong Kong, usually partnering Shenzhen or Dongguan, sought to provide

overseas businessmen with a comprehensive package in providing an excellent and inexpensive production base, quality services and an enormous market with strong consumption power, with a view to enhancing Hong Kong's attractiveness to overseas businessmen. Last year, as mentioned by an Honourable Members just now, the Financial Secretary made a successful attempt in introducing DuPont, an American company, to establish its Global Thin Film Photovoltaic Business/R&D Centre in Hong Kong and set up its production base in Shenzhen. This is a proof of success of the Hong Kong/Shenzhen collaboration strategy.

My amendment today proposes that five other Supplements to CEPA should also be taken into account in the hope that, in discussing Supplement VI, we can also examine how the five Supplements in the past assisted professional services industries in Hong Kong in entering the Mainland for development.

Thanks to the six Supplements concluded over a six-year period, the Mainland, under the framework of CEPA, undertook to open up itself to 38 services industries in Hong Kong. Nevertheless, many professions in Hong Kong are still faced with many obstacles in their business development attempts on the Mainland. This is especially the case with small and medium firms in the professional sectors, which find it quite impossible to establish any presence there. At present, only health care professionals are allowed to practise as sole proprietors on the Mainland. Not only are local registered doctors and dentists not required to sit examinations, they can also set up out-patient departments as sole proprietors in Guangdong Province after applying for documents certifying their medical practitioner qualifications through an established channel. Furthermore, there is no specific or proportional restriction on the total investment for establishing out-patient departments as sole proprietors, joint ventures or co-operatives.

Relatively speaking, such professions as accounting, architectural, engineering and surveying, despite years of campaigning, are still faced with a lot of difficulties in developing their business on the Mainland. Owing to the policy of the ministries and commissions under the Central Authorities, local professions still find it extremely difficult to enter the Mainland to practise even though they have obtained the Mainland's professional qualifications, for it is basically impossible for Hong Kong people to meet some of the requirements. For instance, the architectural profession and professions relating to real estate development in Hong Kong had once anticipated with high hopes that after obtaining the Mainland's professional qualifications through mutual recognition

of professional qualifications with their mainland counterparts, they could then set up firms on the Mainland. They could hardly realize that, insofar as mainland legal requirements were concerned, in addition to having mainland professional qualifications, they must meet certain quality and threshold requirements before they can be allowed to set up professional firms on the Mainland. Consequently, mutual recognition of professional qualifications can only facilitate mainland counterparts to set up professional firms in Hong Kong, but not facilitate Hong Kong professional firms to develop business on the Mainland.

However, I think that we need not lose heart because, over the past two years, there have been some breakthroughs in the mainland policy. The Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020), unveiled by the State Council early this year, and the Shenzhen Overall Comprehensive Reform Pilot Programme (the Programme), approved last month, provide vigourous policy support for the promotion of economic co-operation between Hong Kong and Shenzhen.

In addition, Guangdong Province indicated unequivocally last year that it would open up itself and provide convenience to Hong Kong's services industries at an early stage and on a pilot basis. I consider this a rare opportunity. It also indicates that both parties need assistance from each other. But regrettably, so far, for professions concerned, although some noises can be heard, specific measures are still nowhere to be seen. Therefore, assisting various professions to seek breakthroughs, identifying some test points in Guangdong Province, and enabling Hong Kong's professional firms to enter the Mainland to practise as sole proprietors or in joint ventures with mainland firms should be the major focus of the SAR Government in supporting the development of local professions on the Mainland.

One of the highlights of the Programme recently announced is that Shenzhen will push forward, in a comprehensive manner, close co-operation with Hong Kong under the framework of collaboration between Guangdong, Hong Kong and Macao and achieve complementarity of functions with Hong Kong. As Hong Kong is separated from Shenzhen by a river only, Hong Kong people actually have 30 years of experience in doing business in the Mainland, particularly Shenzhen. Given that "achieving complementarity of functions and mismatched development" has been affirmed in the two places, we should, on this basis, make effective use of the policy of pursuing development at an early stage

and on a pilot basis to assist professional companies in Hong Kong in building strongholds in Shenzhen. This is because Shenzhen, as a special zone, possesses the right to enact legislation of a special zone and, regarding the implementation of initiatives at an early stage and on a pilot basis, might offer the professions and services industries in Hong Kong greater room for development. Insofar as professions in Hong Kong are concerned, in order to gain entry to the Mainland to provide services, they are most in need of a bridgehead. After gaining the landing point, they can then roam an entire province, and even the whole country, in search of business opportunities. The problem is: How can the SAR Government stay close to these policies to open up wider scope for professions in Hong Kong to develop their business on the Mainland?

Most of the professional companies and enterprises in Hong Kong are in small and medium scale. Subjectively, these companies and enterprises cannot afford the resources required to visit different cities throughout the country for development opportunities. Objectively, we will very often be looked down upon by others if we go to major cities such as Beijing and Shanghai. However, if we go to the PRD and Shenzhen, we will find more relatives and friends, and it will be easier for us to build up social links. Furthermore, we can enjoy more convenience in terms of language and living habits. Because of the proximity of these places to Hong Kong, we can even take care of our families while developing our business. Not only is this way out the most natural, it also has a higher chance of success. It is worthwhile for Hong Kong people to devote themselves wholeheartedly and for the Government to give full support.

I hope the relevant leading government departments can expeditiously commence work to communicate more with the industries to listen to their views, do planning in a more comprehensive and detailed manner, so as assist the professions in making breakthroughs in developing business on the Mainland and not to miss this opportunity again.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): Since the reunification, Hong Kong has experienced the financial turmoil and the financial tsunami. As a result, our economy is stuck in the doldrums and our competitive edge is diminishing gradually. The economic strengths we enjoyed in the past are also disappearing

slowly. During this period, Hong Kong people were deeply troubled by a wide range of problems, unemployment, salary reductions, investment setbacks, uncertain prospects and the like. Now, even university students are concerned about their future prospects. The "Pearl of the Orient" seems to have lost its lustre. In order to maintain its status as an international financial centre and a world city, Hong Kong must move forward in search of a new direction and a new mindset.

Nevertheless, it is in fact very difficult to explore new developments. Our trade and economic development is under enormous constraint mainly because the local market is very small and highly sophisticated. It is extremely difficult to develop new industries or expand existing business. On the other hand, despite the proximity of Hong Kong to the Mainland, a number of local industries have been unable to integrate or co-operate with the mainland market due to the varying systems of the two places and the separation of the two places by the boundary. In order to seek new opportunities, Hong Kong must break the present various constraints in search of further economic and trade integration with the Mainland.

The Shenzhen Overall Comprehensive Reform Pilot Programme (the Programme), approved by the State Council lately, explicitly empowers Shenzhen to accomplish, at an early stage and on a pilot basis, its mission in four areas, including undertaking major tasks in relation to the State's effort to enhance economic co-operation between the Mainland and Hong Kong at an early stage and on a pilot basis. The Programme also proposes that Shenzhen achieves complementarity of function with Hong Kong in promoting the establishment of a global logistics centre, trade centre, innovation centre and international cultural creativity centre. In order to enhance its competitive edge, Shenzhen has, in recent years, strived for co-operation with Hong Kong. This is also a major turning point for Hong Kong to further integrate economically with the Mainland in concrete terms.

During a recent interview by the mainland media, Chief Secretary for Administration Henry TANG has stated in mentioning the issue of financial co-operation between the two places that, since China's reform and opening up, the financial industries of Hong Kong and Shenzhen have been operating in the form of "using the front portion of premises for shops and the rear portion for plants". Now that Shenzhen has already become a competitive market, the two places may make a bold attempt in allowing some financial institutions in Hong

Kong to operate "front shops", in addition to setting up "rear plants", in Shenzhen at an early stage and on a pilot basis. According to the Chief Secretary for Administration, this will be beneficial to Shenzhen for the experience accumulated in Hong Kong can thus be brought to Shenzhen, and there will be new opportunities in the innovation of products and services. As a result, a win-win situation can be achieved.

The Chief Secretary for Administration's analysis is in fact highly accurate. At present, with the increasingly close collaboration between Shenzhen and Hong Kong, we should treasure this opportunity and strive to seize the opportunity to co-operate with the Mainland by experimenting with Shenzhen at an early stage and on a pilot basis. If successful, it can then be expanded to Guangzhou and other places on the Mainland. Should problems be identified, prompt rectification can be carried out, and it will be easier for problems to be resolved.

I welcome the original motion and the amendments. Members have put forward a lot of valuable opinions. My amendment mainly seeks to include the insurance industry, which has not been mentioned in the original motion, and add something to the issue of environmental protection.

As a major component of Hong Kong's financial industry, the insurance industry has a history of development of more than a century in Hong Kong. It is exceptionally experienced in various aspects from product design to loss adjustment, sales management, customer service, reinsurance and the like. Such experience, which is on a par with the international standard, is an important asset of the local industry. Meanwhile, the Mainland's insurance industry, which is developing in full swing, is a market with excellent potential. The industry in Hong Kong is willing to collaborate with their mainland counterpart. Not only can we bring our accumulated experience to the Mainland, we can also create additional job opportunities on the Mainland. Furthermore, we can promote innovation of products and services with a view to achieving a win-win situation for both Hong Kong and Shenzhen.

The insurance industry in Hong Kong has always yearned to enter the Mainland. However, according to CEPA, Hong Kong insurance companies must possess a total asset of US\$5 billion and an operational experience of 30 years and must have established a mainland office for two years in order to enter the mainland market. It is basically very difficult for Hong Kong-invested insurance companies, except multinational companies in Hong Kong, to meet the

asset requirement. Therefore, assisting Hong Kong-invested insurance companies in pursuing development in Shenzhen at an early stage and on a pilot basis will provide an opportunity to facilitate the development of the industry in the two places.

Another proposal raised in my amendment seeks to urge the Governments of Hong Kong and Shenzhen to enhance co-operation between the environmental protection departments of Hong Kong and Shenzhen with a view to ameliorating the problem of cross-boundary pollution. According to a paper submitted by Hong Kong's Environment Bureau to the Legislative Council, air pollution in Hong Kong is serious. Apart from problems of our own, regional pollution is also one of the causes. The paper points out that Hong Kong accounts for 5% to 20% of regional pollution, while the Mainland's PRD economic zone accounts for 80% to 95%. Although Shenzhen is not solely responsible for the air pollution problem in PRD, Hong Kong can certainly make a better effort in environmental protection with Shenzhen's assistance if communication between the environmental protection departments of the two Governments can be enhanced, given that Shenzhen is closest to Hong Kong and the Governments of the two places will enhance their communication and co-operation.

President, I so submit,

DR MARGARET NG (in Cantonese): President, the rule of law is supposed to be readily understood and taken for granted. So, why should I propose an addition to Mr Albert HO's amendment? It was because I found from the speech delivered by the Chief Executive in his previous Question and Answer Session that the mentality of the Government's top officials focused merely on economic benefits without taking in account if people's lives would thus be sacrificed. This explains why I feel that there is a need to make it clear that we cannot regard the rule of law as something which is widely understood and needs not be mentioned. It is also for the same reason that I think I have to propose an amendment to Mr Albert HO's amendment.

President, co-operation between Hong Kong and Shenzhen, the question being discussed today, has its background. Historically, Hong Kong's rise to prosperity had everything to do with the fact that Hong Kong people had been able to identify their own roles under whatever historical, social, political and economic circumstances by examining the situations of the Mainland and other parts of the world to find out what strengths Hong Kong could exploit to complement the needs of various places and regions so that it could benefit all

parties by flexibly grasping the opportunities thus arising and providing what other people required and, as a result, making business deals possible and enabling Hong Kong people to make their own living. Therefore, we can see from our history that we have been willing to co-operate with anyone. Furthermore, we are willing to use our brains flexibility, under whatever circumstances, to identify bases for co-operation and services we should provide so that every one of us can find our means of livelihood.

President, Hong Kong has been historically relying on this formula to survive, and this formula is not going to be changed. If one day our survival does not mean anything to anyone or we cannot provide services as we used to do, then our roles will definitely disappear. President, one of the major elements of this formula is the momentum coming from the so-called non-governmental enterprises, that is, private enterprises, not the momentum from the Government. While our roles are identified and developed by the individuals of different private enterprises, the Government's major role is to establish a comprehensive system to ensure fairness and compliance with the rules of the game. The Government has to step up its effort in areas not addressed by the market, including protection of the rule of law, basic human rights, social order, liberalization and freedom, and listening to the views of private enterprises. For instance, the Government should do what private enterprises think the Government should do, such as providing reserves and promotion.

So, should we strictly adhere to our old practice? Certainly not. Under the current new circumstances, there is definitely much which cannot be achieved by private individuals or private enterprises. Instead, co-operation between governments is required for things to be done. Under such circumstances, the government has to play its role. However, Hong Kong's future should not rely on having everything modified by private enterprises' momentum or achieved by the Government. Therefore, President, the rule of law will be the most crucial when a lot of private enterprises' momentum is exploiting the different systems and needs of various places to create a new opportunity, because this is the rules of the game and where every one of us can find out whether we should go forward or step back.

As regards why the Basic Law should be enacted and why Hong Kong's rule of law and other institutions, such as the "one country, two systems", should be protected, it is actually necessary to do so in the light of Hong Kong's historical needs. It is also considered by the State that it is compatible with the

policy of national interest to do so. Therefore, our Basic Law is not a constraint. Neither should it be used as a document that we can wave whenever we want to object to anything. We must understand its original role.

President, this goes beyond history. While the whole world is stunned by the rise of the economy of modern China, what is the role played by Hong Kong? I have read a lot of books earlier about China's economic take-off. I find that Hong Kong's role is rarely mentioned in foreign books. *The China Price* stands out from other books in that it discusses the rise of China's economy as well as the role played by Hong Kong. However, the book has not paid special attention to describe Hong Kong's role. Instead, the multi-faceted role played by Hong Kong is mentioned as a matter of course when China's emergence is described. For instance, in the 1950s and 1960s, as a result of the development of cottage industries in Hong Kong, we gained experience in handling overseas orders. During the 1980s, the investments made by Hong Kong and Taiwan since developments in 1987 — Members should recall this figure, that is, 1 million to 2 million workers were employed in Guangdong Province in 1987 to accept orders from Hong Kong companies.

Of course, we did not operate factories on the Mainland until we received overseas orders. Therefore, in addition to operating factories and using labour force, we have also gained operational expertise and experience. In supplying goods to major overseas companies, we would understand, in particular, the needs of other people. Now that we have a well-developed information system, we have learnt how to provide information to help foreigners find out China's resources. This is the role Hong Kong has been playing so far. When many foreign countries and almost every part of the world are ordering goods from China, there are the so-called compliance requirements. Foreign firms require that the goods must comply with requirements such as fairness, human rights, and fair trading. In fact, these are the roles Hong Kong can play. Under the rule of law, we can play different roles including stipulating terms of agreements, contract management, arbitration, execution of judgment in court, as well as corporate governance and ethical practice. All these are our strengths. We should not, for the sake of the economy, forget that a clear line between us has been drawn by the Basic Law, so that, for instance, the Basic Law must be respected in implementing co-location of clearance. Thank you, President.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I welcome the opportunity for discussion in this Chamber

on the motion of co-operation between Shenzhen and Hong Kong, and I appreciate the views and amendments raised by various Members.

Close liaison between Hong Kong and Shenzhen started from the State's reform and opening up in 1978. Hong Kong is fortunate to participate in the State's opening up since the "four modernizations", to the extent that huge investments have been made by Hong Kong's enterprises in Guangdong, Shenzhen and other provinces cities in the past 30 years. Industrialization of the Mainland, particularly in the coastal areas, has basically been completed.

Since the announcement of the Outline of the Plan for Reform and Development of the Pearl River Delta (the Outline) by the National Development and Reform Commission in January this year, future development and reform of the Pearl River Delta (PRD) has been uplifted to a national development strategy level. Important policy basis for enhancing co-operation in the PRD Region has also been provided. At the same time, the Outline is actually a strategic opportunity provided by the Central Authorities to further promote the tripartite co-operation among Guangdong, Hong Kong and Macao. We have to make good use of this opportunity and keep up with the reform and opening up of the State in these 30 years.

Besides, in the past two years, along with CEPA Supplement V and VI, a series of further opening-up and facilitation measures for enterprises, professionals and the service industry in Hong Kong have been brought about. Under the principle of "developing at an early stage and on a pilot basis", we can participate in the further development of the Mainland in Guangdong. This is also an important new platform for the co-operation between Shenzhen and Hong Kong.

In the past 30 years, on the basis of complementarity of edge, high speed development in Guangdong, Shenzhen and Hong Kong has been maintained in economy and trade, whereby promoting the Greater Pearl River Delta Region to become one of the most active regions within the State's economy, and strengthening Hong Kong's status as an international financial, trading and shipping centre. The further development of the partnering relationship between Hong Kong and Shenzhen can be radiated to the whole province, and even to the whole country.

Currently, we all have to face challenges of the global financial tsunami, be it Shenzhen, Hong Kong or the PRD. However, opportunity exists amid crisis.

To change crisis into opportunity, we have to make good use of the Outline proposed by the State, as well as the opportunities offered by CEPA Supplement V and VI for reviewing and promoting the co-operation with Shenzhen and developing the mainland market.

In fact, currently, around 90% of Hong Kong's GDP is made up of professional services and other service industries. Now that we are presented with this new opportunity, we should make good use of the new platform for the development of Hong Kong in the PRD, to extend this 7 million-population Hong Kong market first into the 50 million-population market of the Greater PRD, and then to the over 400 million-population market of the nine provincial regions of the Pan-PRD Region. Due to its importance to Hong Kong, the service industry has become rather saturated in the current 7 million-population market. With this new platform, we can extend to the markets of several ten million population or even several hundred million population. This is crucial to the development of Hong Kong in the coming 30 years.

In May this year, the Shenzhen Municipal Government also published the Shenzhen Overall Comprehensive Reform Pilot Program and the Shenzhen work program for the implementation of the Outline, which demonstrated the keenness of the Shenzhen Municipal Government in implementing the Outline, and in further enhancing the co-operation between Hong Kong and Shenzhen. In Hong Kong, since the undertaking of the Outline in January, various bodies, including the Council, Hong Kong's academic bodies and various forums, have been highly concerned about the work in this area. In fact, since 2004, the SAR Government has established collaboration arrangements of a certain scale with the Shenzhen Municipal Government, with the Chief Secretary for Administration and the Mayor of Shenzhen jointly holding the Meeting on Shenzhen-Hong Kong Cooperation. Personnel changes would certainly have no impact on this system.

In the past 30 years, we have established a highly positive and interactive collaboration arrangement with the Mainland. In 1982, we set up a cross-border liaison system and have subsequently dealt with a lot of practical issues such as combating cross-border crime and co-regulating the Shenzhen River, which were works promoted prior to 1997. Examples of the fruits of Shenzhen-Hong Kong co-operation after 1997 include:

- (a) Implementing the 24-hour customs clearance at Lok Ma Chau/Huanggang Border checkpoints;
- (b) Opening up the Shenzhen Bay Border Checkpoint and launching the Lok Ma Chau Spur Line;
- (c) Promoting jointly by Shenzhen and Hong Kong the "multi-destination" quality and trustworthy Hong Kong tour, as well as convention and exhibition tourism;
- (d) Signing the co-operation agreement between Hong Kong Exchanges and Clearing Limited and the Shenzhen Stock Exchange on further promoting bilateral exchange of information, product development and personnel training; and
- (e) Signing the Shenzhen-Hong Kong Innovation Circle co-operative arrangement between the two places.

Hence, on the whole, the present new opportunity is based upon the Outline recently announced by the Central Authorities, and the CEPA signed in 2003, in particular Supplement V and VI signed in the recent two years. To us, Shenzhen is a highly important base which lends us the advantage of being in a favourable position. Hence, it has been mentioned by Mr LAU Kong-wah and various Members that we have to make good use of the Qianhai zone to enable it to be developed into a new base to facilitate the development of the service industries of Hong Kong. This is a highly proper opinion. Its geographical position is also of symbolic significance — as the railway linking the two airports between Hong Kong and Shenzhen, and a new checkpoint, outside which service industries could be developed.

Hence, President, we most welcome the motion and the views of various Members raised today. I start with talking about our overall direction, and will speak further about our seven to eight policy areas after listening to Members' speeches.

Thank you, President.

MR CHAN KAM-LAM (in Cantonese): President, the Shenzhen Overall Comprehensive Reform Pilot Programme (the Programme), approved by the State Council on 6 May this year, is vital to promoting cross-boundary co-operation

between Hong Kong and Shenzhen in compliance with the requirements of the Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020) (the Outline) because the Programme provides the two places precisely with an opportunity for co-operation at an early stage and on a pilot basis, thereby encouraging more frequent exchanges between the Governments of the two places on the spirit of the documents to better equip Hong Kong to move outward for more room for development. While Shenzhen, a mainland city with a relatively sophisticated financial market and is separated from Hong Kong by a river only, may take advantage of this opportunity to enhance its co-operation with Hong Kong on the financial front. It is also very important for Hong Kong to seize the opportunity to consolidate its status as an international financial hub.

Our foremost concern is how the Governments of the two places can relax institutional restrictions for the purpose of achieving in-depth collaboration between Hong Kong and Shenzhen. Among other things, there are two key points which can be pursued at an early stage and on a pilot basis to increase the depth and breadth of the financial markets of the two places.

First of all, there is a need for the SAR Government to assist small and medium securities firms in Hong Kong to set up offices in Shenzhen as a base for developing the financial services industries. Despite the signing of CEPA Supplement VI by the SAR Government and the Ministry of Commerce in May this year, in which it is mentioned that securities firms in Hong Kong will be allowed to have room for development on the Mainland, the local financial industry was greatly disappointed during its earlier meeting with the securities authorities of Guangdong Province to gain a better understanding of the Supplement. It was understood that the entry threshold was very high for securities firms in Hong Kong to develop financial business on the Mainland. The requirements for entry include "joint venture enterprises set up by Guangdong Province and Hong Kong firms will only provide consultation services on transactions of A shares to mainland investors", "a joint venture enterprise should have a capital of \$50 million", "the Hong Kong side should have a maximum of one third of shareholding", and so on. Furthermore, the firm operated by the mainland partner should possess a paid-in capital of RMB 1.2 billion yuan, has been making profits and is faring better than general. It is estimated that only 10 securities companies can meet these requirements of Guangdong Province. This is why the industry considers the relevant thresholds too high and unrealistic.

In fact, in comparison with other parts of the country, the structure of the securities market in Shenzhen is comprehensive. Both having rich experience in securities markets, Hong Kong and Shenzhen should be the best partners in developing the securities industry at an early stage and on a pilot basis. We propose that the Governments of the SAR and the special zone should, taking advantage of this chance of collaboration, further lower the thresholds for the operation of securities industries that are acceptable to both Shenzhen and Hong Kong, and allow Hong Kong residents to purchase stocks of the two places in their respective trading markets.

Another highlight of collaboration between the financial industries of Hong Kong and Shenzhen is to enhance the partnering relationship between the stock exchanges of the two places. The Shenzhen Stock Exchange is one of the two major stock exchanges in China. It is in fact logical for the Stock Exchange to collaborate with the Hong Kong Exchanges and Clearing Limited (HKEx), which is already listed and well-developed.

With an international surveillance standard, the HKEx has a global market allowing free access and a massive and vigorous flow of capital, thereby providing fast-growing development opportunities for international and mainland institutional investors and providing investment services for a great number of retail investors. The Shenzhen Stock Exchange, on the other hand, with its comprehensive mainland network, trade operational experience, massive client groups and a wide range of financial services, can undoubtedly enrich the product line of the HKEx and complement the inadequacies of Hong Kong in entering the Mainland's financial market. With the mutual collaboration of the two exchanges and the joint provision of cross-regional financial services, capital can then be effectively channelled to the most productive enterprises in Hong Kong and Shenzhen and even the PRD Region. Furthermore, investors can receive more comprehensive protection. Hong Kong can take this opportunity to continue to attract companies, investors, capital and talent from various places and consolidate its status as an international financial hub. What is more, the Shenzhen Stock Exchange, with shares of the HKEx, can learn as a stakeholder from the HKEx its international way of managing its securities industry and pave the way for its listing in the future. At the same time, the two exchanges can get rid of the constraints imposed as a result of their institutional inconsistency and unify their management standards for the purpose of ultimately achieving a genuine and in-depth collaboration. In this connection, I think the earlier remarks made by Mr Ronny TONG regarding the inadequate control and legal

system governing the two exchanges are untrue. While it is true that there are certain differences between the legal systems of the two places, we can see in the Legislative Council recently that there are strong voices from us for enhancing the system to regulate the market in Hong Kong. In fact, the systems of the two places have their own merits. I trust that a high-quality management system can come into being through discussion.

Furthermore, if collaborated, the two major stock exchanges in Hong Kong and Shenzhen, now ranked respectively as the 7th and 17th stock markets in the world, are set to surpass the London stock exchange and the pan-European stock exchanges and become the world's fifth largest stock market. In terms of scale, influence and credibility of a financial market, the market will even play a decisive role in the world.

On 15 June, during a meeting with a number of Shenzhen government officials in Shenzhen, the DAB understood that the Shenzhen Government also had the intention to co-operate with Hong Kong in the aspect of financial industry. We consider this a good opportunity before us and we should not let go easily. We hope the SAR Government can lead friends of the industry to further explore this market.

I so submit.

MR CHEUNG HOK-MING (in Cantonese): President, despite its brilliant achievements in economic growth in the 1970s and 1980s of the last century, Hong Kong has been overtaken by its neighbours in recent years, including Singapore and some mainland cities. Therefore, the SAR Government should understand very well the fact that "a boat sailing against the current must forge ahead or it will be driven back". If we continue with our slow pace, the development of Hong Kong will only lag behind that of other cities. What is more, Hong Kong may even lose its original strengths, not to mention turning itself into a world-class city. We all agree that Hong Kong and Shenzhen are separated by a river only. With their geographical advantages, Hong Kong and Shenzhen can complement each other's inadequacies through enhanced collaboration. Hong Kong can also benefit from the collaboration to consolidate its industry foundation to further upgrade its competitive edge. In order to achieve enhanced collaboration, the two places should, as a matter of priority, deepen their levels of exchanges and access, establish comprehensive transport

networks, implement co-location of clearance, remove obstacles to passenger and cargo traffic, achieve enhanced efficiency in clearance and lower cross-boundary costs.

With the rapid development of the international airlines of the airports in major mainland cities such as Beijing and Shanghai, and the launch of direct flights across the Taiwan Strait, overseas travellers or mainland residents no longer have to fly to overseas countries en route Hong Kong. This is set to impact on our status as an international aviation hub. The proposed rail link connecting the airports in Hong Kong and Shenzhen, however, will shorten boat trips between Hong Kong and Shenzhen, which now take more than two hours, to a journey of approximately 20 minutes. Furthermore, the international airlines of the Hong Kong International Airport are more diversified than those of the Shenzhen Airport. It is believed that the rail link, after commissioning, would attract a certain number of mainland residents to come to Hong Kong for connecting flights to overseas countries. This rail link, the significance of which is on a par with that of the Hong Kong-Zhuhai-Macao Bridge (HZMB), can not only facilitate travellers to connect flights between the two airports, it can also achieve a cross-boundary function, thereby reducing the impact of cross-strait direct flights on Hong Kong.

As regards the development of Lantau, the proposed rail link connecting the airports in Hong Kong and Shenzhen, and the HZMB, after commissioning, will form a fully connected transport network with the existing Airport Express, the Tung Chung Line of the Mass Transit Railway (MTR), the Tsing Ma Bridge and the airport ferry terminal. At present, the Airport is equipped with an exhibition centre and a number of hotels. Adjacent to the Airport are numerous leisure facilities such as the Giant Buddha and the Disneyland. Furthermore, there is enormous room within the district for development for commercial, shopping and logistics back-up purposes. Consideration can also be given to take advantage of the convenience provided by the cross-boundary bridge, as proposed by the DAB, to develop a bridgehead economy. If the Hong Kong Airport can follow the examples of other places in providing travellers with designated coaches to go to some tourist destinations for sightseeing or provide some travel concessions, or even provide transit travellers with some brief-stay hotel and tour packages, it will help attract some mainland tourists to go to other countries via Hong Kong and thereby facilitate the development of Lantau into a commercial, shopping and leisure community.

President, I believe Members will all agree that the mode of co-location of clearance at the boundary has the advantages of a large throughput, high efficiency and immigration convenience. The Shenzhen Bay control point can be said to be the first to adopt this mode. In the opinion of the DAB, if Hong Kong is to become a high-speed transport hub in the Pan-PRD Region and an aviation hub in China, it must enable travellers or cargos to reach different mainland cities or cosmopolitans within a short period of time. Co-location of clearance must therefore be implemented at Hong Kong's control points to enable travellers and cargos going to or from the Mainland to complete clearance in Hong Kong in one go for travelling conveniently to and from the Mainland. This will not only rid mainland cities of the problems of setting up control points, but also allow airlines and passenger vehicles to choose more mainland cities as their destinations. In doing so, not only will travellers be provided with more choices and convenience, Hong Kong can also become a gateway to connecting South China with the rest of the world.

In addition to the rail link connecting the airports in Hong Kong and Shenzhen, the DAB proposes that co-location of clearance should also be implemented for the Guangzhou-Shenzhen-Hong Kong Express Rail Link in Hong Kong so that travellers will not be required to present for clearance again at mainland stations. In the long run, Hong Kong will be able to connect with any rails on the Mainland and integrate into the nation's seamless rail networks.

Furthermore, 24-hour clearance is now implemented only at Lok Ma Chau and Huanggang crossings. In order to provide travellers and freight companies with even more convenience, I hope Hong Kong can take the initiative to negotiate with Shenzhen to promote the implementation of 24-hour clearance at more crossings. For instance, consideration is now given to implementing 24-hour clearance at the Hong Kong-Shenzhen Western Corridor for the purpose of promoting the development of logistics between Hong Kong and the Mainland. In a document published in November last year on the DAB's expectations for the Budget, we proposed that a daily quota of 500 be granted to mainland holders of Hong Kong entry permits to allow them to drive to Hong Kong through the Hong Kong-Shenzhen Western Corridor for the purpose of promoting economic activities and consumption in Hong Kong. I hope the findings of the study can be published expeditiously.

President, the SAR Government has in fact wasted a lot of time in infrastructure works in the past, and construction fees have often been increased

substantially as a result. For instance, the building costs of the cruise terminal and the West Hong Kong Island Line of the MTR are more than double the original estimate. Insofar as cross-boundary infrastructure is concerned, not only will delaying the commencement of construction work push up the costs, the "first-mover" advantage will also be lost. The DAB urges the Government to expedite the commencement of cross-boundary works to prevent it from paying a heavy price because of infrastructure delays. With these remarks, I support the motion. Thank you, President.

MR WONG YUNG-KAN (in Cantonese): President, I am going to discuss Mr LAU Kong-wah's motion from the angle of agriculture and fisheries.

The issue of collaboration between Hong Kong and Shenzhen in developing agriculture and fisheries has been brought up by me in this Council and on the other occasions in the past. The other day, this question was again raised in Shenzhen to the Shenzhen Standing Committee of the Chinese People's Political Consultative Conference. When I visited Beijing with my industry, we also approached the Ministry of Agriculture and other departments to discuss issues related to agriculture and fisheries. All our discussions have revolved around using agriculture and farms primarily as a platform for co-operation, including marine co-operation, such as offshore fisheries.

In this debate, I would like to discuss collaboration between Hong Kong and Shenzhen in developing cross-boundary marine ecological leisure fishery, primarily leisure angling. Members should not think that marine angling is only a tool for developing countries to make use of natural resources and traditional tools to make money. In the past several years, we pay inspection visits to a number of places and found that the most advanced countries, such as the United States, Japan and Thailand, were most successful in developing leisure fisheries. Attaching great importance to developing leisure fisheries, these countries get even more income from leisure fisheries than from traditional industries.

In the United States, for instance, leisure angling activities are extremely popular. There are more than 40 million licensed anglers across the country, even more than the total of golf and tennis players combined. Nearly 16% of adults in the United States are keen to participate in angling. The revenue brought to the retail industry by angling reaches US\$45.3 billion per annum, three

times more than the output of commercial fisheries. Despite the fact that the relevant economic proceeds were only US\$1.8 billion and US\$8.7 billion in 1984 and 1997 respectively, the proceeds have quadrupled over the past two decades, and more than 1 million job opportunities have been created.

Owing to the change in many fisheries strategies as a result of soaring oil prices, leisure fisheries were developed in Japan in the 1970s. Representing more than 30% of the nation's population, anglers in Japan are more diversified than those in the United States. In addition to leisure angling, ecological sightseeing activities are also developed in Japan, with whale viewing being the most prominent.

Due to the impact of various works projects and capture problems, the room of survival for Hong Kong's traditional fisheries has continued to shrink. At the same time, with the change in the tourism mode of the population, getting close to nature has become prevalent. A recent government survey has found that many people on the Mainland are keen to come to Hong Kong to participate in such activities as hiking and boat trips. As a result, some fishermen have switched to developing leisure angling.

President, being coastal cities, both Hong Kong and Shenzhen have a relatively long coastline and are scattered with islands, coupled with the South China Sea oilfield, it is a most ideal place for developing leisure fisheries. Apart from discussing the issue of marine boundary with such places as Huizhou, Zhuhai, Shantou and Shanwei, Hong Kong and Shenzhen will have to negotiate with Macao as well.

Owing to the "one country, two systems" factor, the marine boundaries of these several cities are unique in the world in the sense that they are different from those of ordinary administrative zones on the Mainland. Therefore, we hope the Government can study the developments in this regard.

Moreover, members should have known that the fisheries bureau of Guangdong Province raised a problem relating to marine pollution several days ago, saying that the Pearl River Estuary and its vicinity are suffering from serious pollution. Therefore, through the exchanges between the SAR Government and the Mainland — the Hong Kong Tourism Board has established a post for this purpose — both authorities should examine how efforts can be made to enhance

marine ecological protection. I think this is especially important. In raising this point at a meeting of the Shenzhen Standing Committee of the Chinese People's Political Consultative Conference, I requested the Governments of the two places to pay more attention to efforts made on various fronts. Otherwise, Hong Kong's coast, whether leisure angling or ecological tourism is to be developed, will be damaged and affected. Therefore, I hope the Government can maintain close collaboration and liaison with the Mainland in this regard. In addition, I hope the Government will pay special attention to this subject because the ocean has no boundary and the Government should take such developments seriously.

Another point I think the Government should consider is that Hong Kong has nearly 4 000 fishing vessels plying between Hong Kong and Macao. These vessels, as a unique group, have residence in both places and are allowed to ply between the two places. Therefore, they will be greatly helpful to developing leisure fisheries or fisheries. So far, I still have not seen the Mainland or Hong Kong do anything to truly develop marine fisheries tourism activities. I wonder if the Governments of the two places can take this as a new way forward for development during exchanges in the future, so that members of this industry can undergo transformation gradually. We all know that the coast of Guangdong stretches as far as to places such as Hainan. Insofar as leisure angling activities are concerned, it is an excellent platform and will enjoy good development.

Therefore, President, we hope the Government can, through these developments, nurture members of the fisheries industry on various fronts to participate in leisure angling activities.

President, I so submit.

MR CHAN HAK-KAN (in Cantonese): President, regarding the marine pollution problem in the vicinity of the PRD as mentioned by Mr WONG Yuk-kan just now, I would like to say a few words on how enhanced co-operation on environmental conservation can be achieved between the two places.

I still recall that whenever collaboration between Shenzhen and Hong Kong was discussed in the past, such issues as the economy, tourism, river-loop area development and infrastructure would invariably be involved. It was only until recent years that we began actively exploring co-operation between the two

places in environmental protection and the Government proposed studying the feasibility of "Developing the Greater PRD Region into a Green and Quality Living Area". While breakthroughs in this area are worth supporting, further collaboration is even more important. Moreover, we must face the future. As pollution knows no boundary, so to speak, Shenzhen and Hong Kong will affect each other should either one of them have environmental pollution problems.

President, one of the key areas of collaboration between Shenzhen and Hong Kong is the joint development of some infrastructure projects. For instance, the construction of the new crossing at Liantang and the Hong Kong-Zhuhai-Macao Bridge are expected to commence within the next few years one after another. During the construction period or upon the commissioning of the two projects, it is believed the ecological environment of both places, Shenzhen and Hong Kong, might be affected. These two projects, for instance, might lead to environmental pollution problems, such as marine pollution, traffic noise and ecological problems.

Although environmental impact assessments will be conducted for their own major works in the two cities, a specific mechanism for communication has still not been put in place. As a result, Shenzhen and Hong Kong are still working on their own. For instance, the Shenzhen authorities have once expressed their concern over the proposal of Hong Kong of the construction of a major integrated waste disposal facility, including an incinerator, in Tuen Mun, for fears of air pollution. On the other hand, members of the public in Hong Kong are also greatly worried that Hong Kong will be affected by air pollution brought about by the construction of an oil refinery in Nansha. Therefore, in view of this, President, the DAB proposes that the Governments of Shenzhen and Hong Kong may set up an official mechanism for communication between the two places on environmental impact assessments to provide a platform for experts of the two parties to express their views on some cross-boundary projects and projects which might have an impact on the two places, as well as allowing communication between experts of the two places, so that the entire environmental impact assessment work will become regularized and institutionalized, thereby eliminating the misgivings of the residents of the two places about some of the environmental protection projects.

President, when it comes to collaboration between Shenzhen and Hong Kong, a recent incident which will affect the two places has caught my attention.

If Members still recall this, in mid-February this year, an accidental collapse occurred at the Xiaping Solid Waste Landfill Site on Qingshuihe, Shenzhen. Initially, we all thought that the accident was the business of Shenzhen only, and it would have no bearing on Hong Kong. But then the rubbish, together with silt, was discharged into the Buji River, thus affecting the water quality in its vicinity, and polluted water even flowed into Deep Bay in Hong Kong, threatening the ecology of the Mai Po Nature Reserve and its vicinity.

Nevertheless, thanks to the timely measures taken by the Shenzhen Government, coupled with its notification to the Environment Bureau in Hong Kong, the water quality of Deep Bay and its vicinity was promptly monitored, such that a possible ecological disaster was dispelled. Members could then understand that any emergencies occurred in Hong Kong or Shenzhen might possibly turn into some regional environmental disasters and affect the two places. Learning from the experience of this incident, the Governments of the two places, in my opinion, can actively consider setting up a collaborative mechanism for joint prevention and control regarding some emergent pollution crises and establishing a joint expert group for regulating pollution, with its members comprising scientists from Shenzhen and Hong Kong as well as representatives of environmental protection bodies. At the same time, the existing notification mechanism between the two places should be improved as well. As with our existing notification mechanism regarding the outbreak of infectious diseases in the two places, the party having detected an environmental pollution crisis first has to notify the other party for the purpose of enhancing the capacity of the Governments of the two places in coping with emergent environmental disasters.

President, Mr LAU Kong-wah has particularly mentioned in the original motion the direction of developing green and environmental industry. Over the past 10 years or so, Hong Kong enterprises on the Mainland, in addition to the plants set up by mainland enterprises in Guangdong, has caused a lot of water and air pollution problems. Not only has Shenzhen and Hong Kong thus been affected, the environment of the entire Guangdong Province has also been threatened.

With technological advancement and our enhanced awareness of environmental protection, improving the flow of production and reducing pollution caused by manufacturing industries have become a mainstream direction for development. In this respect, I think the Governments of Shenzhen and Hong Kong can consider launching matching funds in the hope of assisting

enterprises with upgrading and transformation while giving enterprises support in pursuing clean production.

Furthermore, the Governments of the two places can also examine facilitating collaboration between enterprises and banks in promoting "green credit". In other words, enterprises may receive bank loans for investing in clean production facilities or exploring business concerning environmental protection industries. This will achieve the dual purposes of improving the environment of the two places and further promoting the development of the financial industries of Shenzhen and Hong Kong. It is indeed worthwhile for the Governments of the two places to actively study and follow up on this proposal. With these remarks, President, I support the original motion.

DR PAN PEY-CHYOU (in Cantonese): President, Hong Kong and Shenzhen are only separated by a river. However, due to historical reasons, although the two places are in close proximity to each other, they are totally different in terms of their political and legal systems, thus giving rise to a great discrepancy in their concepts of administrative culture. But things have changed with the passage of time. Since the reunification, on the premise of "one country, two systems", co-operation between Shenzhen and Hong Kong has become increasingly important and urgent, and should in no way be overlooked.

As a matter of fact, there were people and cargo flows as well as business dealings between Shenzhen and Hong Kong as early as in the 1970s, and exchanges between the two places are becoming more and more frequent. Apart from the general public who like visiting Shenzhen for entertainment and shopping, schools and organizations also visit Shenzhen to have exchanges with mainland students or relevant organizations. Moreover, co-operation between the industrial and commercial sectors of the two places is extremely close. If anyone is doubtful about the close relationship between Shenzhen and Hong Kong, they can simply take a look at the Lo Wu Control Point, which is extremely busy with huge passenger flows, and will understand the situation. In fact, since the reunification, some newly-opened border control points are very busy as well.

Shenzhen and Hong Kong can be described as Siamese twins figuratively. Although the two children are independent entities, they cannot be separated from each other. Moreover, it is impossible for one walking toward the east whilst

the other one walking toward the west, or one sleeping whilst the other one playing ball. They must co-operate with each other in order to achieve prosperity and survival.

Since the reunification, co-operation on the level between the SAR Government and the Shenzhen Municipal Government has laid a solid foundation and encouraging progress has also been made in some aspects. Taking the Hong Kong-Shenzhen co-operation meeting held between the Hong Kong Government and leaders of the Shenzhen Municipal Government as an example, co-operation in respect of border control points, scientific researches and airports have been discussed at the meeting. Both sides have also agreed to construct a border control point at Liantang/Heung Yuen Wai and the Shenzhen-Hong Kong Innovation Circle, and examined the alignment of the rail link between the airports in Shenzhen and Hong Kong.

Earlier on, the Central Government has promulgated and approved the Outline of the Plan for the Reform and Development of the Pearl River Delta and the Shenzhen Overall Comprehensive Reform Pilot Programme, so as to provide assurance and basis in policies for co-operation between Guangdong and Hong Kong and co-operation between Shenzhen and Hong Kong in future. As such, the governments of the two places can simply step forward and proceed with their co-operation initiatives.

As Mr LAU Kong-wah has raised more than 10 proposals in his motion, I can only manage to discuss two of them. First of all, the Hong Kong Federation of Trade Unions (FTU) agrees to the proposal of setting up an office in Shenzhen. At present, the Government has only set up an office in Guangdong, stationing at Guangzhou, which is mainly responsible for promoting trades. As for difficulties encountered by Hong Kong people in their daily life in Guangdong Province, such as disputes in real estates and family problems, no concrete assistance is available. Being a non-government organization, the FTU also hopes to put our efforts in full play in this regard and endeavours to provide services for those Hong Kong people who are living in Guangdong Province.

As a matter of fact, in case Hong Kong people encounter the above problems in Shenzhen now, they can seek help from the FTU's enquiry service centre in Shenzhen. Together with the two other similar centres in Guangzhou and Dongguan, the three FTU's enquiry service centres in the Mainland have been set up for four years. We have all along been working hard to provide services for those Hong Kong people who are living, working and studying in the

Mainland. Since establishment, the three centres have all together received enquiries from more than 17 000 Hong Kong people by phone or in person over the past four years and have followed up nearly 8 000 cases, which are mainly related to problems on real estates, residence in Hong Kong, cross-boundary marriage, children's studies, elderly services and residential care.

As mentioned by Mr Ronny TONG, Hong Kong people who are living and working in the Mainland are keenly in need of legal support. In view of this, legal advisory service is also available at the FTU's enquiry service centres in recent years. The service is well-received, and becomes one of the most popular services of our centres. What services are available in these centres? Let me cite an example here. A Hong Kong resident owned a property in a municipality in Guangdong, which was occupied by someone by force. Even though he had put his case to the court about a year ago and won the lawsuit, he was not able to get back his property because of various reasons put forth by the occupier. Nonetheless, he refused to resort to alternatives other than legal means to strive for justice. At last, he turned to the FTU's enquiry service centre in the Mainland for assistance. With the help and mediation offered by colleagues at our centre proactively, coupled with co-ordination by the enforcement and judicial departments, he was managed to get back his property eventually. The relevant institutions there even took this case as an example for staff training purpose.

In fact, the efforts made by the FTU's enquiry service centres in the Mainland are widely praised and trusted. However, being a non-government organization, our capabilities are of course limited with numerous restrictions. Among them, restrictions on resources and powers are very obvious. Therefore, we fully support the Government to set up offices in Shenzhen and other major municipalities and enhance their functions, so that those living and working in the Pearl River Delta can lead a contented life. Moreover, non-government organizations, such as the FTU, can be spared to concentrate more in providing services which are not convenient to be offered by the Government.

Another proposal of which we are in support is developing the river-loop area. At the Hong Kong-Shenzhen co-operation meeting held in November last year, both sides agreed to open up the river-loop area in Hong Kong for developing higher education, research and development on high technology and creative industries. This also ties in with the topic I raised two weeks ago that Hong Kong should promote scientific research. With optimal use of the lands in the river-loop area, we can cluster talents, resources and expertise all over the

world and develop high-level scientific research and high value-added industries. The chain driven by these industries can bring us a lot of employment opportunities. We hope the Governments of the two places can co-operate proactively. Thank you, President.

MR JEFFREY LAM (in Cantonese): President, the Central Government has indicated earlier on that Shanghai will be developed into an international financial centre. Regional competitions faced by Hong Kong are becoming increasingly intense as a result. With the blow dealt by the financial crisis, the economic development of Hong Kong is actually in a dilemma, which can be regarded as being caught in a bottleneck. The emerging cities are competing with us in full fury, whilst the future development of Hong Kong has a lot of latent concerns. In order to maintain a continuous upward development, Hong Kong can neither just sit back and wait for luck nor cherish its edges in the past. On the contrary, it should be forward-looking and seek a new way out, room for new developments and new edges.

In search of a new way out, it is a must for Hong Kong to grasp the economic integration in the region, especially expedite co-operation between Hong Kong and Guangdong and integration between Hong Kong and Shenzhen, so as to form a powerful competitive force. As such, Hong Kong can add momentum to its economy and expand its own strength and status. Co-operation between Hong Kong and Shenzhen is definitely a golden short-cut for both sides to get rid of the dilemma and achieve a win-win situation. In fact, all the conditions in terms of timing, geographical advantage and human relations are ripe for co-operation between Hong Kong and Shenzhen now. The State Council has approved the Shenzhen Overall Comprehensive Reform Pilot Programme, giving a clear guidance and support for co-operation between Hong Kong and Shenzhen, as well as offering the right and convenience in policies for such co-operation at an early stage and on a pilot basis, so that Shenzhen can become the pilot zone for co-operation among Hong Kong, Guangdong and Macao. This road is indeed very smooth now. But the problem is: How should Hong Kong and Shenzhen join hands to open up the way ahead, so as to achieve complementarity of edges and mismatched developments?

President, first of all, as for integration of financial services, the most important thing is that there should be a division of labour rather than vicious

competition between both sides. As for volume of trading, Hong Kong, though currently being inferior to Shanghai, can jointly establish a super financial centre with Shenzhen, so as to enhance competitiveness of the two places. Shenzhen can act as the backing of the financial sector, serving as the financial prop of Hong Kong. Different positioning can help clarifying the directions of development of the two places, so as to avoid wastage and overlapping of resources, and achieve a greater synergy. As for Renminbi (RMB), Hong Kong, being the first place which is allowed to provide RMB services offshore, is expected to become the off-shore RMB clearing centre soon. Shenzhen will be one of the places for clearing. Therefore, Hong Kong can become the off-shore foreign exchange and RMB clearing centre, whilst Shenzhen can be the backing centre of Hong Kong's financial services for the supply of RMB.

Moreover, Shenzhen should fully utilize the financial platform in Hong Kong to introduce new financial tools and enhance its services. For instance, the Shenzhen Municipal Government can employ financial professionals in Hong Kong as consultants to take part in the establishment of the second board and the Growth Enterprise Market in Shenzhen, so as to assist listed companies to meet international standards. The Shenzhen Municipal Government can also choose some equity funds in Hong Kong for domestic sales, so as to offer more choices to mainland investors and provide more chances for them to understand the mode of international management. Moreover, the authorities can also relax restrictions on the scope of business of Hong Kong financial institutions in Shenzhen, such as allowing Hong Kong-invested securities firms to set up offices in Shenzhen, so as to provide services for trading of Hong Kong stocks for mainland investors.

President, it is also necessary for Hong Kong and Shenzhen to jointly set up a logistic hub and an international trading centre. The two places should make use of the existing facilities of their transportation networks to establish a high value-added logistic supply chain, so that users of the two places can conduct commercial transactions by linking up their networks, whilst the management system of the supply chain can be set up in Hong Kong. Moreover, the Shenzhen authorities can also encourage strong retailing enterprises to set up chain outlets in Hong Kong, so as to promote co-operation of chain businesses in the region. In order to enhance co-operation in this regard, I hope the authorities can expeditiously finalize the establishment of a new border control point in the Qianhai zone, so as to smooth the flow of people and goods further. The

mainland authorities can consider establishing a national-level innovative and free trade zone in the Qianhai and Houhai zones in Shenzhen, so as to open up businesses in processing trade and industry chain management.

As for creativity industries, as Hong Kong is in lack of a comprehensive policy on development, coupled with the fact that many mainland technological talents prefer staying in Shenzhen, the development of scientific research and industrialization in Hong Kong is still relatively slow. However, as for intellectual property, arbitration and financing, the development in Hong Kong is better and faster than that in Shenzhen. Regarding cultural creativity, the room for creativity in Hong Kong is bigger than that in the Mainland. Be it art, culture and design, it is more creative and colourful in Hong Kong. But the question is, in attracting overseas talents, Hong Kong is relatively inefficient, and very often, its vetting and approving procedure is too complex and time-consuming. In the fast-paced society nowadays, if enterprises have to wait for a long period of time ranging from six months to even one year to attract talents, they will miss the good chance for development very easily, and their development strategies will also be affected. I hope the Government can remove all unnecessary restrictions on its procedures as far as possible, so as to promote exchange of talents between Hong Kong and Shenzhen. As such, creativity industries can be developed effectively.

President, I so submit.

MR WONG TING-KWONG (in Cantonese): President, with the blow dealt by the financial tsunami, coupled with the development of various provinces and cities in the Mainland and competition with other Asian countries, the economic development of Hong Kong has been affected to a certain extent. However, Hong Kong and Shenzhen have a very close relationship. With the introduction of the Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020) by the State at the end of last year, together with the Shenzhen Overall Comprehensive Reform Pilot Programme (the Comprehensive Programme), co-operation between Hong Kong and Shenzhen has been enhanced and the way ahead of the development in Hong Kong has been widened, which is conducive to strengthening our economic competitiveness.

Co-operation between Hong Kong and Shenzhen can be multi-faceted. In particular, amidst the impact brought about by the financial tsunami globally,

there is a huge drop in the number of orders received by the Hong Kong enterprises in the Pearl River Delta Region, as well as a significant decline in the exports of external trade, resulting that those Hong Kong-invested enterprises which rely mainly on export processing industries have to face great operating difficulties. However, products manufactured by such enterprises have a certain degree of attractiveness. In the wake of the financial tsunami, the State's economic policy has been adjusted, putting emphasis on its domestic market. Therefore, developing the domestic market by Hong Kong-invested enterprises exactly ties in with the State's policy.

As mentioned by Secretary for Commerce and Economic Development Rita LAU in reply to my question on assisting Hong Kong products to develop the mainland market in the Legislative Council last month, one of the priorities of the SAR Government this year is to join force with the Mainland to help Hong Kong enterprises tap the mainland market, including organization of trade fairs. Shenzhen as well as Dongguan and Huizhou in the vicinity have a large number of enterprises engaging in outward processing trades, which are also in face of the same problems and difficulties encountered by Hong Kong. Therefore, it is necessary for Hong Kong and Shenzhen to co-operate with each other, so as to seek a way out in the mainland market.

The SAR Government should also keep on examining with the Central Government and the relevant ministries or commissions, so as to come up with more measures to facilitate the Hong Kong-invested enterprises to open up the domestic market. These measures include streamlining the formalities for setting up shops and quality checks, expediting the vetting and approving procedures and simplifying the taxation arrangements. On the other hand, the trade should also reflect their views and suggestions to the authorities proactively. Although opening up the domestic market is by no means an easy task, tapping the local consumption and expanding the sales channel is a crucial step for the future of Hong Kong-invested enterprises. If we do not start now, it will be even more difficult to do so in future.

As for assisting Hong Kong's professional services industries to develop in Shenzhen, the total number of service areas covered in Supplement VI to the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) implemented with effect from October 1 has increased from 40 at present to 42. Moreover, both sides also agree to strengthen financial co-operation and promote

mutual recognition of the qualifications of their professionals. Although these professional services encountered difficulties in entering into the Mainland in the past, some progress has been made in Supplement VI to the CEPA. For example, as for accountancy, the Mainland allows those Hong Kong residents who have become official members of the Hong Kong Institute of Certified Public Accountants before March 31 this year to have exemption in finance and accounting subjects when sitting for the qualification examination of the Certified Tax Agent in the Mainland. Moreover, both sides also agree to proceed with the work for mutual recognition of the professional qualifications of the mainland construction supervising engineers and the Hong Kong building engineers as well as architects. As for medical services, service providers in Hong Kong are allowed to set up joint-venture or co-operative medical institutions in places outside Guangdong Province, with a ratio of foreign-funded shares not exceeding 70%.

I hope both Hong Kong and Shenzhen can tie in with the CEPA to promote the development of Hong Kong's services industries step by step and add momentum to the services provided in the vicinity of the Pearl River Delta Region, so as to enable Hong Kong to open up areas for its economic development, which is also consistent with the development strategies of the Qianhai and Houhai zones put forth by the Shenzhen Municipal Government.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) paid a visit to the Shenzhen Municipal Government in a team of eight the day before yesterday for discussion on how to implement the Comprehensive Programme and promote co-operation between Hong Kong and Shenzhen.

At the meeting, we learnt that it was decided that Qianhai and Houhai in Shenzhen would be developed into a demonstrative region of modern services industries under co-operation between Hong Kong and Shenzhen. The Shenzhen authorities are now examining the specific proposal. Preliminarily, Qianhai and Houhai will be positioned as a base of modern services industries for the manufacturing industry. We agree with the Shenzhen Municipal Government that Qianhai is a crucial zone for development of Hong Kong and Shenzhen, which can serve as a springboard for Hong Kong to enter the Mainland for development. At the same time, it is also a carrier and platform for co-operation between Hong Kong and Shenzhen. Co-operation in many areas such as logistics, finance, innovative technology and commercial trading can be involved in this zone. The mode of co-operation between Hong Kong and

Shenzhen in the Qianhai and Houhai zones should break through the framework of "front shop and back plant". Hong Kong can also set up its "shop" in Qianhai and Houhai, so that the scale of its "shop" can be even bigger.

As advised by Chief Secretary for Administration Henry TANG, the Hong Kong and Shenzhen Governments agreed to establish a task force to examine the development of the demonstrative region. The Hong Kong side, led by the Commerce and Economic Development Bureau, will examine with Shenzhen jointly the demonstrative region of modern services in the Qianhai and Houhai zones. It will organize seminars to consult the industrial and commercial sectors, hoping that members of the sectors can participate proactively. Apart from striving for more favourable terms for Hong Kong's services industries, co-operation between Hong Kong and Shenzhen can also be intensified.

With these remarks, President, I support the original motion.

PROF PATRICK LAU (in Cantonese): President, when joining the Town Planning Board 12 years ago, I had the opportunity to take part in many planning projects in Hong Kong. However, I was very surprised about one point, and that is, whenever I took a look at the outline development plan of Hong Kong, I found a complete blank to the north of the Shenzhen River, and there was no planning for development in Shenzhen at all. I wonder if the Secretary notices this point. Perhaps, some progress may be made in the outline development plan now, but this point has shown that Hong Kong seldom bothers about the development in Shenzhen. Of course, I have the opportunity to visit Guangdong Province and learn about the planning there from their planning officers. In fact, they are very concerned about the development in Hong Kong. For all our planning, they have the same as well. On the contrary, planning officers in Hong Kong seldom have contact with them, and just making some efforts in different levels.

I am very glad that LAU Kong-wah has raised such an important topic today for discussion on how to promote co-operation between Hong Kong and Shenzhen. In fact, as for co-operation, the most important thing is to have a planning or an idea. Just like having an outline development plan of the Pearl River Delta Region now, we, of course, do hope that such an outline plan can be realized step by step. But most importantly, the two places can achieve

complementarity of edges. Many Honourable colleagues have already mentioned this point.

In fact, Hong Kong has the advantages of having excellent infrastructures, talents, a well-established legal system and being international. However, Hong Kong is relatively small and its development potential is inferior to that of the Mainland. We and Shenzhen are just separated by a river. The two places can complement each other. For example, in striving for the development of scientific research in the Mainland, the Mainland can provide space and infrastructures whilst Hong Kong can provide talents and expertise, so as to achieve complementarity of edges.

In order to strengthen this aspect, our infrastructure projects and transportation networks should be developed properly. I am very glad to see that the 10 major infrastructure projects proposed by the Chief Executive have been implemented one after another, and the transportation network in Hong Kong has been linked up fully with Shenzhen (such as the airport) and all the huge markets in the Mainland. Of course, Hong Kong has the best international airport with flights to every part of the world, which is also an important factor that attracts people from the Mainland to Hong Kong.

The logistics industry is one of the four major pillars of the local economy. I therefore consider that air cargo logistics is a very high value-added industry. Earlier on, some Honourable colleagues have mentioned competitions from Shanghai. In fact, we do need to maintain this edge. If the airports of Hong Kong and Shenzhen can co-operate with each other to expand this market and make use of the local shipping service, it can really enable Hong Kong to become a logistic hub or a world-class freight management centre.

At present, the number of Hong Kong flights has continued to grow, but we have only two runways. Is it necessary for us to construct the third runway? This topic is really worth examination, which also has a great impact on the passenger and cargo traffic of Hong Kong in future. Therefore, as for infrastructures, I think Hong Kong really has to do well on its part, so as to provide a level playing field for the collaboration with the neighbouring regions.

President, there are also air quality problems in the vicinity of the Pearl River Delta. To create a favourable living environment, I hope we can jointly build a green and environmental-friendly city with Shenzhen, and should first of

all, encourage the Mainland to adopt the concept of green building. Regarding the skills in this regard, I think Shenzhen can assist Hong Kong to jointly manufacture a lot of products for green building. Moreover, we can enhance the development of the recycling industry. I believe that Shenzhen and Hong Kong can co-operate with each other to recycle resources, so as to raise our air and water quality.

The development of the river-loop area is a very good example, enabling us to identify whether Hong Kong or Shenzhen is actually lagging behind. If Members have been to the river-loop area, they will notice that north of the Shenzhen River has already been developed into a higher density city, and the development is very close to our side of the river. If a person wants to steal across the border by swimming, he should, in fact, swim back. I think those people will swim to Shenzhen, rather than swimming to Hong Kong. Why do I say so? It is because the entire river-loop area in Hong Kong is still desolate, which is indeed very strange. Therefore, if we fail to expedite various planning and studies in this regard to see what we can do on conservation, we can hardly enhance integration of the two places.

Lastly, I would like to say a few words on education, which is also a matter of our grave concern. A lot of studies have found that parents in the Mainland are most willing to send their children to study in universities in Hong Kong. Therefore, it might be conducive to the integration of the two places if we develop higher education in the river-loop area. I hope Hong Kong can reach an agreement with the Mainland on the projects on higher education, so that schools in Hong Kong and the Mainland can operate jointly and conduct more academic and cultural exchanges in Shenzhen, so as to enhance the understanding among teachers and students of the two places.

Lastly, I would like to draw the Secretary's attention to the fact that we are going to build a 3.5 m-high net to separate Shenzhen and Hong Kong. I hope the Secretary can take note of this point. Thank you, President.

MR ALBERT CHAN (in Cantonese): President, we are discussing the motion on "Promoting cooperation between Hong Kong and Shenzhen" today, but the Government has appointed the Secretary for Constitutional and Mainland Affairs to give replies. I think this is a complete *non sequitur*. As this motion involves

many aspects such as economy, planning, land use and transport, I think the Chief Secretary for Administration should come over to give replies.

The Chief Secretary for Administration has gone to Zhuhai to handle some issues on co-operation with Hong Kong as well. I wonder if there is any political factor involved in making him a mere figurehead and weakening his position by just appointing him to be the leader of tree preservation, rather than allowing him to handle such an important issue on co-operation between Hong Kong and Shenzhen. This is really lamentable. Surprisingly, our Chief Secretary for Administration is reluctant to attend the meeting to discuss such an important topic today. I feel deep regret about this. Perhaps, he has no command over himself. Perhaps he also wants to attend, only that the Chief Executive does not allow him to do so and appoints a Secretary who is a complete *non sequitur* to reply these questions instead.

President, regarding this topic, I think there are two important subjects which are related and relevant. Given Hong Kong's development to date, the discussion on the co-operation between Hong Kong and Shenzhen by this Council has precisely reflected that there is a serious crisis or even a fragility in Hong Kong's economic development, infrastructures and even financial services.

When a community, country, region or government is powerful, it can be the leader. At the time when Hong Kong led the entire Southeast Asia, we took the initiative to promote development on various fronts. What has impressed me most is that in the 1990s, Anson CHAN — she was the then Secretary for Economic Services — and I had discussion on the issue of the Container Terminal 9. At that time, I was the major spokesman of the United Democrats of Hong Kong on infrastructures and planning. We cautioned even at that time that attention should be paid to the leading position of Hong Kong. At that time, the Yantian Port in Shenzhen had been developing vigorously in other aspects, and our leading position would have been overtaken and replaced sooner or later. What did Anson CHAN say at that time? She said that there was no need to worry. As Hong Kong enjoyed an excellent position in banking supporting services, we could therefore maintain our leading position. She simply looked down upon Shenzhen! It was in the 1990s. As far as I remember, it should be around 1993 or 1994. It was the response of the Government at the time when we had exchange with them.

At that time, the Government fell asleep, just like the rabbit in the tortoise-rabbit race, thinking itself as the rabbit which could run very fast. Being so arrogant, it was overtaken by others gradually. Hong Kong was very proud of its status as an international financial centre years ago. But now, after the Central Authorities have designated Shanghai to be the centre and assigned Shenzhen to play a certain role, Hong Kong becomes very frightened and anxious, worrying that it will be replaced by others. It can do nothing but act like a dog, wagging its tail pitifully. With such a big head in the past, it simply ignored developments in the neighbouring regions, thinking itself to be so powerful and mighty. Being replaced by others gradually, we are afraid of lagging behind. We then fawn on others, hoping that they will leave some dregs for us, so that Hong Kong will not be empty-handed.

President, as for this topic, we should make reference to the 11th Five-Year Plan promulgated by the Central Authorities. President, the 11th Five-Year Plan is, in fact, a decision made several years ago. According to the report released at that time, the Central Authorities confirmed Hong Kong's "country, two systems" and "Kong people ruling Hong Kong". As for the overall development, "high degree of autonomy" in Hong Kong was still recognized. Subsequently, Hong Kong enhanced co-operation with the Mainland on economic development. The Central Authorities also supported Hong Kong to develop its financial, shipping, tourism and information services industries, so as to maintain Hong Kong's status as an international financial, trading and shipping centre, as well as supported Macao to develop its tourism. Therefore, from the 11th Five-Year Plan promulgated by the Central Authorities, we can see that Hong Kong's developments were still recognized.

With the implementation of the 11th Five-Year Plan by the Central Authorities, individual regions, including the Guangdong Provincial Government, have also formulated their respective 11th five-year plans, under which Shenzhen has a role to play. As for Shenzhen, the then Mayor XU Zongheng, soon after his assumption of office, suggested that Shenzhen should provide services for Hong Kong and the rationale of its future development was formulated on this basis. As for Hong Kong, in order to jointly build a co-operation circle with Shenzhen, it has also drawn up a series of development plans. As for Shenzhen, there are also development plans on the harbour and other regions as well as its financial industry.

With the promulgation of the 11th Five-Year Plan, each individual region confirmed its own role according to the note set by the Central Authorities. In view of its role, it then planned how it could tie in with Hong Kong. This gave rise to a more in-depth and serious problem. I hope none of us will bring up who WU Sangui is. Also, I do not want to see this Council and individual Members act against the Basic Law and "country, two systems" because of their worries about Hong Kong losing its leading position.

President, the Basic Law has formulated a role of "country, two systems" for Hong Kong. As a general rule, it has stipulated that Hong Kong should implement "a high degree of autonomy" and be entitled to the executive, legislative and independent judicial powers. It has also stipulated that the system in Hong Kong will remain unchanged for 50 years, and no specialist policies will be implemented here. Only its defence and foreign affairs will be determined by the Central Authorities. Our present agreements on co-operation in so many aspects have basically distorted Hong Kong's independent and unique status, and may even distort and alter the unique role of Hong Kong enshrined in the Basic Law. Therefore, in this regard, I hope the Honourable Members should be very cautious. In areas of economic development and regional development, the unique status of the Hong Kong Special Administrative Region enshrined in the Basic Law should not be deprived of and sacrificed due to some fears, benefits, as well as worries of and transfer of interests to some consortia. I hope we should be very cautious about this.

DR RAYMOND HO (in Cantonese): President, Shenzhen's development over the past 30 years is really an astonishing miracle. It has developed from a desolate piece of land to an advanced city with a population of more than 10 million, comprising not only industries but also high-technology and transportation network encompassing viaducts and mass transit railway services. It has now become an important economic entity.

As far as I remember, in 1980, when I was appointed as a real estate consultant in Shenzhen, I provided a simple development plan of Shenzhen voluntarily and introduced the land sale system of Hong Kong to some of my friends. At that time, Shekou was yet taken shape.

Situation changes with the times. Many people find that the development in the north of the Shenzhen River is faster than ours in many aspects.

Since the Central Government signed the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) and the six Supplements with the Government of the Hong Kong Special Administrative Region in June 2003, the Mainland has kept on expanding the areas in trade and services between the two places, as well as promoting economic co-operation. With the gradual opening up and relaxation of the policy of the Central Government, Hong Kong has made use of its own advantages to tie in with the CEPA, which enables us to expedite and enhance our collaborative development with Shenzhen on all fronts. As such, we can fully grasp this important opportunity, adopting a new mindset and strategy to seek a new way of development.

In order to promote co-operation between Hong Kong and Shenzhen effectively, there should be an extensive transportation network to link up the two places. The Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge and the rail link between Hong Kong and Shenzhen airports are the three major cross-boundary projects in the 10 major infrastructure projects. We have now completed the Western Corridor and have started examining the construction of the Eastern Corridor in Liantang/Heung Yuen Wai. It is believed that in the near future, the transportation network of the two places will be more extensive. If the customs clearance of the two places can be further streamlined as well, there will be a big step forward in the process of integration.

Another infrastructure project which has aroused great concern is the Lok Ma Chau loop area on the border between Hong Kong and Shenzhen. As the area will be developed and managed by the two places jointly, its planning and development should of course be made on the premise of the mutual benefits of both parties. We cannot just regard Shenzhen as our competitor. Rather, we should aim at achieving mutual benefit, putting the strengths of the two places into full play. Hong Kong and Shenzhen have preliminarily agreed that the development of the Lok Ma Chau loop area should be focused on higher education, and complemented by hi-tech research and development facilities and cultural creative industries. It is thus expected that the development of the loop area will become an important foundation of the future scientific research development of Hong Kong. In view of this, it is necessary for the Government to finalize the various development proposals of the loop area as soon as possible.

Integration between Hong Kong and Shenzhen will enable the two places to form an influential economic entity. At the same time, it will tie in with the overall development of the Pan-Pearl River Delta.

I have said that in future the Pan-Pearl River Delta will not only be an important economic development zone of China, but also a very influential economy in the Asia-Pacific Region or even in the world.

President, I so submit. Thank you.

MR KAM NAI-WAI (in Cantonese): President, Mr Albert HO, Chairman of the Democratic Party, has just put forward our views on today's motion about co-operation between Shenzhen and Hong Kong. We are particularly concerned about the merging of the two stock exchanges, and I will not repeat our views here.

As for co-operation between Shenzhen and Hong Kong, I have joined an inspection tour to the Pearl River Delta recently. As we all notice, the tour has mainly focused on environment and economy. Regarding environmental improvement and economic promotion, I believe that there is still much room for co-operation between Shenzhen and Hong Kong. If we do not co-operate with each other, we will definitely lag behind the situation.

I would like to present, on behalf of the Democratic Party, our views on environmental issues. Recently, Members may have noticed the report about pollution at the Buji River, leading to our concern about the safety of the drinking water in Hong Kong and the water quality of the Deep Bay. As for water quality management, air pollution and waste recovery, I believe that there is much room for co-operation between the two places. We have raised these points only. However, as a matter of fact, there is still much room for co-operation in environmental protection. For example, Ms Miriam LAU has brought up earlier on the problem of different standards on vehicle emission adopted in Guangdong, be it Shenzhen or Guangdong Province, and Hong Kong. I believe that up till now, many places in the Mainland are still adopting the National III emission standards. But very often, Hong Kong wants to use Euro V diesel vehicles or fuels. Due to the difference in oil prices, we can see that more and more vehicles in Hong Kong are, in fact, holding licences of both China and Hong Kong now, and there is a significant increase in number every day. Many friends, especially drivers of heavy vehicles, fuel their vehicles in the Mainland

frequently. Therefore, we consider it a matter of priority for Shenzhen or Guangdong Province to adopt the same standard on vehicle emission or fuels, so as to reduce the emission of pollutants.

Moreover, in face of global warming, from 2009 up till now, Hong Kong has yet drawn up any clear policies on climate change, not to mention the reduction target or timetable of greenhouse gases emissions. I think the Governments of the two places should have discussion on how to formulate a long-term target for emission reduction as soon as possible. As we all know, an international climate conference will be held in Copenhagen, Denmark at the end of this year. At that time, China may make a pledge on the target time for emission reduction. Therefore, I think it is necessary for Shenzhen and Hong Kong to make preparation expeditiously.

In addition, as I have just mentioned, apart from the problems of air pollution and warming climate, water quality is also a matter of grave concern. As we always drink Dongjiang water now, we should ask, how do Shenzhen and Hong Kong deal with the problem of water pollution? Although the two places are separated, as we all know, Dongjiang water is supplied to Hong Kong via Shenzhen. Will the actual pollution affect Hong Kong? Will the two places enhance their technical co-operation? As for the improvement of water quality, I think the two places should have negotiation as soon as possible.

Regarding waste recovery, the Government hopes to retain the EcoPark to promote waste recovery and recycling in Hong Kong. But as we all know, the cost-effectiveness is very low at present. Each year, only less than 2% of the recovered materials are being recycled in Hong Kong, which may be attributed to the high cost here. Therefore, as for developing recovery industries and introducing advanced technologies, I think the Government should enhance co-operation with Shenzhen and even Guangdong Province, taking Hong Kong as a springboard to attract more overseas capitals to invest in this area. Moreover, Hong Kong's edges in financing and technology should be utilized to give support to the Mainland. Such an approach has actually been adopted in the past as the Mainland has land resources and its cost is lower. I think the mode of integration is of vital importance.

Therefore, regarding issues on water quality management, air quality and waste recovery, I think there is still much room for co-operation between Hong Kong and Shenzhen. However, as we all know, under "country, two

systems", many friends have said that we have stressed the concept of "systems" when encountering special problems, but we sometimes have to deal with the concept of "country" as well. In my opinion, Hong Kong people, very often, have achieved great integration with our Motherland in terms of economic development. As for how to integrate in respect of economic development and environmental protection under the two different systems, many Honourable colleagues have given us a lot of valuable insights today. However, as I have just mentioned, I think thorough consideration should be given to maintaining Hong Kong's edges while co-operating with Shenzhen.

I so submit. Thank you, President.

MR CHIM PUI-CHUNG (in Cantonese): President, the discussion on this motion today reminds us that about 30 years ago, China opened up, for the first time, four economic cities and zones, including Shenzhen, Zhuhai, Xiamen and Shantou. At that time, Shenzhen was not the only best city as there were basically no shops. Most of the businessmen came from Shantou and Chaozhou, which explains why many shop owners in Shenzhen now are people from Chaozhou.

We cannot say that Hong Kong has no progress. Comparing to the 1950s, Hong Kong has really made substantial improvement on various fronts. It is only that the Mainland has been pressing ahead its opening up and reform policy at full speed over the past two to three decades. This is an undeniable fact. As compared with Shenzhen at present, Hong Kong should, first of all, review the arrangement on immigration and customs clearance. As far as I understand, at present, Shenzhen has a population of 13 million theoretically, whilst Hong Kong claims that it has a population of 7 million. However, some Hong Kong people will return to Shenzhen at night. Therefore, Shenzhen has a population which is double that of Hong Kong. According to my estimation, it is not surprising that its population may even surge by two-and-a-half to three folds a decade later. This is indeed a general trend. Hong Kong people must understand the actual situation and know our own strength as well as that of our opponent. We can no longer be arrogant as we will lose our edges very soon. At present, the total population of Lo Wu and Hong Kong is 20 million. These are two very important cities, claiming themselves as the most advanced cities in the world, particularly in Asia. However, if we travel from Lo Wu to Hong Kong, we not only need to go one floor up but also move around for immigration and customs

clearance. It is really necessary for the SAR Government to discuss with the relevant mainland authorities on how to tackle this problem, so that Hong Kong people and Chinese nationals can feel honoured and confident. Otherwise, people will find it really unbearable to move around like this in hot weather. President, undeniably, the current Lo Wu Bridge is much better than before as the unpleasant odour in the past has disappeared. Nevertheless, I consider that this important city still fails to meet the world-class standard, particularly as I have just mentioned, Hong Kong claims that it is such an advanced city.

President, over the past few years, not to mention that 12 years have passed after the transition, the SAR Government has indeed delayed many of its projects. For example, the Container Terminal 10 and many infrastructure projects are still being left unsettled. Even for the current issue on the Western Harbour Crossing, I think it will take eight to 10 years for discussion. These are the policies which the SAR Government should review.

Even though the State stresses that Hong Kong has its own edges and should make use of such edges to engage ourselves globally, same as a football team, Hong Kong, being a forward, requires Shenzhen's co-operation during the attack. As such, the 10 players in the soccer pitch can co-ordinate with one another in taking a united front. Of course, China's soccer has yet reached this standard. In any case, Hong Kong should tie in with Shenzhen, so as to achieve the development and evolution as those in playing soccer. This process is of course by no means easy. However, being the SAR Government, in particular that as the Secretary is responsible for both constitutional and mainland affairs, he is indeed very powerful and can lead a team to visit any cities in the Mainland, including Taiwan — where he has recently visited. As such, he should show his influence and creativity, without bothering about others' criticisms.

President, the SAR Government should not only get the job done, but also endeavour to create an environment, so as to enable us to understand its importance. Hong Kong should tie in with the State's policies, so that its strengths can be put into full play in finance, tourism, services and trading. As for the financial services I have just mentioned, two or three colleagues have also talked about this issue, which is indeed very complicated. The SAR Government, same as the Hong Kong Exchanges and Clearing Limited (HKEx), as far as we understand, only provides a platform. To put it crudely, this is just

another kind of giant casino. We should in no way think that we are marvellous. What have been changed by the HKEx over the past 23 years after obtaining the franchise from the Government in 1986? The only change is that transactions start after the ringing of the bell. Therefore, the SAR Government should not be proud of the HKEx, either. After all, we are the service provider, and "there will be good business if we can cater for customers' needs and facilitate the transaction". The HKEx should be responsible for attracting companies to list in Hong Kong, giving them an impression that the services are attentive and value for money.

Secondly, the HKEx should make the pie bigger, rather than just sitting there to receive commissions and charges. Such a mentality is unacceptable. The HKEx should offer assistance to investors and listed companies, playing the role of a go-between.

Thirdly, the HKEx should also educate investors. The minibond and Lehman incident occurred recently in Hong Kong has really brought us a very painful lesson. Anyway, the SAR Government should learn from this lesson.

President, I therefore consider that Hong Kong should tie in with Shenzhen as all business opportunities are very significant.

MR LEUNG KWOK-HUNG (in Cantonese): I notice that many Honourable Members have proposed amendments to this motion on promoting co-operation between Hong Kong and Shenzhen. In fact, when discussing this issue, we have to make clear one point. What is the basis of the original motion proposed by Mr LAU Kong-wah? As far as I know, something has been approved by the State Council and Shenzhen has then proposed doing something with Hong Kong. In other words, this is to tie in with the Chinese Communist Government's idea of the development of Guangdong Province.

In my opinion, since the implementation of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), our position has been fixed. In discussing that we should tie in with the development of Shenzhen, what are the Honourable Members talking about? Under the CEPA, a lot of our industries have entered into the Mainland. Obviously, difficulties in securing employment are resulted because of such an arrangement. We may say that with the relaxation given by the CEPA, our mainland compatriots can visit Hong Kong

and bring about benefits to our tourism. However, have we ever mentioned the losses suffered by Hong Kong as we spend money in the Mainland or our factory owners or businessmen move to the Mainland? Therefore, it is really hard to draw a conclusion before this question is clarified.

What is the second issue which is even more important? In fact, according to the Chinese Communist Government's idea, Hong Kong must definitely become a financial city, that is to say, financial capital should be gathered in Hong Kong for speculation — what I mean is speculation. I think that Members have really attended to trifles to the neglect of essentials today. Hong Kong has become a base for financial speculation. The calamity brought about by the Lehman or other financial derivatives is there for all to see. In discussing this issue, what is the situation? That is to say, how do different consortia — or put it bluntly, different consortia with communist capital, together with consortia in Hong Kong which have chances to consolidate with them — allocate interests between Hong Kong and Shenzhen?

According to my careful observation, the logistics centre, trade centre, innovation centre and international cultural creativity centre will all be built in Shenzhen but not in Hong Kong. In other words, we have to tie in with their developments. Perhaps, some of them can be built in Hong Kong. However, it is also under the framework of CEPA that some mainland capital will flow our way. This is a very serious problem. What is the crux of the problem? When mainland capital is gathered, be it through issuing bonds or IPO or via a platform to be established in future to absorb Taiwanese capital, to make Hong Kong become a metropolis for speculation, other businesses should still be conducted. What are such businesses? It is the logistics centre.

In fact, as for many matters, such as Mr LI Ka-shing who does business in both places, if he or his partners in the Mainland impose their overwhelming force through the influential members of the party committee of Shenzhen today, Donald TSANG does not have any say. He (the Secretary) also has no say at all — he is sitting there and smiling — but our Honourable Members are speaking here. This has, in fact, revealed a new trend, and that is, besides the second tier of the Chinese Communist Government taking up political duties in Hong Kong, the "Crown Prince Party" and consortia generated from the Communist Party's making use of public interests to further their private gains have used the 11th Five-Year Plan or the so-called decisions of the members of the party

committee of Shenzhen in accordance with the 11th Five-Year Plan to counter-control Hong Kong. Such cases are in great abundance and desperately coveted. In fact, this has also reflected that this Council has a "whistle-blowing" responsibility in support of Grandpa or the Chinese Communist Government, which is not beneficial to the people of Hong Kong, especially the grassroots. As a result, the structure of our industries is hollowed out, making our financial capital which not only exploits the hard-toiling masses, but arrangements for the lower level of the bourgeoisie and the middle class are also in great abundance The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) is one of the examples. Definitely, the DAB should have connections with some big consortia or people in the Mainland.

As for this point, I have nothing to say. I just find it extremely ridiculous. We are now having discussions in this Council on another government which is formed by one-party dictatorship, and colludes with businessmen. Its Mayor has already been arrested. I think our giving it support is indeed superfluous. Do you think that it is superfluous, President?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, your speaking time is up. Does any other Member wish to speak?

MR WONG KWOK-HING (in Cantonese): President, regarding the motion proposed by Mr LAU Kong-wah today, there are altogether as many as nine amendments, just like various decorations hanging on a Christmas tree. We in the Hong Kong Federation of Trade Unions (FTU) have no intention to hang any more decoration on this Christmas tree. However, as for co-operation between Hong Kong and Shenzhen, I would like to raise a very important question, as it seems that this question has been overlooked in both the original motion and all the amendments. That is, as for co-operation between Hong Kong and Shenzhen, when looking from the perspective of the people of Hong Kong, how can it be more conducive to solving the problems of starting up business and creating more employment opportunities locally? If we co-operate with Shenzhen without putting in extra efforts to create employment opportunities and set it as a core idea, I am really worried that the unemployment problem will deteriorate if Hong Kong keeps going this way.

President, the Food and Environmental Hygiene Department (FEHD) issued 61 licences for "small ice cream vendors" last week, which has marked a historical record in Hong Kong. I wonder if Honourable Members know that more than 3 700 people have submitted applications to the FEHD to compete for these 61 new licences for "small ice cream vendors". Secretary, what does this show? There is no way out for the public at all. They can neither make a living nor apply for a licence to do some business. It is even more difficult for them to find a job. President, talking about finding jobs, I shouted till my voice was harsh today. Why? The Link has held a shareholders meeting today and a few hundred members of the FTU have protested at the entrance of the meeting venue. Being the major property owner, the Link has control over the Government's car parks and shopping arcades. As stated in its tender, with effect from the fifteenth day of next month, the three-shift system will be changed to a two-shift one, that is, the "penalty kick". All harsh measures, such as layoffs, pay cuts and prolonged working hours, are put in place and 1 000 people will be sacked. Secretary, please take a look. There is no way out for the "working guys" in Hong Kong. The unemployment rate just released yesterday has shown that the number of the unemployed still stands at about 200 000 people. However, under such circumstances, if we just co-operate with Shenzhen but not make any efforts to solve our own problems through such co-operation, I think we should be ashamed to face the people of Hong Kong.

In the proposal of co-operation between Hong Kong and Shenzhen, Mr LAU Kong-wah has brought up four centres. I would like to ask, how can we build these centres jointly? How can these centres help Hong Kong create employment opportunities? In the proposed paragraph (g), Mr LAU Kong-wah has mentioned 20 areas. We are in support of further expanding the CEPA, but how can it facilitate Hong Kong to create more opportunities for starting up business and employment? We should give this a thought. We cannot deny it a solution.

President, I would like to quote some examples to illustrate what situation will be resulted if the Government, the business sector and the various professional sectors do not consider the question I have just raised. Let me cite some examples here. The first one is that many people are now using paging services, but do you know where those answering our calls are providing such services? They are not here in Hong Kong, but in Shenzhen or other places. These are supposed to be the employment opportunities of Hong Kong. How

come they are lost? In case there is further co-operation between Hong Kong and Shenzhen, how can we fight for these employment opportunities for Hong Kong?

The second example is that many enterprises have moved their backend and technical departments to the Mainland. For example, the DHL Express has moved its backend customer service department away from Hong Kong. I think the Government should pay attention to such a situation. This is the second example. The third example is that all of us are in support of developing financial services, with an aim to enable Hong Kong to become an international financial centre. We raise our arms and shout, demonstrating our concerted effort to do so. President, I would like to tell you all that at present, many leading banks have moved their branches, backend services centres, research and development centres and backup centres to Shenzhen and other places. Why can these centres not stay in Hong Kong? Has the Government made any efforts in this regard? Has it ever attracted banks to set up these centres in Hong Kong? Moreover, the Government and the business sector should not just put emphasis on finding a way out for investment. We should also try to attract mainland capital to Hong Kong, so as to create more opportunities for employment and starting up business locally. If we seldom consider or pay attention to such situations, the disparity between the rich and the poor in Hong Kong will be further widened.

President, the report released by the Census and Statistics Department has showed that the number of people who have a monthly salary of \$4,000 in Hong Kong has increased to 400 000 now. However, these people, though earning just \$4,000 a month, are still working very hard to make their own living. Is the Government duty bound to find a better way out for them? The Government should really give this a thought, President.

MR WONG YUK-MAN (in Cantonese): President, regarding the motion on promoting cooperation between Hong Kong and Shenzhen proposed by Mr LAU Kong-wah today, Honourable colleagues from various political parties and groups have put forward amendments.

I would like to ask our brilliant colleagues, including Mr LAU Kong-wah: Are Hong Kong and Shenzhen partners or competitors? Does Shenzhen regard Hong Kong as a competitor or a partner? Before having this premise sorted out, is it too naïve for us to talk here about the one-sided wish of co-operation

between Hong Kong and Shenzhen? However, Members have still spoken at great length.

The most ridiculous thing is that when I once proposed a motion on the accountability system, an amendment, which was proposed by Ms Miriam LAU, deleted everything from my original motion. This was a so-called amendment to my motion. Other Members did not propose any amendments, so as to avoid having arguments with me.

MR LEUNG KWOK-HUNG (in Cantonese): To regulate you.

MR WONG YUK-MAN (in Cantonese): Yes, to regulate me. You are really marvellous and full of literary grace. This is not to amend but to regulate me. In Putonghua, "修理你 (*Putonghua*)" means "to regulate you".

All these amendments simply change a couple of words in the original motion. Is there any profound knowledge and penetrating insight? Some new ideas should be put forth, and this is what an amendment means. Just like the amendment I am going to make to my colleague's, my comrade's motion later, there are some new ideas, "bro". The amendments to this motion have no new ideas at all. They just parrot what others say and repeat others' thoughts. Other Members then speak for seven minutes, giving this and that comment. Some are even concerned about the free flow of information, worrying that there will be telephone tapping. Such comments are totally irrelevant and weird.

As for the mover of this motion, there is no problem about his intention. I will not query Mr LAU Kong-wah's intention. In fact, Hong Kong and Shenzhen have almost become a single entity now. Hong Kong can get advantages from Shenzhen, but Shenzhen can get advantages a hundredfold in return. Let us take a look at the 24-hour operation of boundary control points. Even taxi drivers gather in threes and fours. Those having no business will park their taxis at the Lok Ma Chau or the Huanggang crossings, and take the "yellow bus" to Shenzhen in knots to have entertainment at karaokes, massages or foot spas overnight.

Do you know the amount spent by Hong Kong people in Shenzhen every year? I think the Secretary should have some statistics. In fact, Hong Kong has an unfavourable balance in tourism trade. No matter how many mainland visitors are brought about by the Individual Visit Scheme, the amount spent by Hong Kong people in entertainments, shopping, spas, massages and karaokes in the Mainland can never be offset, not to mention the amount spent by gangs of youngsters who abuse ketamine there. Are you aware of this? Do you know how much money has been spent in Shenzhen? What is the local population in Shenzhen and that from other places? Do you know how many people in Shenzhen are relying on the spending of Hong Kong people? This is basically an unbalanced tourism trade. We should find ways to achieve a balance first before discussing this issue.

Talking about major infrastructures, Shenzhen has everything that Hong Kong has. Hong Kong has an airport, but Shenzhen even has two. As for container terminal, Hong Kong has one and Shenzhen has one, too. Hong Kong is "the city of the LI's family", so is Shenzhen now. Container terminals are built there and everywhere.

Is Shenzhen our competitor or partner? It is necessary for us to sort this premise out. If Shenzhen is merely our competitor, we should have a set of fair rules for the game. Talking about mutual support and mutual benefit, it is easier said than done. But this is only our subjective wish. Frankly speaking, everyone for himself and the devil take the hindmost. Hong Kong is of no exception. If there are advantages, we will seize them all. There is no way we should be at a disadvantage.

Conversely, mainland cities look at Hong Kong the same way. To put it bluntly, they also curse Hong Kong quick failure, so that they can replace us. Mr LAU Kong-wah has said just now that the Central Authorities have planned to develop Shanghai into a financial centre, putting Hong Kong in great fear. But why should we in such a panic? Shanghai is severely inadequate in terms of necessary requirements. There is really no need for us to belittle ourselves unduly. I would like to tell you all that Shanghai at present lacks all the necessary conditions required of an international financial centre. For example, it requires the international community's confidence in its stock market, securities market and financial market, trusting that insider dealings will be kept to a minimum. After all, there are very sophisticated regulatory laws in Hong Kong, which have been accumulated over the past years. Therefore, we should not

belittle ourselves unduly. We can also tell mainland cities that our strength is in our sophisticated legal system, and the financial regulatory system in Hong Kong can serve as a reference for them.

However, the Mainland is a socialist economy whilst Hong Kong is a capitalist economy. They are basically different from each other. The mainland Government can make macroeconomic adjustments to control the market. The Hong Kong Government has also intervened in the market, which is equivalent to controlling the market. Positive non-intervention is just an empty talk. It should intervene if a need arises. At present, the Government even fabricates various excuses, saying that it will play the role of a champion. The meaning is that even the Government neither controls the market nor formulates any policies, it has to be the champion. At least, on the governmental level, at present, officials are paying visits to the Pearl River Delta in an endless stream. Why? It is to seek an opportunity of and room for co-operation so that Hong Kong people can do business more easily. The bottleneck and blind spot of our economy can then be addressed. Otherwise, if we just rely on the real estates industry as our locomotive, we will have to beg sooner or later.

Let us take a look at the shop at a hot spot in Hong Kong. The monthly rental is as high as several hundred thousand dollars now. Even a shop selling fish balls has to pay a monthly rental of more than \$200,000. These economic problems can hardly be tackled. Rentals alone can dictate the ups and downs of the whole economy. When the economic environment is favourable, we will not bother about it as we can make profits. But amid the economic downturn, the high land price policy will deal a fatal blow, adding more miseries to our economy. Therefore, I think Mr LAU Kong-wah's motion is quite inspiring to us, right? We should not just make empty talks, but have to examine and investigate seriously. Otherwise, we should be deprived of the right to speak. This is what Chairman MAO said.

What makes me most resentful is that some amendments just change a couple of words in the original motion, "bro". These amendments basically agree to everything in Mr LAU Kong-wah's original motion. However, these Members are entitled to a speaking time of three more minutes. I have spoken for seven minutes now. Is it a disgrace?

My speaking time is up. Thank you, President.

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr LAU Kong-wah, you may now speak on the amendments. You may speak up to five minutes.

MR LAU KONG-WAH (in Cantonese): President, nine Members have proposed amendments to my motion today. This not only demonstrates the importance of this agenda item, but also the many Members' intention to make additions. Mr WONG Yuk-man described the amendments as "changing a couple of words", but these couple of words can be very important. It is fine with me.

First of all, I want to respond to the proposition by Mr WONG Yuk-man: Are Hong Kong and Shenzhen competitors or partners? I can say that there is competition but also co-operation. However, if we merely focus on competition to the neglect of co-operation, Hong Kong will have no future either.

Mr WONG Kwok-hing just now said that the motion seemed to have made no mention of employment. But if Mr WONG thinks deeper, the implementation of all these proposals will definitely create employment opportunities. Let me cite an example

PRESIDENT (in Cantonese): Mr LAU, you should be speaking on the amendments.*(Laughter)*

MR LAU KONG-WAH (in Cantonese): They are very similar.*(Laughter)* Well, fine, Members will be well aware of the importance of employment after listening to my speech. Mrs Regina IP's amendment has given a detailed account of technology, research and production, to which I also agree. It is not necessary to mechanically assign "Hong Kong to be responsible for research and development while they will be responsible for production". The path is still appropriate if it is the other way round.

Mr Tommy CHEUNG's amendment has only added something about the health care industries, which I certainly agree with.

As Mr Andrew LEUNG is very well-versed with the situation of the Mainland, additions have been made in respect of the co-operation in domestic sales, which I also consider of vital importance.

We nonetheless cannot support Mr Albert HO's amendment. No doubt, we support the proposals on bilateral exchanges between the two places and communication with Members. However, it is only after today's discussion that I have found many Members not very familiar with the situation of the Mainland. This would probably give rise to a lot of concerns and worries, and unnecessary panic too. It is therefore very importance for the two places to have bilateral exchanges.

Concerning Mr Albert HO's proposed bilateral exchanges on the development of the local government there (particularly the development of the system), I have a very strong impression that Members of this Council, especially colleagues from the Democratic Party, once said that mainland officials expressing views on Hong Kong's systems could be considered as intervention. It should be the same vice versa. I therefore believe no double standard should be allowed. For this reason, we cannot support this point.

As for Ms Cyd HO's amendment, I actually consider my motion pretty appropriate, but Ms Cyd HO is probably one step ahead of me. Right at the beginning of her speech, she mentioned the merging of the two cities. President, I have never thought of a merger between the two cities. This is what I heard very clearly and she may make an elucidation. The verbatim transcripts should also have record of this. Of course, she might not be suggesting a merger, but in my opinion, it is important for the two cities to co-operate. And yet, this is not the key point. Ms Cyd HO has deleted the sentence which I consider very important, and that is, "and Hong Kong should also grasp the opportunity, change its mindset". It is necessary to grasp the opportunity because we are now running out of time. As the Outline and the Programme will only be valid until 2020, we may not be able to keep up with the situation if no concrete and pragmatic actions are being taken to enhance the co-operation between Shenzhen and Hong Kong in the next few years.

We agree with Mr Ronny TONG's amendment, and it is hoped that he will also support us in respect of the legal support. He pinpointed at our proposal to study on the merger, but what we proposed is nothing but a study. He cannot rule out the possibility that time will be ripe when Renminbi becomes freely convertible in the long run. After all, I still hope that Members will support this study.

President, in this debate, with the exception of some divergent views, Members do share a common wish to get a chance of co-operation, with a view to yielding certain benefits for Hong Kong.

Thank you, President.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, more than 20 Honourable Members have spoken during this motion debate and there are nine amendments covering at least eight to 10 policy areas. I will try my best to give a concise response but I believe that it may take a bit longer.

Hong Kong is a blessed place. In the late 1970s when the property prices and salaries in Hong Kong surged and the costs of our manufacturing industry became relatively high, the Mainland was implementing "four modernizations" and the policies of reform and opening up to the outside world. As such, in the past 30 years, Hong Kong managed to participate actively in the industrialization of the coastal regions of the Mainland. Nowadays, the industrialization process has basically been completed, and the Guangdong Province and other similar provinces precisely need to optimize their secondary industries and develop their tertiary industries, which brings Hong Kong another new opportunity.

This new opportunity allows us to develop our service sector on the Mainland. The direction of the central policy has been explicitly expressed through the CEPA or the Outline of the Plan for the Reform and Development of the Pearl River Delta (The Outline). The provincial and municipal governments have reacted very proactively and the Shenzhen Municipal Government has prepared a guideline document on its level. Therefore, in connection with the further development of Shenzhen-Hong Kong and Guangdong-Hong Kong co-operations, the interests of Hong Kong coincide with those of the provincial

and municipal governments on the Mainland, so do the interests of the communities, enterprises and people in both places.

So, in response to Mr WONG Yuk-man who has asked if we are partners for co-operation or competitors, my answer is that both elements are present. Since the end of the Second World War, especially in the past few decades, Hong Kong has been successful for we are not afraid of competitions. Competitions can have complementary functions and they can also bring us new opportunities. We precisely must grasp the opportunity to strongly develop our service sector on the Mainland.

In response to Mr CHAN Kam-lam's remarks, among various service industries, the financial industry is of paramount importance. We should continue with our development as international trade, shipping and financial centres. We recognize and attach importance to these three areas, but the most important of all is our status as a financial centre.

Mr Albert CHAN is very concerned about the division of labour within the Government. I can tell Honourable Members that the Chief Secretary for Administration's Office has decided today that I should respond to this motion debate on behalf of the SAR Government because mainland affairs are under the charge of the colleagues in my Bureau and I.

First of all, I would like to discuss with Honourable Members our work in respect of major infrastructure. Prof Patrick LAU is highly concerned about our future plans, and Mr Andrew LEUNG has especially mentioned the development of railway transport between Shenzhen and Hong Kong. Recently, we have attended meetings in the PRD and the Pan-PRD Region, and we have noticed that the Mainland has attached great importance to the development of their railway networks. Hong Kong has also driven the relevant development in this aspect. We hope that the Guangzhou-Shenzhen-Hong Kong Express Rail Link could be commissioned by the late 2009. After the completion of the rail link, it only takes 48 minutes to travel from West Kowloon to Guangzhou, five hours to Wuhan, eight hours to Shanghai and 10 hours to Beijing. We are also pushing forward the construction of an airport rail link between Hong Kong and Shenzhen. The relevant study has basically been completed and further assessments are underway.

We will also give impetus to control point development. We are developing a new control point in Liantang to better connect Hong Kong, Fujian and East Guangdong. Control point development is very important to us because a well developed and managed control point is essential to the people, cargo, capital and information flows at "the First Gateway in the World". Thus, the Immigration Department will engage in flexible manpower deployment. At present, the newly-opened Shenzhen Bay Control Point and the Lok Ma Chau Control Point have respective utilization rates of 44 000 and 62 000 man-times on a weekday, and these control points have been performing very important functions all along.

Honourable Members are very much concerned about how we would assist Hong Kong businessmen and whether more offices could be established on the Mainland. The Hong Kong Economic and Trade Office in Guangdong (GDETO) of the SAR Government issues a GDETO Newsletter every Friday, giving Hong Kong businessmen information about doing business and investing on the Mainland. For a certain period of time in the past, we also discussed with the Central Authorities and various provincial and municipal governments how to help Hong Kong businessmen and Hong Kong-invested enterprises develop the domestic sales market. The Hong Kong Trade Development Council (HKTDC) has also organized exhibition activities in various mainland cities, assisting Hong Kong enterprises in facing mainland consumers, enhancing brand-names and popularity, as well as testing the market response to products. We just held the HKTDC Style Hong Kong Show in Wuhan in May with a good response. There were more than 300 000 visitors and almost 300 Hong Kong brands were exhibited. This is one of the examples.

Mr LAU Kong-wah suggests setting up an integrated office on Hong Kong-Shenzhen opportunities. Hong Kong needs to expand its hinterland and its market in the PRD. Therefore, beginning from 2002, Invest Hong Kong organized more than 50 events with 10 provinces and municipalities in the Greater PRD and 39 cities all over the world, as well as contacted some 20 000 local enterprise representatives. We have conducted 13 joint overseas visits with the Shenzhen authorities, and most recently, a promotional session on financial services was held in New York in the United States on 1 June.

We will certainly grasp opportunities and we will also consider how to strengthen our establishment and manpower deployment in order to grasp these investment opportunities and promote our business development.

Mr Tommy CHEUNG has particularly asked if we will establish a Hong Kong Economic and Trade Office in Shenzhen. Currently, we have a total of four offices in Beijing, Shanghai, Guangzhou and Chengdu. We will work hard in the optimum utilization of the existing resources, and we will consider the establishment of additional offices in light of how things develop and the demands for services. As to whether an office will be established in Shenzhen, we will only figure that out in the future.

I would also like to discuss with Honourable Members the development of the CEPA. Supplement VI to the CEPA signed between the Mainland and Hong Kong in May 2009 introduces 29 new liberalization measures, including the early and pilot implementation of eight measures in Guangdong and one in Shenzhen, and the relevant measures will be implemented on 1 October.

Mr Paul CHAN is particularly concerned about whether accounting, engineering and survey services, and so on, can be further developed on the Mainland. I can tell Mr CHAN and Honourable Members that the SAR Government attaches great importance to the continuous business development of various service industries and professional services on the Mainland. We will continue to fight for that.

In respect of culture and innovation, one of the most important tasks of the newly-established Dedicated Office for Creative Industries is the development of the mainland market. Therefore, beginning from July 2009, the HKTDC will host a series of talks and exhibitions in five cities in the Guangdong Province, that is, Shenzhen, Guangzhou, Dongguan, Foshan and Zhongshan.

In the areas of culture and arts, the Department of Culture Guangdong Province, the Cultural Affairs Bureau of the Macao SAR Government and the Hong Kong SAR Government have signed the "2009-2013 Greater Pearl River Delta Cultural Exchange and Co-operation Development Plan".

Technological co-operation is an issue that Mrs Regina IP is highly concerned about. I can especially tell Honourable Members that we have formulated the action plans for the Shenzhen/Hong Kong Innovation Circle for the next three years. Joint efforts will be made by the relevant government departments, universities, scientific research institutions and non-government organizations.

An Honourable Member has expressed particular concern about whether the costs of telephone roaming services could be reduced in the course of urban integration on the Mainland. To fight for market shares, local telecommunications operators have indeed proactively provided clients with preferential roaming packages. Quite a few telecommunications operators have also introduced services similar to the conventional roaming services, for example, One Card Two Numbers and International Call Forward services. Given time, I believe that there would be closer co-operation between Hong Kong and mainland telecommunications industries.

Mr Tommy CHEUNG has discussed medical co-operation in particular. Under Supplement V to the CEPA, Hong Kong professional medical personnel can set up out-patient clinics in Guangdong Province in sole proprietorship, joint venture or co-operative mode. There will be no restriction on the minimum investment total for the setting up of out-patient clinics. Moreover, as the provincial health administrative department will be directly responsible for the vetting and approval of these applications, the processes would be much faster.

Concerning financial services, I would like to especially say that, under Supplement VI to the CEPA, there is going to be an exemption arrangement for some papers in the Mainland's Certified Tax Agent qualification examination, which will help Hong Kong accountants acquire the mainland professional qualifications.

In Supplement VI to the CEPA, the early and pilot implementation in the Guangdong Province allows, for example, the banking industry to set up "cross-location" sub-branches, and the securities industry to set up joint venture securities investment advisory companies. We will actively push forward these projects.

In particular, Mr Paul CHAN has said that we should continue to explore new opportunities and markets for our insurance industry. Certainly, we will continue to make efforts in this connection.

Honourable Members have expressed a lot of views on whether further co-operation between the stock exchanges in both places would be feasible. Although the Hong Kong and mainland stock exchanges share common interests, and co-operation would be enhanced, in light of the "one country, two systems" principle and the widely different market structure and orientation of Hong Kong and the Mainland, and the restrictions on the free conversion of Renminbi at present, this is not an ideal time for the merger between the Hong Kong and Shenzhen stock exchanges. Nonetheless, under this general principle, we will still go in quest of further co-operation.

Honourable Members have also referred to the Octopus cards, and I can tell Honourable Members that Shenzhen has already installed 30 Octopus card readers to allow Hong Kong residents to spend money in Shenzhen using Octopus cards. There are 36 000 such spending transactions in the first quarter of 2009.

As regards the interconnection and intercommunication of Shenzhen Tong and Octopus, there are still many technical and commercial issues (for example, in connection with system standards) to be addressed by us.

Next, I would like to talk about environmental protection.

Under the Outline, we will establish together the Quality Living Circle of the Green Greater Pearl River Delta. In this regard, I would like to talk about a few measures that have recently been implemented by our environmental protection department, for example, preventive measures such as implementing the Shenzhen Bay Water Pollution Control Joint Implementation Programme and the Mirs Bay Water Quality Regional Control Strategy; launching the Joint Study on the Shenzhen River Polluted Sediment Regulation Strategy; and pushing forward the Pearl River Delta Regional Air Quality Management Plan.

I would also like to tell Honourable Members that the Hong Kong SAR Government and the Shenzhen Municipal Government pushed forward in May 2008 the setting up of a solar energy research and industrial platform in collaboration with DuPont. This is an important project marking the way

forward to continue to promote the development of environmental protection and the relevant industries on the Mainland.

Today, quite a few Honourable Members have touched upon the Qianhai zone in Shenzhen. Indeed, we realize that the Qianhai zone offers an important development opportunity, which includes high and new-technology industries and high-end service industries. It will also become a transportation hub connecting the inter-city railway network, city railway network, and regular public transport and taxi services.

As such, the SAR Government plans to construct a Hong Kong-Shenzhen Airport Rail Link station at Qianhai in order to increase passenger volume. We will also continue to discuss with the Shenzhen authorities the customs clearance arrangements at Qianhai, including the baggage check-in arrangement. Furthermore, the Hong Kong SAR Government will examine with the Shenzhen authorities how to make good use of Qianhai to put into effect and push forward its development into a modern service sector demonstration zone.

Today, Honourable Members have also touched upon the Lok Ma Chau Loop. About the development of the Loop, the basic direction is the development of tertiary education, complemented by hi-tech research and development, and cultural creative industries. At present, we have received the proposals submitted by a few universities on the development of the Loop.

Regarding universities, the Outline supports the development of education services in the PRD by Hong Kong and Macao quality brand name tertiary institutions. But, one of the considerations is whether these education institutions can engage in the independent operation of these institutions on the Mainland. In this respect, the Government needs to continue to have discussions with the Central Authorities and the provincial units.

In conclusion, I want to respond further to the views of a few Honourable Members. Mr Albert HO has especially expressed his hope that regular exchanges could be conducted with Shenzhen Municipal Government officials in future. President, you must be well aware of that because you led a visit by the Members of two Panels to the Guangdong Province in May; and Honourable Members also visited the Sichuan Province in July 2008. Such exchanges really help promote understanding and push forward co-operation between the two

places. Yet, such exchanges should not necessarily be conducted on a regular basis. Generally speaking, we will continue to push forward the relevant process.

Ms Cyd HO attaches high importance to the transparency of co-operation between Shenzhen and Hong Kong and with the Mainland. I can tell Ms Cyd HO and Honourable Members that, when the Government handles mainland affairs, be it Guangdong-Hong Kong co-operation, Shenzhen-Hong Kong co-operation or Pan-PRD co-operation, there is high transparency in these regional co-operation efforts. As many of the tasks involve social, economic and livelihood policies and we really need the active participation of enterprises and different groups in our society, transparency is a must. It is an important element that enables the relevant tasks to be performed at the same pace.

Mr Ronny TONG and Dr Margaret NG have particularly emphasized the importance of the rule of law. Mr Ronny TONG has stressed that, when Hong Kong-invested enterprises and Hong Kong people encounter difficulties on the Mainland, the Government should give them legal assistance. For all assistance-seeking cases that involve Hong Kong enterprises, Hong Kong groups and Hong Kong people, the Constitutional and Mainland Affairs Bureau and the four mainland offices of the Government will proactively follow up the cases.

It is also our great pleasure to have a chance to co-operate with the Hong Kong Federation of Trade Unions in Guangdong. We have provided them with some resources to facilitate their provision of legal advice. This is a good start and we look forward to continuous development in this respect in the future. Nonetheless, the basic principle is that the legal aid services in Hong Kong will not be developed on the Mainland. But I can tell Dr Margaret NG and Honourable Members that, under "one country, two systems", enhanced economic co-operation, and integration of the two places in terms of services and markets are feasible. Yet, the basic principle of "one country, two systems", as well as the basic policy target of the Central Authorities on the establishment of a SAR in Hong Kong will not be changed.

During the past 12 years, we noticed an important fact, that is, Hong Kong and the Mainland have gradually been detached from their mindsets before the reunification in 1997. Before, the mindsets of some were that, to the north of the Shenzhen River — as Prof Patrick LAU just said — there was nothing to do with Hong Kong. It was because our mindsets wanted to protect a "high degree

of autonomy" in Hong Kong, and Hong Kong itself should determine how to make its own development plans. Thus, it would be best if the two sides had nothing to do with each another in terms of these long-term plans. However, our experience in these 10 to 12 years tells us that Hong Kong can get closer to the Mainland. We can co-operate in a greater number of areas and we can be involved in significant policies such as the CEPA and the Outline. Within the framework of these significant policies, enhanced co-operation with ministries and committees of the Central Authorities, as well as provincial and municipal governments on the Mainland can actually strengthen the arrangements of "one country, two systems", "a high degree of autonomy" and "Hong Kong people ruling Hong Kong" in Hong Kong. It is because these arrangements have given Hong Kong new room for further development. Besides participating in the industrialization process of the Mainland, our current participation has reached a higher level. The development of the service industries precisely relies on these significant policies, our efforts to understand the development of the Mainland, and the SAR Government's efforts to establish main channels for these policies with the Central, provincial and municipal governments. This would create a favourable environment for the development of Hong Kong enterprises, professionals and individual entrepreneurs on the Mainland.

Hence, my response to Honourable Members is that, we should not erroneously understand these policies that are favourable to Hong Kong and regard them as "pessimistic" policies. Actually, these are very proactive policies and development opportunities that are very helpful to Hong Kong. At present, we should get well prepared for participating in the second 30-year development of the reform and opening up of the Mainland. The co-operation between Shenzhen and Hong Kong that we discuss today is actually very crucial and the time is right because the Outline has been announced, and the Central, provincial and municipal governments are ready to welcome our further commitment to the relevant development and tasks. We should make good use of this opportunity to further develop our market of over 7 million people. We should first enter the Greater PRD market of some 50 million people, and then develop the Pan-PRD market of over 400 million people. Although Shenzhen is a river away from Hong Kong, it serves as an important base for our further penetration into the mainland market.

I so submit, President. Thank you.

PRESIDENT (in Cantonese): I now call upon Mrs Regina IP to move her amendment to the motion.

MRS REGINA IP (in Cantonese): President, I move that Mr LAU Kong-wah's motion be amended.

Mrs Regina IP moved the following amendment: (Translation)

"To delete "under" after "That," and substitute with "as the competitive edge of the traditional economic pillars is on the wane, and in the face of"; to delete "Shenzhen" after "discussion with" and substitute with "cities in the Pearl River Delta, in particular Shenzhen,"; and to add ", and strive for enhanced co-operation in the fields of science and technology as well as discussions on division of labour and strategic partnering relationship" after "co-operative relationship with Shenzhen"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mrs Regina IP to Mr LAU Kong-wah's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Just as Members have been informed by the Secretariat, as Mrs Regina IP's amendment has been passed, Mr Albert HO has withdrawn his amendment and so Dr Margaret NG may not move her amendment to Mr Albert HO's amendment.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, as Mrs Regina IP's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you may speak up to three minutes to explain the revised terms in your amendment. You may now move your revised amendment.

MR TOMMY CHEUNG (in Cantonese): President, I move that Mr LAU Kong-wah's motion as amended by Mrs Regina IP be further amended by my revised amendment. President, I do not think I need to say much about it. I just want to retain the amendments that I have made and incorporate them into the motion again.

Mr Tommy CHEUNG moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To add "or further enhancing their co-operation" after "stock exchanges in Hong Kong and Shenzhen"; to delete "and" after "water quality in Shenzhen and Hong Kong,"; to add ", and expeditiously reach related co-operation agreements" after "develop green and environmental industries"; to add "(j) collaborate with Shenzhen in developing healthcare industries, and assist Hong Kong's healthcare institutions in further expanding their businesses in Shenzhen;" after "branch campuses in Shenzhen;"; to delete the original "(j)" and substitute with "(k)"; to delete the original "(k)" and substitute with "(l)"; to delete "and" after "Hong Kong-Shenzhen river-loop area;"; to delete the original "(l)" and substitute with "(m)"; and to add "; (n) set up an office in Shenzhen to enhance the assistance provided to Hong Kong people in handling various issues concerning their work or daily life in Shenzhen, such as disputes in operating business, law and order, etc; (o) discuss with the Shenzhen Municipal Government the abolition of all restrictions imposed on the

purchase of local real estate by Hong Kong people, so as to facilitate Hong Kong people to start business in Shenzhen and promote co-development of both places; and (p) discuss with the Shenzhen Municipal Government the opening up of the provision of training for local service industries to Hong Kong's training institutions, so as to achieve a win-win situation" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Tommy CHEUNG's amendment to Mr LAU Kong-wah's motion as amended by Mrs Regina IP be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr James TO rose to claim a division.

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

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

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

Functional Constituencies:

Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHIM Pui-chung, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou and Dr Samson TAM voted for the amendment.

Dr Raymond HO, Dr Margaret NG, Mr CHEUNG Man-kwong and Prof Patrick LAU voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Dr Priscilla LEUNG and Mr WONG Sing-chi voted against the amendment.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 17 were in favour of the amendment and four against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, nine were in favour of the amendment, 15 against it and three abstained. 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 negated.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Promoting cooperation between Hong Kong and Shenzhen" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Promoting cooperation between Hong Kong and Shenzhen" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Andrew LEUNG, as Mrs Regina IP's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you may speak up to three minutes to explain the revised terms in your amendment. You may now move your revised amendment.

MR ANDREW LEUNG (in Cantonese): President, I move that Mr LAU Kong-wah's motion as amended by Mrs Regina IP be further amended by my revised amendment.

My further amendment has actually incorporated some of proposals in my original amendment, particularly those on the implementation of multi-modal transportation and seamless connections at the Qianhai station in Shenzhen, and the setting up of an exclusive distribution centre for the products of Hong Kong enterprises in Shenzhen.

Mr Andrew LEUNG moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To delete "study the feasibility of setting" after "Hong Kong-Shenzhen co-operation mechanism, and" and substitute with "expeditiously set"; to add "to formulate publicity strategies to promote to the world Hong Kong's opportunities for co-operation with Shenzhen and the Pearl River Delta, so as to attract more investments and talents" after "an integrated office on Hong Kong-Shenzhen opportunities"; to delete "(d) formulate publicity strategies to promote to the world Hong Kong's opportunities for co-operation with Shenzhen and the Pearl River Delta, so as to attract more investments and talents; (e) discuss with Shenzhen the joint planning and development of the Qianhai zone in Shenzhen, and explore the feasibility of Hong Kong and Shenzhen jointly operating businesses in the Qianhai co-operation zone;" and substitute with "(d) on the premise of supporting the development of the Hong Kong-Shenzhen Airport Rail, convey to the Shenzhen authorities that multi-modal transportation and seamless connections should be implemented at the Qianhai station for interchanging with various transportation modes outside the station, and central Qianhai in Shenzhen should be promoted as a carrier for enhancing co-operation with Hong Kong's service industries as well as

new and high technology industries, etc."; to delete the original "(f)" and substitute with "(e)"; to delete the original "(g)" and substitute with "(f)"; to delete the original "(h)" and substitute with "(g)"; to delete the original "(i)" and substitute with "(h)"; to add "and vocational training institutions" after "Hong Kong's tertiary institutions"; to delete the original "(j)" and substitute with "(i)"; to delete the original "(k)" and substitute with "(j)"; to delete "implement various development proposals in the Hong Kong-Shenzhen river-loop area; and" after "expeditiously" and substitute with "finalize the use of the Hong Kong-Shenzhen river-loop area, conduct assessment on its cost-effectiveness, commence feasibility study, and expeditiously publish the report and extensively consult the public"; to delete the original "(l)" and substitute with "(k)"; and to add "; and (l) take the initiative to set up in Shenzhen an exclusive distribution centre for the products of Hong Kong enterprises and at the same time establish connection with the procurement networks on the Mainland to attract practitioners in various sectors to visit the centre to conduct business negotiations, build up distribution channels and further radiate out to the whole country" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Andrew LEUNG's amendment to Mr LAU Kong-wah's motion as amended by Mrs Regina IP be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr James TO rose to claim a division.

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

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

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

Functional Constituencies:

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

Dr Margaret NG and Mr CHEUNG Man-kwong voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted against the amendment.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 10 were in favour of the amendment, 14 against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Cyd HO, as Mrs Regina IP's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you may speak up to three minutes to explain the revised terms in your amendment. You may now move your revised amendment.

MS CYD HO (in Cantonese): President, I move that Mr LAU Kong-wah's motion as amended by Mrs Regina IP be further amended by my revised amendment.

Ms Cyd HO moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To add "; and (m) take the initiative to participate in the planning, enhance transparency, inform the public of the plans and implementation timetable, etc, and conduct extensive consultation to engage the whole community in deciding the plans for the integration of the two cities" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO's amendment to Mr LAU Kong-wah's motion as amended by Mrs Regina IP be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Fred LI rose to claim a division.

PRESIDENT (in Cantonese): Mr Fred LI has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Ms LI Fung-ying and Dr Joseph LEE voted for the amendment.

Dr Raymond HO, Dr Margaret NG, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHIM Pui-chung, Prof Patrick LAU, Mr Paul CHAN and Mr IP Kwok-him voted against the amendment.

Mr LAU Wong-fat, Mr CHAN Kin-por, Mr IP Wai-ming, Dr PAN Pey-chyou and Dr Samson TAM abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Frederick FUNG and Ms Cyd HO voted for the amendment.

Mr Albert HO, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Mr LAU Kong-wah, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr WONG Sing-chi and Mrs Regina IP voted against the amendment.

Mr Albert CHAN, Mr WONG Kwok-hing, Mr LEUNG Kwok-hung, Mr WONG Kwok-kin and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, two were in favour of the amendment, 14 against it and five abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, three were in favour of the amendment, 19 against it and five abstained. 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 Ronny TONG rose)

PRESIDENT (in Cantonese): Mr Ronny TONG, are you going to move your amendment?

MR RONNY TONG (in Cantonese): President, when I spoke earlier on, I have expressed the Civic Party's strong reservation about the proposed merging of the stock exchanges in Hong Kong and Shenzhen in the original motion.

President, after listening to the speeches made by other Members and the Secretary, we find it very hard to support the original motion. I understand Mr LAU Kong-wah's explanation that it is just a study, but I think that even a study might convey a wrong message that would affect Hong Kong's position as an international financial centre. Therefore, President, please allow me to withdraw my amendment. I am not going to move my amendment.

PRESIDENT (in Cantonese): Mr Ronny TONG has withdrawn his amendment.

PRESIDENT (in Cantonese): Mr Paul CHAN, as the amendment by Mrs Regina IP has been passed, you may move your further amendment.

MR PAUL CHAN (in Cantonese): President, I move that Mr LAU Kong-wah's motion as amended by Mrs Regina IP be further amended by my revised amendment. As the relevant detail has already been circularized to Members by the Secretariat, I am not going to repeat it.

PRESIDENT (in Cantonese): Mr Paul CHAN, since only Mrs Regina IP's amendment has been passed, you do not have to revise your amendment. You only need to move your amendment.

MR PAUL CHAN (in Cantonese): President, I move my amendment.

Mr Paul CHAN moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To delete "20" after "market entry for the services in" and substitute with "different"; to delete "Supplement VI" after "areas covered in" and substitute with "the various Supplements"; and to add "accounting, engineering, surveying," after "healthcare,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Paul CHAN's amendment to Mr LAU Kong-wah's motion as amended by Mrs Regina IP be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Ronny TONG rose to claim a division.

PRESIDENT (in Cantonese): Mr Ronny TONG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

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

Dr Margaret NG and Mr CHEUNG Man-kwong voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted against the amendment.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 10 were in favour of the amendment, 14 against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr CHAN Kin-por, as the amendment by Mrs Regina IP has been passed, you may move your further amendment.

MR CHAN KIN-POR (in Cantonese): President, I move that Mr LAU Kong-wah's motion as amended by Mrs Regina IP be further amended.

Mr CHAN Kin-por moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To add "(h) assist Hong Kong's insurance industry to develop in Shenzhen under the policy of operating at an early stage and on a pilot basis, promote co-operation between the insurance industries of both places to jointly develop the Mainland's insurance market which has exceptional potential, so that the insurance sector of Hong Kong can bring their

profound experience to the Mainland and contribute to the realization of financial innovation in the Pearl River Delta region;" after "public utilities, etc."; to delete the original "(h)" and substitute with "(i)"; to delete "raise the air and water quality in Shenzhen and Hong Kong, and" after "environmental cities with Shenzhen,"; to add ", and enhance co-operation between the environmental protection departments of Hong Kong and Shenzhen, so as to improve cross-boundary pollution" after "develop green and environmental industries"; to delete the original "(i)" and substitute with "(j)"; to delete the original "(j)" and substitute with "(k)"; to delete the original "(k)" and substitute with "(l)"; and to delete the original "(l)" and substitute with "(m)"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr CHAN Kin-por's amendment to Mr LAU Kong-wah's motion as amended by Mrs Regina IP be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Fred LI rose to claim a division.

PRESIDENT (in Cantonese): Mr Fred LI has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

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

Dr Margaret NG and Mr CHEUNG Man-kwong voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted against the amendment.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 10 were in favour of the amendment, 14

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

PRESIDENT (in Cantonese): Mr LAU Kong-wah, you may now reply and you have one minute 42 seconds. This debate will come to a close after Mr LAU Kong-wah has replied.

MR LAU KONG-WAH (in Cantonese): President, there are two motion debates today, one about the economy and another about politics. Though Honourable colleagues may have different views on the two motions, they are very important. The political or economic agenda for Hong Kong in the next 20 years, and the implementation of dual elections by universal suffrage and the co-operation of the two cities are oriented towards the long-term interests of Hong Kong. Both motions are under the charge of Secretary LAM, and whether both of them would work out or not depends on how capable Secretary LAM is.

When Honourable Members have mentioned the co-operation of the two places just now, they have pointed out that this may undermine "one country, two systems" or the status of Hong Kong as a world city. However, I think these comments are incompatible with the present needs and lagging behind the situation. As I have just said, there is co-operation as well as competition between Shenzhen and Hong Kong. But, it is unpromising if we only talk about competition but not co-operation. The remark also applies to the relationship among Honourable Members of this Council, that is, there is competition as well as co-operation among us. If Honourable Members have divergent views in respect of Shenzhen-Hong Kong co-operation, we might as well forget about them. Yet, if there are common directions and intentions to find a way out for Hong Kong and work for the well-being of Hong Kong, I hope Honourable colleagues would work together and make joint efforts for a better Hong Kong and a stronger economy. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Kong-wah, as amended by Mrs Regina IP, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHIM Pui-chung, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou and Dr Samson TAM voted for the motion as amended.

Dr Margaret NG and Mr CHEUNG Man-kwong voted against the motion as amended.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 for the motion as amended.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted against the motion as amended.

Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr WONG Yuk-man abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 19 were in favour of the motion as amended and two against it; while among the Members returned by geographical constituencies through direct elections, 28 were present, 10 were in favour of the motion as amended, 14 against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion as amended was negatived.

PRESIDENT (in Cantonese): Second motion: Proposal on the constitutional reform in Hong Kong.

PRESIDENT (in Cantonese): Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mr LEUNG Kwok-hung to speak and move his motion.

PROPOSAL ON THE CONSTITUTIONAL REFORM IN HONG KONG

MR LEUNG KWOK-HUNG (in Cantonese): President, this is actually my second time to propose a motion debate on universal suffrage or referendum in the Legislative Council. I proposed a referendum bill in 2005, but unfortunately, it was rejected after the then President Mrs Rita FAN submitted it to the Government. It is indeed a very meaningful move for me to propose this motion again today because I am aware that by the end of this year, Donald TSANG's Government will conduct another bogus consultation and survey in an attempt to pass fish eyes for pearls.

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

Here, I will first say a few words on the sculpture behind me, which was made by Mr Jens GALSCHIOT. The Fragment of Democracy, is this not a fragment of democracy? What is so unfair about the system implemented in the Legislative Council? Deputy President, no one other than the 60 people here has the right to select the Chief Executive, including Secretary Stephen LAM. He can also be regarded as a second-class citizen, right? And yet, this is the system that he safeguards, is this not unbelievable? Staff providing support to us, doing interpretation, preparing for the meetings and sitting by our sides do not have the right to vote either. If such a system is not rotten, what is it then? Audience watching the meeting in this Chamber also does not have the right to vote for the Chief Executive. We have 30 seats here returned through a coterie election by shying away in the name of functional constituencies.

Mr LAU Kong-wah just now asked: Will both of the motions work out or not? I want to tell him that, not only did Hong Kong people lose their fundamental rights as a result of colonial rule by the British Government, but they also failed to exercise their rights after a change of sovereignty following the reunification. What is more shameful is that our so-called Central Government, that is, the Chinese Communist Government, has exhausted every possible means to postpone the realization of the principle of a high degree of autonomy which it has promised Hong Kong people, and to put off dual universal suffrage to an indefinite future.

Why do I propose referendum? Because I want to prove that what some people like Secretary Stephen LAM — we call "Eunuch LAM" the "human tape-recorder" — said is fallacious. There is no need for the SAR Government to exceed its functions by asking what Hong Kong people want. We want Hong Kong people to decide on the need for dual universal suffrage on a "one-person-one-vote" basis. This is the fundamental right which all citizens of a civilized society are entitled to. Creating obstruction to my referendum bill is actually causing an obstruction to the realization of such a right.

Concerning the details of referendum, I am not going to talk about it as our party chairman WONG Yuk-man will elaborate when he proposes his amendment later on. In fact, I would like to take this opportunity to say something about GAO Zhicheng — Oh, why did he go out? He left once he heard the name GAO Zhicheng. GAO Zhicheng, who is a lawyer, is an example of how an ordinary person or a lawyer was being persecuted in a society with no democracy. He was imprisoned by the Chinese Communist Government merely because he instituted prosecution for a member of the public, and was arrested in secret and tortured during his probation. When his probation period expired on 26 April this year, he again disappeared. Let us take a look at the two lawyers sitting in front of me. They are safe and sound here. But their mainland counterparts are being inhumanely persecuted. This case demonstrates that if a government does not implement democracy, human rights will definitely not be protected. Lesser democracy means lesser protection of human rights. Therefore, the issue under discussion today does not only concern the absence of the right to choose a government, but also freedom from fear.

Honourable Members, I know that many people may refute that I am unrealistic. During the election, Mr LAU Kong-wah of the DAB said that the Central Government's promise would be honoured, and they would follow it because it listened to Hong Kong people's views. However, Mr LAU Kong-wah has made a basic logical mistake. Since the Chinese Communist Government is not elected by the Chinese nationals, it therefore cannot represent them. Similarly, the SAR Government which it has appointed and manipulated also cannot represent Hong Kong people. The regime that they are following cannot represent Hong Kong people because it is indeed the government that has obtained its power by suppressing its people.

For the sake of harmony, I propose to vote on a "one-person-one-vote" basis. Should Hong Kong people decide not to have dual universal suffrage in

2012 by "one person, one vote", it would be more than justified for the SAR Government to formally announce that, as Hong Kong people have voted against the implementation of dual universal suffrage in 2012, it will be unnecessary for the Central Authorities to exceed their functions or for QIAO Xiaoyang to come here to interpret the law.

I wish to ask — not Secretary LAM because he is not qualified — HU Jintao if he still attaches importance to the undertakings made by MAO Zedong at that time, that is, what is most lacking in China is democracy.

Honourable Members, what is meant by coterie election? This is it, "Hulk", an election of "one's own buddies". This is what I saw, which is the same thing I saw when Alan LEONG and Donald TSANG ran for the election. 800 so-called "one's own buddies" went to vote, bringing with them the "pig's heads". This system is worse than pigs and dogs.

Today, I propose this motion debate. I remember that last time I broke Please back off. I broke the *Animal Farm* Dr Margaret NG, you need not be afraid because I will do it gently. I will hold my anger for the sake of your safety. I am breaking this pig How come it is unbreakable? I am hitting it again. I have made it. I know that I am a bit too reckless, but I must say something for lawyers who have suffered, like GAO Zhicheng, and tens of thousands of people whose rights have been deprived of. I hope that in the future, I will not have to hold this welcome pig model again when I speak. That is all I have to say now for I need to save some time to answer back others' accusations against me. So, I am going to stop right here.

Mr LEUNG Kwok-hung moved the following motion: (Translation)

"That this Council urges the Government to enact legislation on referendum and conduct a referendum on the proposal on constitutional reform in Hong Kong, so as to realize the principle of a high degree of autonomy for Hong Kong people, allow Hong Kong people to decide on the selection of the Chief Executive and the election of all Legislative Council Members by universal suffrage in 2012, fully comply with the relevant requirements of the International Covenant on Civil and Political Rights of the United Nations, and return the political power to the people."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEUNG Kwok-hung's motion be passed.

DEPUTY PRESIDENT (in Cantonese): Two Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the two amendments.

I will call upon Ms Cyd HO to speak first, to be followed by Mr WONG Yuk-man; but no amendments are to be moved at this stage.

MS CYD HO (in Cantonese): Deputy President, today I fully support the motion moved by Mr LEUNG Kwok-hung and the amendment proposed by the League of Social Democrats. My amendment is just a friendly one aiming to take this opportunity to further elaborate direct democracy and referendum.

Referendum is a process that manifests direct democracy. It is also an essential process in a democratic society and a right to which people are entitled. And yet, Beijing is very sensitive about referendum, which is always regarded as a struggle for independence. The reason is not complicated at all. Referendums are held in Taiwan and some referendum agendas do relate to Taiwan's unification and independence. Though the word has been used in Taiwan, it should not be interpreted in a general sense. Referendum is not equal to independence.

In early 2006, two academics Dr Robert CHUNG and Dr CHAN Ka-lok compiled an academic research report, which pointed out only a small percentage of referendum agendas around the world related to independence. Over 95% of referendums were held on issues with serious and far-reaching implications. In such democratic progressive countries as Switzerland, its referendum agenda even includes disability pension. Its first referendum, for instance, had an approval rate of less than 30%, but it rose to more than 40% two years later. It is hoped that the approval rate will exceed 50% in the third referendum. Referendum is as simple as this. Take Switzerland as an example, a maximum of 10 referendums were held within one year at its peak, but all in a systematic manner and without chaos.

Let me cite one more example here to illustrate the merit of referendum. A year ago, Panama had to build a second canal. After the second canal was dug, the whole country was connected to two oceans, which is certainly very damaging to the environment. However, it was due to inadequate national revenue that the country had to make money at the expense of the environment. As a result, a referendum was held in Panama on this matter. Given that the building of the canal will destroy the environment, but without which no income can be generated, it would therefore seem best to leave it to the people themselves. In case anything happens in the future or there are imminent difficulties, all households should be held responsible for this nation-wide decision. Even though the proposal was approved unfortunately, at least in the eyes of environmentalists like us, it is after all a decision process during which the whole country was involved.

In fact, referendum is also a process to enhance people's quality because rights always go with responsibilities, and this also applies to members of the public. Once they have the right to vote and to get involved in the decision of this agenda, they will strive to gain a better understanding of it in order to cast the most responsible vote. I once conducted a district-level voting activity on the Budget in Ma On Shan. At that time, a resident told me that he knew nothing about the Budget in the past, except that all political parties pointed their fingers at it, as reported in the newspapers. But as he participated in that voting activity, he became more aware of the details of the Budget. In the end, he also voted against it. I also conducted a territory-wide referendum in 2007 and one of the agendas was the Chief Executive candidates. Mr Alan LEONG, who is now present at the meeting, was one of the candidates on the list. We divided the voters into two age groups, and in the group of above 18, Alan LEONG won by a large majority of 65%, but unfortunately, he lost by the same percentage in the group of below 18. Members need not worry because some college students told me that they would not vote for the incumbent Chief Executive anymore in the future. This is because after voting, they began to keep an eye on the performance of the Chief Executive and found that it has been deteriorating. So, the students will not vote for him if he runs for the election again.

It can thus be seen that the democratic process of voting is actually a process of social progress. Regardless of whether the vote is right or wrong, so long as people have a chance to vote, they will become more and more involved, thereby gradually improving the quality of society. Referendum is also a deliberative process in which voting only constitutes one third of it. Before

casting the vote, one should have a good grasp of information on all fronts, understanding on all fronts and hold debates of various angles, during which people will lobby each other. Responsible decision can then be made with all the information in hand. This is a decision made with the participation of everyone. Once a voting result is obtained, attention should be paid to the agendas raised by the losing party such that remedies can be made to these agendas by administrative means as far as possible. If we are able to do so, voting is indeed a process of social integration instead of tearing the community apart. However, if there is only voting without any prior discussion or follow-up attention, referendum is prone to become a tool that tears the community apart.

To achieve mature discussion, we cannot rely on the information released by the Government on its own initiative, but should involve the participation of the community at large. Political parties, human rights organizations and people from all walks of life should discuss the matter from their own angles in order to have a comprehensive examination. Therefore, voting alone is not enough, there should also be sufficient resources to promote discussion among different social groups before the goal of deliberative democracy can be achieved.

Referendum also requires certain social conditions. First of all, there should be freedom of assembly and speech. If people are only told to vote on a certain date but no discussion is allowed before that, the decision may not be an informed one. Furthermore, the flow of information and the presence of independent media are also essential. Without any one of the conditions, rational and responsible decisions cannot be made. Therefore, apart from the promotion of referendum and direct democracy, it is also important to have a social environment that protects civil rights and freedom.

Deputy President, should the Government not go back on its words this year, consultation on the constitutional reform proposal will be implemented in the fourth quarter of this year. Certainly, this constitutional reform proposal will have far-reaching implications and all members of the public should have the right of participation. This constitutional reform proposal does not only concern with the implementation of universal suffrage in 2012 in principle, but it also contains many details on, say, the abolition of the functional constituencies, the nomination mechanism for Chief Executive and whether or not the number of Legislative Council seats should increase or remain the same. These details

must go through mature discussion and all members of the public should vote to make this far-reaching decision altogether.

I therefore strongly agree with Mr LEUNG Kwok-hung's motion. I must also point out that there are two kinds of referendum: One is the top-down approach where the agenda will be proposed by the Government, and the other is the bottom-up approach. As such, people should have the right of initiative. In other words, if a sufficient number of people agree to the introduction of a certain agenda, the Government will be obliged to hold a referendum on the publicly-supported agenda. With this right of initiative, the right of introducing referendum agenda will not rest with the Government or political parties alone. This is another essential element of direct democracy.

Deputy President, people's right of initiative is particularly important in respect of the nomination process in the constitutional reform proposal. Firstly, I have a very strong reason to believe the nomination mechanism proposed by the Government involves a selection process. Even though the threshold is lowered, I hope that not only political parties will have the right of nomination. If members of the public can also have the right of initiative, then any candidate independent of political parties may also run in the election so long as he solicits sufficient public support, and participate in the election forum which the public is concerned.

Deputy President, I am well aware that what I said today is just an academic discussion. Dual universal suffrage may not be implemented in 2012, let alone direct democracy. But since the topic has been raised for discussion, I think that we are obliged to provide more information about this concept. Democracy does not only need discussion, implementation is also necessary. So, in case the Government takes no action at all, our civil society would do the job. That is why we organized Project Civil Referendum twice in the past, one at the district level, and the other on a territory-wide basis. Despite our limited resources and strong political resistance, we will continue to push forward just as what we did before. But before we can achieve direct democracy in a systematic way, I call on members of the public to vote with their feet by taking to the streets on 1 July, using our bodies as votes.

Thank you, Deputy President.

MR WONG YUK-MAN (in Cantonese): Deputy President, the motion moved by Mr LEUNG Kwok-hung of the League of Social Democrats (LSD) today urges the Government to enact legislation on referendum and conduct a referendum on the proposal on constitutional reform, so as to allow Hong Kong people to decide on dual universal suffrage in 2012. This is indeed a valuable insight that genuinely realizes "Hong Kong people ruling Hong Kong". Perhaps some people may find Mr LEUNG Kwok-hung's motion too noble and unrealistic, then let me mention in passing the ABC of political science.

For the concepts of social contract and general will as proposed by ROUSSEAU, a forerunner of democratic theory, people who have learned about them will find them very familiar, whereas those who know nothing about them can simply forget them. However, there are two other concepts of his that have long been neglected. First, he considers that a representative system is a political form that falls between autocracy and democracy. As sovereignty is inalienable and the will cannot be represented, there should not be any representative system. ROUSSEAU advocates that laws must be scrutinized by the people themselves, or else they should be regarded as invalid. Secondly, he thinks that political parties are not essential to democratic politics. While political parties represent the general will of its members, they nonetheless represent their own will to the country. He said, "So long as there are political parties, the number of voters is not governed by the number of people, but the number of political parties." ROUSSEAU advocates populism and direct democracy, and all along there have been debates and misunderstandings about his theories. Apparently, he opposes the representative system and party politics. However, the so-called democratic politics of the western world, as is generally known nowadays, is precisely what ROUSSEAU dislikes because the parliament and political parties are the backbone of its system. It is nonetheless the political ideal of nationals living in different non-democratic countries, including China. This is indirect democracy.

However, a general direct election of the legislature is seen by people who know little about democratic politics as radical and aggressive political aspirations, and is considered a revolution rather than a reform. It seems to me that they are not well-versed in the historical development of democratic politics. In fact, Mr LAM, democratic politics does develop in a gradual and orderly manner. Gradual reform is a slow process, which resembles the Chinese concept "*wu wei*" (which literally means "not doing anything"). According to an

ancient Chinese philosopher, "*wu wei*" does not mean doing nothing, but be aware of the prevailing conditions and not to act indiscriminately. You should be the one to tell me all this, but now I am telling you first. This is precisely how the western democratic politics develops, and that is, by keeping an eye on the prevailing conditions. "He does not act before the situations, nor will he fall behind. He varies his strategies with the time, and changes according to the circumstances." This is what our Chinese philosopher teaches us.

The reason why direct democracy has become utopia is that in the past century, man has not made any attempt to make progress during the development of democratic politics. No wonder the long-illed indirect democracy has become the noblest political ideal in China and Hong Kong. How ridiculous this is! People who oppose democracy in Hong Kong do not oppose direct democracy, but indirect democracy. The fact that the executive has to be accountable to the legislature which must be returned by election, has been distorted to become something that is neither fish nor fowl. Holding a government that is not approved by the people accountable to the legislature which is partially returned by universal suffrage, is really a big joke. This can only be found in Hong Kong but nowhere else. While the elected legislature does not represent public views, it contains the functional constituency which represents the interested parties and has a tiny electorate base. The fight for a universal direct election is merely a fight for indirect democracy, but this has been regarded as treacherous and rejected by the Central Government time and again. The pan-democratic camp has also become extremely cautious and dared not cause troubles.

Referendum is a manifestation of people's four basic political rights, namely election, recall, initiation and referendum. Election and recall pinpoint at people because anyone can be recalled after being elected, whereas initiation and referendum pinpoint at the law. So, if we have the so-called rights of election and recall, we actually have the right of universal suffrage. Sometimes, there is something we can do. An elected public officer or government can be recalled when appropriate by exercising the right of referendum. I do not want to cite an example that is too long ago. A recent example is Arnold SCHWARZENEGGER becoming the Governor of California of the United States, which is attributable to the presence of referendum, by which the previous governor was recalled.

Over 20 countries around the world have enacted legislation on referendum. Apart from those democratic countries in Europe and the United States, there are also Taiwan, Singapore, Brazil and Uruguay. Such examples are plenty.

Taiwan enacted the Referendum Law in 2003 and it came into force in January 2004. So far, there have been six proposals, but none of them was passed. While some critics say that referendum in Taiwan has become a tool for politicians to manipulate elections, the voting results have showed that people's eyes are bright and clear, and they are not susceptible to manipulation. People exercise their right derived from direct democracy to be masters of their own house.

Singapore, the SAR Government's role model, also has referendum precedent. In 1962, a referendum was held on its sovereignty, which finally decided that it became independent of Malaysia.

While the referendum mechanisms in Norway and the United Kingdom are non-standing, they are standing mechanisms in Austria, Denmark, Ireland and Sweden, under which the governments are mandatorily required to hold referendum on such issues as amendment to a constitution, regional separation of power, international covenants, emergency acts, and so on.

All the abovementioned examples illustrate that direct democracy is not an inaccessible utopia. Today, what Hong Kong people are fighting is not direct democracy. We are only fighting for very humble indirect democracy. Mr LEUNG Kwok-hung has time and again proposed a full manifestation of representative politics through referendum, hoping to create a new vision for Hong Kong's democratic movement and give us more inspirations that this is viable.

Dual universal suffrage in 2012 has been rejected by Beijing, and I can foresee that today's motion also cannot escape the fate of being voted down. When referendum is discussed in this Chamber today, nearly all royalists have gone and only a couple of them remain in their seats. I originally do not intend to give anyone a dressing-down in the remaining two minutes. Honourable Members, we could have sit down for a discussion. However, only Mrs Regina IP is present now. Starry LEE, can you represent the DAB? Although this

Council is an arena for debates, but is debate possible? No, there is neither response nor interaction. Should anyone consider my remarks just now incorrect, he may answer back later when he speaks. But how can they answer back if they have not been here listening at all? The logic is very simple indeed. Referendum is not a monster. We still remain at a state of asking for the enactment of a law on referendum under an indirect democratic regime, arguing whether Hong Kong people want to have this representative system or dual universal suffrage in 2012; if not, fine, we may have it in 2017 and 2020, right? Hong Kong people should at least be given a chance to decide by "one person, one vote" if they want dual universal suffrage in 2012. What is so treacherous about this? May I ask the young people in the public gallery: What is so treacherous about this? I just want to decide if there should be dual universal suffrage in 2012. An opinion poll conducted by the Government earlier on has showed that many people agree to have dual universal suffrage in 2012, but a lot more people consider it more appropriate to have it in 2017. Is this the opinion poll conducted by the Government?

I sometimes become outraged soon after I spoke, and could no longer read out the script for this is meaningless. If there is no fight, why would there be changes? The LSD now calls on all Hong Kong people: See you in the Victoria Park at 3 pm on 1 July. We have to fight for the implementation of dual universal suffrage in 2012.

Honourable Members, the President is not here but the Deputy President is. I must say that another Member from the LSD, Mr Albert CHAN, has proposed an amendment to call on Hong Kong people to gather at the Victoria Park at 3 pm on 1 July to join the 1 July march. But his amendment was rejected and could not be proposed. Fortunately, I immediately substituted it with this amendment, which has been printed on the agenda. It "appeals to the people of Hong Kong to demonstrate on 1 July the people's power and express their determination to fight for dual universal suffrage in 2012". Thank you, Deputy President.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Deputy President, we oppose the motion moved by Mr LEUNG Kwok-hung today because it does not comply with Hong Kong's constitutional requirements.

First of all, the motion still proposes to elect the Chief Executive and all members of the Legislative Council by universal suffrage in 2012, which is inconsistent with the decision made by the Standing Committee of the National People's Congress (NPCSC) in December 2007. The decision of NPCSC has made it clear that the elections of the Chief Executive and the Legislative Council shall not be implemented by universal suffrage in 2012, but relevant amendments can be made to the two electoral methods in accordance with the principle of gradual and orderly progress.

Secondly, the Basic Law has not provided for referendum. Therefore, any amendment to the electoral methods of the Chief Executive and the Legislative Council must be made in accordance with the Basic Law, NPCSC's interpretation and decision in 2004 and its decision made in 2007. Any new provisions proposed in relation to the amendment of the two electoral methods will be deemed inappropriate and unconstitutional.

As changes in Hong Kong's electoral system will have very far-reaching implications on the future development of our community, active participation of the public is therefore necessary. In this connection, I believe the SAR Government and all Honourable Members do share the same viewpoint in general. However, we do not agree with the suggestion made by Mr LEUNG and some Members that referendum should be held to decide how the two electoral methods should be amended. The Basic Law itself has a set of established procedures, providing that any amendment to the electoral methods of the Chief Executive and the Legislative Council must be introduced by the SAR Government, made with the endorsement of a two-thirds majority of all Legislative Council Members and the consent of the Chief Executive, and shall be reported to the NPCSC for approval before it can be implemented. Any additional procedure other than these three is considered unnecessary and inappropriate.

According to the Basic Law, specific proposals made by the SAR Government in relation to the amendment of the electoral methods should obtain widespread support from the Hong Kong community, which includes a two-thirds majority of all Legislative Council Members on the one hand, and the acceptance and recognition of members of the public on the other. A proposal is therefore not viable if it fails to obtain the support of the Legislative Council or the widespread recognition of members of the public.

To properly deal with the electoral methods for 2012, it is important to promote public awareness and participation. We will therefore launch a public consultation exercise on the electoral methods for 2012 in the fourth quarter of this year to ensure that the community and members of the public will have sufficient time for discussion, with a view to forging a consensus.

Some Members still insist today to fight for the implementation of dual universal suffrage in 2012, but we do not consider this the only timetable acceptable to Hong Kong people. As reflected in the public consultation on the Green Paper on Constitutional Development in 2007 and the report submitted by the Chief Executive to the NPCSC at the end of the year, according to the public opinion poll conducted in that year, more than half of the respondents supported the implementation of dual universal suffrage in 2012, and the Chief Executive had made it clear to the Central Authorities that these views should be taken seriously and given consideration. At the same time, about 60% of the respondents in that year accepted the implementation of universal suffrage for the Chief Executive in 2017 if this could not be attained in 2012.

Although NPCSC's decision has stated clearly that universal suffrage will not be implemented in 2012, it still leaves plenty of scope for further democratization of the elections of the Chief Executive and the Legislative Council in 2012.

Given that the timetable laid down by the NPCSC for the election of the Chief Executive by universal suffrage in 2017 and the election of the Legislative Council by universal suffrage in 2020, has been widely accepted by Hong Kong people, I think that we should look ahead and seriously discuss how to enhance the democratic representation in the two electoral methods for 2012, so as to prepare for the implementation of universal suffrage in the future.

The Government is obliged and determined to roll forward the two electoral methods for 2012, so that Hong Kong's elections in 2012 will come to a midway point that paves way for the election of the Chief Executive by universal suffrage in 2017 and the election of the Legislative Council by universal suffrage in 2020.

The motion also mentioned the International Covenant on Civil and Political Rights (ICCPR). I have previously stated in this Chamber that the

future implementation of universal suffrage in Hong Kong originates from the Basic Law, not the ICCPR. Hong Kong will implement universal suffrage in compliance with the principle of universal and equal suffrage.

When the British Government introduced the ICCPR to Hong Kong in 1976, a reservation was added to the effect that Hong Kong does not need to comply with Article 25(b) and it would not be applicable to the elections of the then Executive Council and Legislative Council. In accordance with the notification given by the Central People's Government to the United Nations Secretary General in June 1997 and Article 39 of the Basic Law, this reservation continues to apply.

In fact, the Sino-British Joint Declaration signed in 1984 only specifies that the Chief Executive shall be selected through election or consultation, whereas the legislature shall be constituted by election, but there is no mention of universal suffrage.

In 1990, the Central Authorities responded to the aspirations and views of the Hong Kong community, and stipulated in the Basic Law universal suffrage as the ultimate aim to be attained. Therefore, in this connection, the Basic Law has actually exceeded the scope of the Sino-British Joint Declaration.

Deputy President, we implement the Basic Law and maintain Hong Kong as a free and open society that respects the rule of law. Moreover, the SAR Government will work hard to properly manage and make arrangements for the different systems in Hong Kong in accordance with the Basic Law, so as to enable them to continue to operate. At the same time, the Government will also promote the progress of democratization in Hong Kong.

After years' of hard work, we have finally come up with a timetable for universal suffrage — to elect the Chief Executive by universal suffrage in 2017 and elect all Members of the Legislative Council by universal suffrage in 2020. This timetable is hard to come by, so I hope that Members will treasure it and join hands to foster favourable conditions for the preparation of future arrangements for universal suffrage in Hong Kong in 2012, and for the enhancement of democratic representation in the two electoral methods for 2012.

Earlier on, Mr LAU Kong-wah highlighted a question: Will these two motions "work out or not"? I guess today's motion may probably not work out, but universal suffrage will definitely be implemented. We will proceed with the election of the Chief Executive by universal suffrage in 2017 and the election of the Legislative Council by universal suffrage in 2020.

Thank you, Deputy President.

MRS REGINA IP (in Cantonese): I met Mr WONG Yuk-man when I went for lunch today. I told him that I had supported a number of motions moved by the League of Social Democrats in the past, but this time I cannot do so. I am very glad to take this opportunity to explain myself.

There are two reasons why I cannot support Mr LEUNG Kwok-hung's original motion. Firstly, just as Secretary Stephen LAM said, a decision has been made by the Standing Committee of the National People's Congress. Being the nation's highest authority, the Standing Committee has decided that Hong Kong may, at the earliest, elect the Chief Executive by universal suffrage in 2017 and then elect the Legislative Council by universal suffrage in 2020. Following this decision, I think that it is no longer practicable to strive for the elections of the Chief Executive and the Legislative Council by universal suffrage in 2012. Instead of doing something impracticable and given that a timetable has been laid down, I would rather wait until the Government submits its constitutional reform proposal in the fourth quarter of this year and work hard to forge a consensus in this Council, with a view to arriving at a proposal that progresses in a gradual and orderly manner, thereby broadening the electoral base of the Chief Executive election in 2012 and achieving elections of the Chief Executive and the Legislative Council by universal suffrage in 2017 and 2020 respectively.

Another reason is that I have very strong reservation about referendum, a mode of direct democracy. Regarding the meaning of the word "democracy", I believe the Deputy President may also be aware that it is a Greek word. "Demos" means people and democracy is tantamount to people being the master of their own house. This is an extremely attractive political system, but after reading and studying some publications on political science, just like this book on the principles of representative government — written by a famous American academic — we have learnt that democracy originated from Greece. In the

history of democracy, direct democracy only existed for a very short period of time, during which people were the masters of their own house. At that time, Greece was just a tiny city state at a very preliminary stage. Given the small population, things could be settled by having dozens of people gathering in the market. However, as the population grew gradually, it became very difficult for thousands, not to say tens of thousands of people to discuss and decide on any matter. This is the evolution of the system of representative government, under which people are represented by representatives, who are trusted by the people to make political decisions on their behalf. All western politicians have agreed and history has also proved that representative government is a better system. Just as CHURCHILL's famous saying, which I believe many people should know, "Democracy is the worst form of government, except that it is better than all the others which have been tried." It means that democracy is not the ideal political system, but is only a better alternative.

Many academics have also pointed out that the success of the system of representative government is the hardest to sustain. Direct democracy sounds pretty attractive because people are masters of their own house and all issues will be put to vote. However, in fact, in the western countries Recently, I had lunch with a British banker and he told me, "Bad, bad, bad, referendum is very bad." He said that he was now some 50 years old and had come across referendum only once in the United Kingdom, to decide whether the country should join the European Union. As to the question of whether the country should join the European Union, arguments of both sides were equally strong. After all, the British had to decide whether it would be better for them to become Europeans or remain as British, so a referendum was finally held.

An extreme case of an extensive use of referendum is California of the United States. I lived in the United States for three years. I can still recall that there was one day when a total of eight propositions (that is, initiatives put on the ballot by the citizens) were put to vote, but all of them were defeated. According to a recent report of *The Economist* published in mid-May, as a result of its extensive use of the referendum mechanism, including recall just mentioned by Mr WONG Yuk-man, referendum and voter initiatives, which are initiatives put on the ballot by the citizens, California now faces disastrous consequences. At present, California has a debt or a budget deficit as high as US\$42 billion. The comment given by *The Economist* to California is that, it is an ungovernable state. It even cited an example of a referendum held on 19 May, in which all six propositions were not approved. In fact, they are all of a very simple and naïve

nature, such as increasing the expenditure of certain areas as far as possible. However, only one of them was approved, in which people agreed to have the remuneration of California senators frozen.

Why would referendum have such a big problem? This is precisely because of the ambiguous wordings of the propositions. Quoting from *The Economist*, they are badly-worded and very confusing. What is more, oversimplifying the problems will result in people casting emotional votes. Coupled with the fact that countries like the United States often spend large sums of money on publicity before the referendum, leaving only those rich and powerful trade unions or special interest groups to promote referendum. As a result, California has passed a large number of propositions that increased the remuneration of firemen, civil servants or trade unions, or grant provisions to certain expenditure proposals, and it is now on the verge of bankruptcy. Debentures issued by California have a very low credit rating, and the citizens there finally become aware of the disastrous consequences brought about by referendum. They intend to amend the initiatives and get back on the right track of representative government.

Undeniably, the success of the system of representative government is hard to sustain in the long run. We often see countries with representative government picking the wrong guy. No matter what, under the system of representative government, voting only takes place after thorough discussion by the parliamentary assembly. It is therefore much better than referendum (*The buzzer sounded*) Thank you.

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

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, Members should all realize that our discussions on constitutional reform today are actually all about the electoral arrangements for 2012.

I do not want to mention 2012 time and again. That Hong Kong is not independent but is only a Special Administrative Region (SAR) of China is a fact well-known to all. This is a fact, and it is pointless to dwell on it unless any Members here or any Hong Kong people really want to fight for the independence of Hong Kong. But this is not the case in reality. In that case,

we must respect the Central Government. The Standing Committee of the National People's Congress (the Standing Committee) has already made it very clear that in the 2012 election, the seats returned by universal suffrage and those returned by functional constituency elections will each constitute 50% of the total number of seats. This is a hard fact. As to how to interpret the meaning of 50%, if anyone still has any problems with this, how can he be qualified to serve as a Legislative Council Member? Why do all these people still want to argue about this in the legislature?

So, the percentage is 50%. This means that it will definitely not be possible to abolish functional constituency seats. One may always continue to fight for what one wants in the Legislative Council, but one must at the same time pay heed to mutual respect. If anyone wants to bang his head against the wall, he has every freedom to do so, and no one will stop him. The advocacy of political freedom and democracy is not unique to the politicians in Hong Kong. All opposition parties in the whole world make the same advocacy. Deputy President, no ruling regimes will ever admit that they are undemocratic and against freedom and liberties. This is a universal phenomenon. Therefore, politically speaking, Members' talks about democracy and freedom here are just typical of the advocacies of all the opposition parties.

Deputy President, we must realize that freedom has always been totally respected in Hong Kong. We respect others' freedom of speech. We despise, we despise all those who try to hinder others from exercising the freedom of speech, especially all those who are unable to discern the truth. We should despise all such people.

Recently, Allen LEE, a news commentator and the former Chairman of the Liberal Party, asked me, "CHIM Pui-chung, why have you still made such remarks on the 4 June incident?" I replied that I was just being true to my conscience. Some mass media and radio stations have been making irresponsible comments. Such comments are aptly and precisely a reflection of their guilty conscience. Why do they not let others speak their minds? Why do they try to stop people from speaking the truth and even chastise them for doing so? Do they think that Hong Kong is all theirs? I am talking about the Commercial Radio in particular. It is a reactionary radio station. What right have they to criticize me? Right here in this Chamber, I now openly condemn them. This is my privilege.

Deputy President, I have told Allen LEE that I am very serious about my own rights. What I have said is the truth, and I will never succumb to any power or authority. But I also respect other people's freedom, and I have never criticized any people for their views or actions. It is their own freedom. Some criticize that my remarks are wrong. But why should I be forbidden to voice my criticisms? There is freedom of speech. They can criticize me, and I can likewise criticize them.

Deputy President, some Members have pointed out that Hong Kong is a special place. This is true because under the concept of "one country, two systems", both Hong Kong and Macao can enjoy a special kind of freedom. But the SAR Government should have the duty and the obligation to explain everything to all Hong Kong people, especially young people, so that they can understand. The powers enjoyed by the SAR Government are derived from the Central Authorities, but it has failed to exercise such powers properly, with the result that there are so many conflicts and disputes. The SAR Government must bear the responsibility. The Hong Kong and Macao Affairs office, which is responsible for supervising the SAR Government, must bear the responsibility in particular. The reason is that Hong Kong is a unique place. In the past, during the days of British colonial administration, the colonial constitutional system was in force, and the Government of Hong Kong was under the supervision of the Under Secretary of State for Foreign Affairs. At present, the supervision falls on the Hong Kong and Macao Affairs Office. It is now 12 years into the reunification of Hong Kong with China, but there are still endless rows and disputes. As I have pointed out just now, they must be held responsible.

Deputy President, I must say something to all Hong Kong people here. Like me, many of them realize that Hong Kong is not independent, and that the presence of the Central Government must never be ignored. For this reason, there are two options. One option is to follow the will of the Central Authorities and co-operate with them. The other option is that those who do not like the Chinese Communist Party may well leave Hong Kong. If they are capable enough, they may also organize an uprising or revolution. But in that case, they will have to pay a price.

Therefore, I must reiterate that everyone is free to do what they want. I am convinced that the people of Hong Kong can all catch my point.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?
Mr Ronny TONG.

(Mr KAM Nai-wai rose to his feet)

DEPUTY PRESIDENT (in Cantonese): Mr KAM Nai-wai, what is the matter?

MR KAM NAI-WAI (in Cantonese): Deputy President, a quorum is not present.

DEPUTY PRESIDENT (in Cantonese): It is obvious that a quorum is not present. Clerk, please ring the bell to summon Members back to the Chamber.

(During the ringing of the bell, THE PRESIDENT resumed the Chair)

(After the ringing of the bell, several Members returned to the Chamber)

PRESIDENT (in Cantonese): A quorum is now present. Mr Ronny TONG, you may now speak.

MR RONNY TONG (in Cantonese): President, democracy is easily the one single political system that shows the greatest respect for the views of individuals and permits their maximum participation in social policy-making. And, referendum and universal suffrage are two democratic procedures that can respectively gauge the true views of the people and constitute the democratic system itself. President, these two procedures may co-exist, but they serve different purposes and cannot replace each other.

Universal suffrage is a procedure for establishing a system of representative government, and it is also supposed to be permanent in nature. Universal suffrage allows for a fair and open mechanism whereby all individual citizens or nationals of a country can give thorough consideration to all candidates and then select their representatives to partake in social policy-making

on their behalf within a specified period of time. President, such delegation of power is subject to a time limit, and founded on mutual trust. It is comprehensive in nature within the specified period. In contrast, a referendum is meant to enable the citizens or nationals of a country to directly express their views and positions on major policy concerns at specific points of time. President, while views and positions are expressed directly, they are time- and issue-specific.

Precisely for this reason, universal suffrage and referendum may co-exist, but referendum can never replace universal suffrage. President, there are many instances of the co-existence of universal suffrage and referendum. In practically all democracies (especially European and American countries), there is a procedure of referendum, whether as a permanent mechanism or as a means of deciding on specific matters, especially some constitutional issues or major social concerns that cut across party lines. In the case of constitutional amendments or major moral issues such as abortion and homosexual marriages, for example, a referendum can accurately ascertain the majority public view.

President, in contrast to universal suffrage, referendum is not supposed to be a permanent mechanism for making decisions. A referendum is only meant to enable the people to express their positions and views on an important policy topic at a specific point of time. Since the scope of referendum is more restrictive than that of universal suffrage, electors in the former case are more susceptible to the prevailing sensibilities in society. For this reason, the kind of deliberative democracy as advocated by Ms Cyd HO is essential. Without deliberative democracy, many people will be worried that a referendum may be dominated by populism.

President, referendum cannot replace universal suffrage because it is restricted to one single topic. However, when it comes to some significant issues, such as the question of whether universal suffrage should be implemented in Hong Kong in a certain year, I think that the conduct of a referendum will be extremely appropriate. The Secretary and Mrs Regina IP have both questioned why we should still spend so much public money on a referendum when there is already a timeframe for the implementation of universal suffrage. President, as I have explained, referendum is a democratic procedure for gauging the views of the public and showing respect for the people. Besides, a referendum can either be legally-binding or non-legally binding. President, such a distinction is of very great importance, especially to the timeframe for implementing universal

suffrage under discussion, because some may simply wonder why we should still spend any time and effort on exploring this issue, now that the Standing Committee, as mentioned by the Secretary and Mrs Regina IP, has already made a decision on the timetable.

President, we must realize that the Standing Committee is just a committee under the National People's Congress (NPC). Constitutionally speaking, therefore, the decisions of the Standing Committee may actually be altered or even rescinded by the NPC. President, such a constitutional arrangement is an apt reflection that the real aspirations of the people can influence or even change the decisions of the policy-makers. President, some may argue that it is constitutionally impossible to conduct a legally-binding referendum in Hong Kong and use the outcome as a basis of over-ruling the Standing Committee's decision against the implementation of dual universal suffrage in 2012. But if Hong Kong people conduct a non-legally binding referendum to voice their desire for dual universal suffrage in 2012, the Standing Committee, as representatives of the people, should really respect their aspiration and reconsider whether Hong Kong people can be permitted to implement dual universal suffrage in 2012.

President, I believe that the motion today is in line with existing constitutional arrangements and democratic principles, and it will not be unconstitutional. Quite the contrary, the motion represents an ideal solution to the controversy over universal suffrage, one that can show respect for the people and their aspiration. President, I hope that pro-establishment Members can consider and discuss the motion sensibly and objectively and render their support.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, Members should still remember Chief Executive Donald TSANG's pledge of "doing something big" on the constitutional reform package for 2012. But Hong Kong people subsequently realized that the consultation exercise was merely a show. Although the majority view of the public was in support of the implementation of dual universal suffrage in 2012, Chief Executive Donald TSANG failed to truthfully reflect the people's choice to the Central Government; he simply waited passively for the Standing Committee of the National People's Congress's action to further delay the progress of implementing universal suffrage. This political

melodrama can show fully that an undemocratic representative government simply cannot achieve the desired purpose.

President, we all know the fable about the test of strength between the North Wind and the Sun. They wanted to see which of them could first strip a wayfaring man of his clothes. The North Wind blasted, in an attempt to blow away the wayfaring man's clothes. But the man only clung to his clothes tighter and tighter. When it was the Sun's turn, it shone and with all its heat, it made the man take off his clothes. This fable teaches us a great moral: The heavier the pressure, the greater the resistance.

President, under the existing system, minority rule is a common phenomenon. The people's opinions have been suppressed repeatedly, thus intensifying social conflicts. But we have not yet been able to put in place an equitable and democratic political system. This has indirectly induced Hong Kong people to ponder on how they can create a new channel under the existing system, a new channel that can make up for the inadequacy of the present system of representative government and enable them to partake in the policy-formulation process.

A survey by the University of Hong Kong indicates that since the 1970s, there has been a marked increase in the number of referendums conducted in countries all over the world. The increase is especially obvious in Switzerland and European countries. In other places, the rate of increase has been generally mild. Nowadays, a mechanism for referendum is established in many democracies and even totalitarian regimes as a means of complementing the system of representative government. The success of direct democracy must naturally depend on whether the organizer can provide the people with sufficient information and time before actual voting, so that they can ponder deeply on the issues concerned.

President, within the parameters set by the Basic Law, Hong Kong may learn from the experience of Holland and conduct non-legally binding referendums of a consultative nature. This should be supplemented by deliberations among the people, with a view to promoting deliberative democracy and upgrading the quality of referendums.

President, nowadays, in many other places all over the world, deliberative polling is being used as the basis of policy formulation. On the one hand, this

can ensure that all policies are "people-based". On the other hand, the social conflicts after the rolling out of policies can be reduced. Deliberative polling is featured by the deliberative process, whereby different stakeholders can have opportunities to exchange their views and deepen mutual understanding. All the different views are then quantified as the findings of an opinion poll. Some time ago, in Zeguo Town of Zhejiang Province in the Mainland, a deliberative poll was conducted to assist the town government in formulating a scientific public expenditure budget for 2008.

Therefore, President, the Government should not regard referendum as an ogre. Quite the contrary, the authorities should look at referendum with a positive attitude, and by applying the concept of citizen deliberation within the framework of deliberative democracy, it should seek to promote the conduct of informative referendum, with a view to enabling the people to partake more effectively in the policy-formulation process. That way, internal conflicts can be reduced and a harmonious society established.

President, the people are presently caught in the predicament of "ineffectual policies and lack of harmony". Since they are denied any effective channels for voicing their opinions and the Government has all the time ignored Hong Kong people's desire for universal suffrage, taking to the streets may well be the most effective way of conveying public opinions directly to the Government House.

Earlier on, Chief Executive Donald TSANG remarked that economic progress can make us forget the 4 June incident. He even thought that his view was representative of Hong Kong people's overall opinion. What happened subsequently was that more than 100 000 people attended the candle-light vigil marking the 20th anniversary of the 4 June incident, in a bid to separate themselves from the Chief Executive and convey the message "Donald TSANG cannot represent me". But the whole problem actually lies with the fact that the Chief Executive commands very little legitimacy. In the absence of universal suffrage based on "one person, one vote", whoever is the Chief Executive cannot claim in all seriousness that he can represent all Hong Kong people.

President, as long as the issue of universal suffrage remains unresolved, the march on 1 July every year will continue to be a yardstick of assessing the Government's performance. More and more people have come to realize the close relationship between democracy and their livelihood. The kaifongs

affected by urban renewal, the stall operators affected by the market policy and many, many others all want to take part in the march on 1 July to voice their discontent with the Government.

As the sense of self-salvation in Hong Kong's civil society rises, the conflicts between the Government and the people will only increase. Faced with the people's mounting discontent, the Government exhausts every means to try to reduce the turnout of the march on 1 July every year. But why does it not make some determined efforts to establish an electoral system based on dual universal suffrage?

The march on 1 July every year is conducted in a peaceful manner, in apt reflection of Hong Kong people's fine quality. Since the Government is reluctant to resolve social conflicts by rationalizing the political system, the Civic Party must call upon the people of Hong Kong to take action once again to show their determination of achieving universal suffrage. Let us all meet in Victoria Park on 1 July.

I so submit.

MISS TANYA CHAN (in Cantonese): President, I believe that if we choose 100 people in the streets at random and ask them whether they know the meaning of referendum, more than half of them may not know how to answer. Usually, "referendum" is a term that can only be heard in television newscasts and seen in the world news pages of the press. Hong Kong people are not very familiar with the meaning, purpose, jurisdiction and procedures of referendum.

My understanding is that referendum is adopted in the case of certain crucial issues, when even the parliament or government of a country does not dare to make any unilateral decisions. One example of such issues is the ratification or otherwise of the European Union Constitution by its member states. Another example is the adoption or otherwise of the Euro. Yet another example is whether the Canadian Province of Quebec should secede from the Canadian Confederation and become an independent state. I have the impression that referendum will be adopted only in the case of such major issues, and the outcome of a referendum is legally-binding, meaning that the Government cannot ignore the result.

Actually, according to the information given in the website of the Hong Kong University Public Opinion Programme, the kind of referendum described above is just one form of referendum. Referendum takes many forms, and the making of a definite decision is not the goal in every case. Consultative referendum is also a form of referendum. It is adopted as a means of gauging the people's views on certain major issues in a systematic and exhaustive manner.

I think that precisely because Hong Kong people do not know so much about referendum, it may not necessarily be so good to conduct a referendum to assist us in making any important decisions at this stage. But I do think that it is quite a good idea to conduct a consultative referendum on Hong Kong's constitutional development.

Having browsed through the several major opinion poll websites in Hong Kong, I notice that there has not been any large-scale survey on Hong Kong's constitutional development for quite some time. As a result, we may not be able to know the precise views of Hong Kong people on the issue of constitutional development. This year, the Government will launch a consultation exercise on the constitutional development of Hong Kong in 2012 and beyond. The proposal of establishing a mechanism for gauging the people's views on this topic should really merit our consideration.

President, honestly speaking, I believe that most Hong Kong people very much want to see the implementation of universal suffrage. I also believe that Hong Kong is already well-equipped for the implementation of universal suffrage. That being the case, why do the Civic Party and I still think that it is necessary to conduct a referendum? The reason is that even now, many people still argue that Hong Kong people are not yet ready, and that there is not yet a mainstream opinion on the implementation of universal suffrage. Since so many people still hold such a view, I think that we should give Hong Kong people an opportunity to express their views.

If asked to provide any proof of Hong Kong people's readiness for universal suffrage and full democracy taking root in Hong Kong, I will reply that young people in Hong Kong nowadays, that is, our young generations, are capable of independent thinking and making sensible judgments. I need not dwell on this. Let me just give two examples, and Members will certainly understand what I mean.

One example is the Christian Zheng Sheng College, which is very much in the public eye these days. When faced with people who pointed their fingers at them and labelled them as "teenage drug addicts", who even yelled at them face to face, and who did not stop chastising them even in the toilet, the young students of the college only showed perseverance, tolerance and determination, much to my admiration. Many people criticize that the quality of young people in Hong Kong is getting worse and worse. They think that young people are naïve and simple-minded. Some people are even worried that the implementation of democracy will plunge Hong Kong into chaos. But the students of the Christian Zheng Sheng College can show us that while our young people may sometimes go astray, they will still become well-behaved, sensible and willing to accept the challenges of growth as long as they are offered proper guidance and opportunities.

I am especially touched by the commemorative activities marking the 20th anniversary of the 4 June incident this year. Around 6 pm one Saturday, a group of young people and I went to the pedestrian precinct in Mong Kok, and brought along with us a big banner. The banner displayed the slogans "Donald TSANG cannot represent me" and "Vindication of the 4 June incident". We hoped that young people could sign up in support of these themes. At the very beginning, I was not optimistic, for I did not know how many young people would really do so. To my surprise, soon after we had unfolded the banner, many young people swarmed towards us to sign their names. Some of them were holding cups of Bubble Tea. Others were holding trendy magazines. Some were even holding cigarettes. They did not mind bending over or even kneeling down to sign their names. There were even some girls wearing fashionable miniskirts. These girls all knelt down cautiously, signed their names and left. What do the actions of all these people tell us? Their actions tell us that they are concerned about our society, our country and all the current affairs that affect this present generation of ours. They love their country, and they are capable of independent thinking and distinguishing right from wrong. Therefore, Donald TSANG, our Chief Executive, cannot possibly and really represent us simply by making an imprudent remark that he can represent all Hong Kong people. I also hope that he can take this opportunity to get to know what our young people really want.

To young people, a fully democratic system is not just a system whereby they are given the votes necessary for monitoring the Government and selecting leaders of their choices; such a system can also give them opportunities to achieve their ambitions. Youngsters are the most ambitious people in society,

and they are at the same time in the greatest need for chances to realize their ambitions. But they are hindered by the present political system.

Under the present arrangement, the Chief Executive is elected by only 800 people. But how many of these 800 people can represent our young people? And, even if we disregard all other considerations, we must still ask, "How many young people are qualified to elect these 800 people?" The voices of young people are thus suppressed in the establishment. It is only with universal suffrage that young people can make their voices heard in the establishment.

Moreover, many zealous young people want to partake in social affairs and politics, so as to realize their ideals and visions regarding how society should develop. However, their development is hindered by the present system.

President, we cannot conduct a referendum, but every one of us still has a pair of legs. Every year, on 1 July, we will have an opportunity to voice our strong desire for democracy and universal suffrage. This very day every year is, to a certain extent, an occasion on which we can manifest our position. Therefore, I must make an appeal here to all those who aspire to universal suffrage. The upcoming 1 July will give us another opportunity to tell the Chief Executive that "he is not qualified to represent us". Thank you, President.

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

MR ALBERT HO (in Cantonese): President, the most treasured attribute of a liberal and open society must be the co-existence of harmony and differences. This means that people with divergent views and lifestyles can co-exist peacefully, thus enabling society to function effectively. What is one of the prerequisites for such a situation? The answer is that society must operate according to a set of rules, including a consensus on the rules of power distribution. Without such a consensus, the basis of social stability or harmony will be rendered very rickety. Precisely for this reason, people in all societies must work for the forging of such a consensus. However much people may disagree with one another, they must nonetheless forge a consensus on this. They must agree on a set of rules for resolving differences and handling conflicts. This is the basic requirement.

Members are aware that in places where this problem is not satisfactorily resolved, the people must always live in fear no matter how powerful their governments are and how big their armies may be. In cases where rules are in place but not faithfully obeyed, people will criticize that the underlying spirit of the rules is not being upheld, so there will be no social stability either. Social conflicts will surface all the same and may even pose frequent threats to the functioning of society as a whole.

Therefore, the first point I want to discuss today is that we must tackle this fundamental problem. Society must forge a consensus on the rules governing the hierarchy and distribution of powers.

Second, how are we going to reach such a consensus? Naturally, we cannot possibly expect to see a uniform decision in a society with a population of 5 million people. But at least, an equitable mechanism must be put in place to allow people's discussions, participation and deliberations, so that a mainstream opinion in society can be formed in an objective manner. The most objective and equitable way of achieving this goal is the conduct of a referendum.

Referendum is a manifestation of direct democracy. It must of course be added that in the modern-day context, democracy does not only mean direct democracy. Very often, we must also depend on a system of representative government, that is, indirect democracy. But in many civilized, modern and advanced countries, this particular form of direct democracy is still retained as a means of resolving the type of fundamental issues mentioned above. The reason is that even though there may be a transient majority vote in the parliamentary assembly to enable the people's representatives to come up with a consensus under the system of representative government, the consensus may not be stable. Therefore, while it is necessary to obtain the parliament's approval and the executive's acceptance, there is also a need for involving all the people in the process of deliberation.

Members have cited quite a number of examples. As mentioned by Mr WONG Yuk-man, and also by Miss Tanya CHAN, in many countries, although a system of representative government is adopted, referendum is still used as a means of resolving issues that affect the future of the countries or other matters of vital significance. When it comes to the question of independence, referendum is, needless to say, adopted to make a decision. But for those issues mentioned by Members just now, such as the British ascension to the European Union, its

adoption of the Euro and the demonetization of the Pound Sterling, referendum was also adopted to make a decision. Switzerland is of the countries that has been adopting referendum to make decisions on important issues. There are thus many successful examples.

Mrs Regina IP has referred to the case of California. I of course know the situation in California, and I have also read the relevant article in *The Economist*. The fiasco in California is not caused by the adoption of referendum alone. Another cause is the intricacy of inherent checks and balances. And, as some Members have explained, California should not have used a referendum to decide whether a referendum should be conducted. This is a very silly approach. They simply make the wrong use of referendum. But Switzerland and Denmark are both successful. Even Canada is successful despite the fact that it only uses this approach occasionally. Canada has rarely made use of referendum, but countries in Europe have frequently done so. I think this is an approach that can convince everybody. Deliberation in the parliamentary assembly and a consensus in society are both required for resolving some fundamental issues.

Now that Hong Kong has been discussing this policy issue for such a long time, it is high time that we adopt a means that can convince everybody, so as to forge a social consensus. The Secretary will of course tell us that this is a waste of effort because the Standing Committee of the National People's Congress (the Standing Committee) has already made a decision. If he is indeed right, then it will be pointless to do anything at all, I must say. And, it will be meaningless for us to talk about 2012. Frankly speaking, I can infer from the decision of the Standing Committee that the implementation of universal suffrage will not be permitted until 2030. Following the Secretary's logic, one can actually conclude that everybody must simply "shut up" until 2030. But, of course, we will not do so because man must seek progress and the right to determine one's own fate. We must fight for the right to tread a path that we should follow, rather than succumbing to any pressure to accept a path that we know it is wrong. I am not saying that universal suffrage can be possible only in 2030 or 2047. I am saying that universal suffrage can be implemented in 2012. The Secretary has remarked that it is just a short time, and that there will be universal suffrage in 2017.

To begin with, there is still some time between now and 2012, so we can still fight for changes. On the other hand, is there any guarantee that universal

suffrage can certainly be implemented in 2017 and 2020, as claimed by the Secretary? Can the Secretary tell us today what kind of universal suffrage it will be? Can he guarantee that it will be a form of universal suffrage that precludes all functional constituencies? Is it going to be a form of universal suffrage that precludes any screening and nomination of candidates? If the Secretary cannot answer these questions, he will in fact be telling us that we will still be kept inside a bird-cage, meaning that all will just be a form of "bird-cage" universal suffrage. And, I suppose he will not even tell us how large the bird-cage will be.

President, under such a situation, we have no alternative but to depend on ourselves and fight for a way out. It is indeed true that referendum is not specified in the Basic Law. But this is permitted under our system of laws. Why can we not conduct a referendum and let the outcome form the basis of deliberation by all Members and the Chief Executive? Does the Basic Law specify that no referendum shall be conducted to gauge the views of all the people for the reference of Members and the Chief Executive?

Therefore, I hope Members can support the motion today and all the amendments.

DR MARGARET NG (in Cantonese): President, justifications for supporting the cause of democracy are very straightforward. But arguments against democracy, against the implementation of democracy now or at any particular time are always equivocal. Usually, debates cannot yield any positive results. The reason is that the problem of those who argue against democracy or those who may actually support it at heart but still assert that its implementation should be deferred does not primarily lie in justifications.

President, the year before last, I attended an academic conference at Stanford University on the progress of Hong Kong in various areas since the reunification 10 years before. The topic of my speech was about the fight for democracy in Hong Kong in the decade or so. At the conference, I met Mrs Regina IP's supervisor, Prof Larry DIAMOND. I naturally gave a copy of my paper to him. He was very nice, and in return, he gave me a copy of the paper he was going to publish. In his paper, he recognizes the conviction and spirit underlying Hong Kong people's fight for democracy. But he also thinks that there may be something wrong with our approach. He reasons that we must have the support of Beijing, but with our present approach, there will never be

any such support. The professor therefore points out in his paper that the democratic camp of Hong Kong should support a moderate political figure who is trusted by Beijing and also supportive of the cause of democracy. The recommendation in his paper is Mrs Regina IP. I think at that time, she had only indicated her interest in standing in the Legislative Council By-election. The election had not started. Or, maybe, it had already started.

Later on, I met with the professor. We had a very long discussion, and I explained my standpoint to him. I told him that his viewpoint appeared sensible, but in practice his proposal might not work out. I explained that we must pay a price for Beijing's trust, meaning that we must not ask for anything we were not supposed to have or say anything inappropriate on any inappropriate occasions. I added that it was all up to Beijing to decide what words and occasions were appropriate. I therefore concluded that doing so would never enable us to achieve our goal. In the end, the professor got my point. When he published his paper later, he made some minor amendments as a matter of courtesy. Understandably, he had written his paper only after very careful thoughts, so he would not make any changes to it lightly.

President, my speech today will be very short. In Hong Kong, the cause of democracy is supported by people with many different positions. Some of them think that we can fight for democracy in a roundabout manner. They may also be very enthusiastic, but I think that under such a political regime, their approach will not yield any results or bring forth any benefits. On the contrary, the most effective approach is to say something inappropriate on inappropriate occasions. We must do something others hate to see, things like the march on 1 July 2003 and the 4 June candle-light vigil this year. It is only when Hong Kong people can pluck up the courage to take concrete actions that there can be any hopes of achieving democracy in Hong Kong. Such actions may not produce any immediate results, and the participants may even be cursed. But they will go on.

President, right in this Chamber, I talked about many theories of democracy, about why we should fight for democracy. The Article 23 Concern Group was changed to the Article 45 Concern Group after the discussions on Article 23 of the Basic Law. We published pamphlets one after another. When the National People's Congress made an interpretation of the Basic Law to impede the cause of democratization in Hong Kong, we again published a pamphlet to explain that the decision made by the Standing Committee of the

National People's Congress was not constitutional, but was simply a form of coercion. We tried to reason things out all the time. At that time, Mr Ronny TONG was not yet a Legislative Council Member. He was probably the Chairman of the Bar Association of Hong Kong. His standard of Chinese is frankly very average. But I remember that in order to debate with Prof XIAO Weiyun, he stayed up for the whole night and read many Chinese books on the constitution. I really admire him for being so hardworking.

But having explained all the reasons, we must still take actions, must still pluck up our courage, stand forward, take to the streets and make our voices heard. President, I support Mr WONG Yuk-man's amendment today, which urges all people to show their support by taking part in the march on 1 July. This does not mean that I do not support Mr LEUNG Kwok-hung's proposal on holding a referendum. I am certainly for holding a referendum. This reminds me that Fernando CHEUNG also fought very hard for holding a referendum, and he faced lots of criticisms as a result. My point is that the holding of a referendum is comparatively far away, but the march is something that is fast approaching. We should do anything within our ability. I therefore call upon all Hong Kong people to take to the streets on 1 July, so as to voice our demand for democracy once again. Their efforts will not be wasted. Thank you, President.

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

MR LEE WING-TAT (in Cantonese): President, last week, or maybe the week before last, when you were asked in an interview, you made a rather pessimistic forecast that the constitutional reform package due to be put forward was unlikely to be passed in the Legislative Council. If I can remember correctly, you explained that this was largely attributable to the pan-democrats' approach of standing on moral high ground only, hinting that we were not prepared to sit down for negotiations and compromise on certain issues (I do not know what the President can do if I cannot remember his words correctly, for he is not allowed to speak).

I have always thought that the President is a not man who will write or say anything without careful thoughts. For this reason, I gave some serious thoughts to his comment. Is it really true that throughout the long struggle for

democracy, the pan-democrats have all the time stood on moral high ground only, refusing to conduct any down-to-earth discussions and negotiations that can narrow the gap between the two sides and reach a mutually acceptable proposal? I did give very serious consideration to this question. But my answer to this question is "no".

President, I do not want to give you and the Government an impression that we are obsessed with certain principles and thus refuse to hold any down-to-earth discussions that can enable us to achieve democratic development and to make progress step by step in the process.

President, you set up a political party a very long time ago. I remember that when we were members of the Basic Law Consultative Committee (BLCC) in 1989 (President, I remember that you were also a member of the BLCC), many different schemes were put forward. I was a BLCC member from the democratic camp at that time. At the very beginning, we were told that full universal suffrage would be implemented within a very short time. And, we were also told how universal suffrage could be implemented within the short timeframe. President, I believe you should still remember the "190 proposal". After this proposal had been put forward, both sides (meaning the proponents of the "190 proposal" and those holding different views) did conduct some discussions. I remember that the "4.4.2 model" was worked out in the end as a compromise. It was agreed that after the reunification in 1997, 40% of Members should be directly elected, 40% should be returned by functional constituency elections and 20% should be returned by Election Committee elections. This was the outcome of negotiations among the democratic camp, the Business Alliance with Mr Vincent LO as the convenor and also moderates. I was also involved in the process. The President should remember that most BLCC members were in support of this proposal. But what happened in the end? In the end, the proposal fell flat, not because the three sides failed to reach an agreement, but because the Central Government did not accept the "4.4.2 model".

Therefore, from history, I really fail to see why it should be said that the democratic camp already asked for the full implementation of universal suffrage in 1991 right from the very beginning of their fight for democracy in 1985 and 1986. When I ran in the election in 1991 President, can you still remember this election? There was just an increase of two seats at the time, from 18 to 20

seats. We also ran in the election. I believe you should still remember this part of history.

In 2000, three political parties reached a consensus. The three parties did not really hold any formal discussions, but all of them — the Democratic Party, the Liberal Party and the then Democratic Alliance for the Betterment of Hong Kong — all put forward their views of the implementation of dual universal suffrage in 2007 and 2008. The only thing is that there was a change in position later on. Even if we look at something nearer to now, regarding the issue under discussion, what does the Democratic Party — I cannot represent the democratic camp — ask for? We are not asking for any rapid development of democracy within a very short time. Rather, we only want to know a specific timeframe. Stephen LAM knows our position on this, for we once discussed that in the streets. We are not fighting for the implementation of universal suffrage one term or two terms sooner. We only want to be told a timeframe, a specific year in which there will be a democratic election in the genuine sense of the expression. I do not mind waiting five or 10 more years. The designated year will eventually arrive anyway.

However, President, the greatest problem now does not lie with whether we are willing to wait five or 10 years more. Rather, the problem is whether the elections will be truly democratic, and whether the Chief Executive Election will be open to people with dissenting views. I once asked Secretary Stephen Lam not to make the first Chief Executive Election end up having only one candidate, for in that case, it would not be necessary to conduct any voting. He was talking to LAU Siu-kai at the time and was not quite so willing to answer my question. Perhaps, he might have considered this idea too. He might have thought that if there was only one candidate, it would not be necessary to conduct any voting at all. But this will surely force the people to start a riot in the streets, right? I told him not to even think about it.

President, the problem is certainly not that we have always stood on moral high ground, thus making all negotiations and mediation unsuccessful. Rather, the problem is that the very pragmatic and reasonable requests put forward by the democratic camp have all been rejected. On my part, I see no problem even if universal suffrage is introduced as late as 2022. If the Chief Executive Election in 2022 is one with no screening of candidates, why should there be any problems anyway? But the situation now is not like this. The Government has all the time refused to make a concrete undertaking. Nor is it willing to promise the

eventual abolition of functional constituencies. Does the Government want to retain functional constituencies forever? Or, does it intend to introduce a kind of farcical universal suffrage containing the so-called direct election based on the screening of candidates by functional constituencies to replace functional constituencies?

So far, the Central Government and its messengers have declined to say even a single word on these two questions. I do not know what Regina IP thinks. We are not at all demanding. President, our request is very modest instead. By 2017, the campaign for universal suffrage will have lasted some 20 years. By 2022, it will have lasted almost 30 years. How can anyone accuse us of standing still? I absolutely cannot agree to such an accusation. President, I must of course add that all this is only my personal analysis. I do not think that we should be blamed if no agreement can be reached in the end. I instead think that all will depend on whether the Central Government is really sincere enough to specify a year — 2017, 2022 or whatever — in which Hong Kong people can freely choose their government and representatives. Thank you, President.

MS AUDREY EU (in Cantonese): President, very often, memories really fade with the passage of time. There is very little press coverage of Mr LEUNG Kwok-hung's motion on referendum today. But back in 18 October 2004, that is, during the previous term of the Legislative Council, Fernando CHEUNG, who was then just a new Member, also proposed a motion on referendum at the meeting of the Panel of Constitutional Affairs on 18 October 2004. I can remember that the then President was utterly shocked. Pro-establishment Members and "lackeys of the Leftists" all took actions, voicing their severe condemnation. Fernando CHEUNG's motion indeed shocked them all. At that time, at hearing the term "referendum", all those people immediately associated it with the "independence of Taiwan". However, today, after four years, people no longer find the proposal of "referendum" so very special. In a way, I think there has been some progress in society.

The motion moved by Fernando CHEUNG years back reads, "That, as constitutional reform in the Hong Kong Special Administrative Region should have the consensus and support of the community at large, this Panel requests that the Government should conduct as soon as possible a referendum on the constitutional reform proposals for 2007 and 2008, and such proposals should include direct election by universal suffrage." The motion moved at that time

was indeed very moderate. As can be expected, the voting outcome was 31:20, and the motion was voted down. At that time, mainland legalist XIAO Weiyun (now deceased) bombarded Fernando CHEUNG with severe criticisms. He spoke against the idea of holding a referendum in particular. He even went so far as to say that Hong Kong people were only "residents", not "citizens", and that the holding of a referendum was a political act aimed at antagonizing the Central Authorities.

When Mr Albert HO has spoken just now, he has explained that the Basic Law does not expressly forbid the holding of a referendum. Yes, under the common law system, anything that is not expressly forbidden shall be permitted. And, I also wish to tell Members that the idea of referendum is also mentioned in the second draft of the Basic Law. A referendum is therefore not an ogre, not antagonistic and not anti-Communist. According to Annex I and Annex II to the second draft of the Basic Law — Members should know that Annex I is about the method for the selection of the Chief Executive — "During the term of office of the third Chief Executive, the Legislative Council shall formulate a specific method to decide, through a referendum in the Region, whether the Chief Executive shall be selected by general election after nominations are made by a broadly representative nominating committee in accordance with democratic procedures. The result of the referendum shall be reported to the Standing Committee of the National People's Congress for the record." It further says, "The above-mentioned referendum shall only be held with the endorsement of the majority of members of the Legislative Council, the endorsement of the Chief Executive and the Standing Committee of the National People's Congress. The result of the referendum shall only be valid and effective with the affirmative vote of more than 30 per cent of the eligible voters."

Annex II on the Legislative Council Election reads, "The Legislative Council of the first four terms shall be constituted in accordance with the provision of this Annex. During the term of office of the fourth Legislative Council, the Legislative Council shall formulate a specific method to decide, through a referendum in the Region, whether all members of the Legislative Council shall be selected by general election. The result of the referendum shall be reported to the Standing Committee of the National People's Congress for the record. The above-mentioned referendum shall only be valid with the endorsement of the majority of members of the Legislative Council, the consent of the Chief Executive and the approval of the Standing Committee of the National People's Congress. The result of the referendum shall only be valid

and effective with the affirmative vote of more than 30 per cent of the eligible voters."

President, these records can show that a referendum is not an ogre, not anything anti-Communist. It is actually mentioned in the Annexes to the second draft of the Basic Law. It is of course a pity that it was subsequently removed. The history of referendum can be traced back to the French Revolution 220 years ago. Several Members have pointed out just now that a referendum can be a binding-referendum, meaning that it carries the force of the law. But it may also be a consultative referendum, in which case it will carry no legal power. The latter is found in many democracies. When she spoke just now, Regina IP cited some examples. She made special reference to an article in *The Economist*, which discusses a very bad example in the United States, especially California.

Honestly, there are bad examples in many things. For example, Regina IP once argued that HITLER was also democratically elected. But does this mean that democratic elections are tailor-made for electing tyrants? Does this mean that we shall never hold any democratic elections? Bad examples have nothing to do with the system itself. Rather, problems are just the results of abuses and improper implementation. Mr Ronny TONG pointed out just now that the holding of a consultative referendum and a binding-referendum in Hong Kong will not contravene the principles of universal suffrage and our constitutional arrangements. The reason is that the decisions of the Standing Committee of the National People's Congress may actually be over-ruled by the National People's Congress. And, the National People's Congress may always make changes in consideration of the referendums and binding-referendums conducted in Hong Kong.

Actually, a weak government which is faced with the people's intense grievances and frequent challenges should see that the best way out is to allow the people to make their decisions on certain major issues, rather than firmly refusing the conduct of a referendum. The holding of a referendum is therefore the best way to decide the form of universal suffrage and even the timeframe of implementation. It is a pity that both our weak government and the Central Authorities are worried about our democratic progress. As a result, the motion under discussion will stand no chance of passage today.

For this reason, as urged by Dr Margaret NG, if we are denied a referendum, we must then cast our votes with our feet. On 1 July, everybody

must take to the streets and express their support for democracy and universal suffrage with concrete actions. Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, when speaking on constitutional reform just now, some Members questioned whether a referendum should be held at this stage. I think that regarding the progress of democratic reform, it is basically a good idea to hold a referendum, because the people can at least voice their views directly. But what is the bad thing about this idea? The bad thing is: It will mean that while we are promised democratic reform, those in power have deprived us of the democratic political system we are entitled to, so we are forced to hold a referendum. Why do we want to hold a referendum? In brief, all is related to the fundamental question of whether Hong Kong people have the right to voice their own views on how they proceed with democratization. This is the biggest question.

It has turned out that we have never had such a right. Over all these years, since the 1980s, many people and community organizations have been taking to the streets to demand democratic reform. But so far, those in power have still sought to impede all such efforts, claiming that there is no public mandate for democratic reform.

However, I must ask them in return: Is there any public mandate for not introducing any democratic reform? Actually, the ultimate question is about who are in control. When they are in control, they will argue that there is no public mandate. I remember that the last time he conducted consultation on constitutional reform, Donald TSANG said that most public opinions were in support of his reform package. He accepted public opinions at that time. But I must also say that the demand for universal suffrage put forward by some community organizations is also supported by many people, actually more than 60% of the people. What I am driving at is that both sides have been advancing their own arguments, and we have asked for a referendum only because there is no agreement.

Both sides have been insisting that they have public mandate. It is therefore a good idea to stop all the arguments and hold a referendum for everybody to express their own wishes. This is a possible way to tackle the problem.

Another issue under discussion today is the march on 1 July. The history of this annual march shows that it is an alternative form of public opinion expression, or an alternative form of referendum. We notice that in 2003, the people did make use of the march on 1 July to voice their demands, including the stepping down of TUNG Chee-hwa. And, in the end, TUNG Chee-hwa really had to step down. The march on 1 July that year was not only about TUNG Chee-hwa's stepping down. The enactment of legislation to implement Article 23 of the Basic Law was also a reason.

Actually, this particular march could show that faced with the very deep-rooted social conflicts at that time, the people wanted to express their discontent with the governance through this channel. This is indeed a very good channel. We can see that the Government's present performance is plagued with many problems in different areas. If any people dread the march on 1 July, they can actually agree to the holding of a referendum to gauge the people's views. If people do not want to hold a referendum, we have no alternative but to encourage the public to take to the streets on 1 July to voice their demands.

I think Members are aware of all the deep-rooted social conflicts now. For example, the unemployment rate is soaring. There seems to be a slightly more stable situation this month, but the rate is still rising. The wealth gap problem is still serious. Many livelihood demands of the people are not yet satisfied. All such grievances, we think, are closely related to the political system.

When we look at the accountability system for principal officials, for example, can we really find any accountability? Where were the Secretaries concerned when we discussed the issue of Zheng Sheng College earlier today? Many Members asked for their whereabouts, but they simply "vanished" altogether. How can they still talk about accountability in that case? The truth is that they are accountable to the Chief Executive only, not to the general public. And, to whom is the Chief Executive accountable? He is accountable to a small circle of 800 people only. The cycle thus goes on and on. In this way, many livelihood problems cannot be tackled on an accountability basis, and there are no officials with any sense of responsibility to shoulder the responsibility.

I therefore hold the view that the march on 1 July is of very great help to us, in the sense that it can encourage people to use their feet to show their attitudes. I hereby call upon members of the public to voice their views by

participating in the march on 1 July if they think that any livelihood issues have not been tackled. As for the direction of constitutional reform, there is an even greater reason for them to join the march to air their views, because the Government has over and over again said that we should not hold a referendum to express our opinions in this respect. Therefore, we must join the march to voice our aspirations.

Through this motion debate today and making use of it as a platform, I would like to tell the people that many governance problems are found. Are "Hong Kong people ruling Hong Kong", "a high degree of autonomy" and "one country, two systems" able to promote stable development? I do not think so.

In two previous debates, in which we discussed the role of the Liaison Office of the Central People's Government in the Special Administrative Region of Hong Kong, we questioned whether it would become a "shadow cabinet" in Hong Kong. A question like this will pose a challenge to "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy". All these issues and the question of constitutional reform can actually be debated jointly. We think that only the introduction of full universal suffrage for electing the Chief Executive and all tiers of representative assemblies can solve our problems.

I so submit.

MR ALBERT CHAN (in Cantonese): President, the stagnancy of the political system can be described as an extremely ugly political melodrama. This is a political melodrama jointly produced by a government without any legitimacy and a small group of people with vested interests. This Government has no legitimacy because it is elected by a small circle of 800 people. The small circle of 800 people with vested interests manipulates policy-formulation. I use the term "small circle of people with vested interests" because the people in this small circle transfer political and financial benefits among themselves, harbouring and abetting one another.

President, we can see that under Hong Kong's political system, some people can enjoy political free lunch; some "political lackeys" fervently defend the interests of large consortia; and, the top echelons of the Government also funnel benefits to large consortia. Those in charge of large consortia can communicate directly with top government officials by making a simple

telephone call, and just by making a simple request, they can make the Government change a policy. The one thing I can remember most clearly is that years ago, whenever a large consortium raised objection to any major policy — the land policy, or the town planning policy or even the trivial matters of the legislation to regulate sales of unfinished flats or the setting of a minimum wage — the Government would immediately go down on its knees like a Pekingese wagging its begging tail.

President, the inefficacy of this absurd political system has stripped the Government completely of legitimacy and representativeness, thus adding to the difficulties faced by the Government in the course of constitutional reform. Let us not consider the need for obtaining the approval of Grandpa and Beijing's attitude towards the issue. Back in Hong Kong, it is already very difficult to deal with the large consortia and those groups with vested interest. They will definitely refuse to give up the influences and interests they currently enjoy.

During my visit to the United States many years ago, I already pointed out that the greatest obstacles to Hong Kong's political development were its large consortia and the small circle of individuals and groups that were offered political free lunch and various benefits. It is absolutely impossible to change the situation and ask the coterie of 800 people to forgo their interests. Therefore, the holding of a referendum as proposed by Mr LEUNG Kwok-hung is the best way to deal with the dilemma.

President, my amendment originally contained an appeal, asking the people to take part in the march on 1 July. But this was ruled out of order by you. President, your decision can further show the infamy and absurdity of the current system. In April, the Civil Human Rights Front already submitted its formal application to the Government for the holding a march on 1 July this year. And, in the past years, permission was always given for the holding of this mass movement. The march is a lawful mass movement well recognized by the people, and it has been conducted in a very orderly manner over the years. But then, even two months after it had received the application, the Government still failed to give approval. The President thus ruled against my amendment on the ground that since the Government had not given its approval, it was not appropriate to discuss the issue in the Legislative Council. The logic is indeed absurd. President, from the standpoint of law, you are right, because there was no permission for the march at the time, so it really might not be lawful. But all is just because of the Government's draconian and outrageous policy. Under the

law, the Government is required to handle the application, but it has tried to delay the whole thing as much as the law allows and given its approval just 72 hours before the event. But this does not mean that the application is unlawful. The Government has gone so far as to adopt such a draconian administrative measure to delay the whole thing and deprive the Legislative Council of its basic right to discuss the matter and its opportunity to vote on the matter. Therefore, President, by making the ruling, you are in fact condoning the Government's draconian and irrational approach.

PRESIDENT (in Cantonese): Mr Albert CHAN, you should know that you are not supposed to comment on my rulings in the meeting.

MR ALBERT CHAN (in Cantonese): President, I have written you a letter, but I have not received any reply from you. President, it is the second letter. President, I can catch your point. But I also think that what I have said is related to the logic and considerations underlying this motion debate, our democratic development and the holding of referendum. President, I have put forward my views. You think that it is not appropriate for me to criticize your ruling openly in the meeting, but I must say that I have just been trying to talk about some issues about political theories and constitutional development.

President, the delayed introduction of universal suffrage and the lack of a clear timetable can aptly reflect the inefficacy of "one country, two systems". It can be said that "one country, two systems" There will certainly be a judgment in history. All the delay associated with constitutional reform can show that "one country, two systems" is mere deception, a big lie. DENG Xiaoping himself might not have intended any deception. But those after him, the "royalists" and this government with no legitimacy at present have turned DENG's "one country, two systems" into a big lie in their attempt to delay constitutional reform, because DENG's promise on democratic progress at the time has been completely brushed aside. Therefore, all these people have made DENG Xiaoping "a criminal through the ages". History will sooner or later rule that "one country, two systems" is an utter failure because it cannot bring forth democratic development.

President, referendum is the best way to handle political conflicts. If this government with no legitimacy still cannot pluck up the political courage to put

forward a package of its own to resolve the matter, the people, all the 7 million people in Hong Kong, will have to hold a referendum to decide their own future, work out the mode of constitutional reform, shatter the manipulation and control of the small political circle and overthrow this ugly and infamous system.

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

MR IP KWOK-HIM (in Cantonese): President, actually a fight for universal suffrage in the name of a "referendum" was also staged in 2004. It is an attempt to overturn the decision of the Standing Committee of the National People's Congress (NPCSC) by way of a referendum. It is not only a disregard of the NPCSC's constitutional authority but also a contravention of the Basic Law. As such, the conduct of a referendum may not be able to gain the recognition of society and is naturally unable to receive the support of the people of Hong Kong.

Just now I heard Miss Tanya CHAN say that the referendum in question is a consultative referendum. She has also mentioned that many members of the public do not have any idea about referendum. I also heard Mr Albert HO, Chairman of the Democratic Party, mention in his speech that they would support this referendum because they hoped to influence the relevant decision of the Hong Kong Special Administrative Region (SAR), the Chief Executive and Members of this Council with the result of this referendum.

Let us take a look at the original motion and the amendments moved by the three Members respectively. They stated very clearly that in order to make decisions relating to the selection of the Chief Executive and the election of all Legislative Council Members by universal suffrage, it was necessary to legislate on referendum. According to the views expressed by Miss Tanya CHAN or Mr Albert HO just now, the referendum is only consultative in nature, or the result of the referendum will only serve as a reference for Members or the Government. As I see it, these views are a bit misleading, if not wishful thinking.

Looking back at the day of 15 November 2004, actually, the Legislative Council Panel on Constitutional Affairs held a meeting in this Chamber to discuss — Ms Audrey EU also mentioned this just now — a motion on referendum moved by Dr Fernando CHEUNG. I noticed that during the discussion of the motion, Dr YEUNG Sum of the Democratic Party clearly said that the people of

Hong Kong and Members of the pan-democratic camp had never requested the Government to legislate on referendum. Therefore, today when I heard the Democratic Party say that they would support this motion on the enactment of legislation on referendum, I deeply regret their change of stance and their views in this respect.

Regarding "the two why's", I have to make them clear here: first, why the SAR shall not decide on the future constitutional development by way of referendum; and secondly, why the SAR shall not legislate on referendum.

The procedures for amending the methods for selecting the Chief Executive and the forming of the Legislative Council are explicitly provided for in Articles 45, 68 and 159 of and Annexes I and II to the Basic Law. None of these provisions has made any reference to deciding the future constitutional development by way of referendum. Neither has the NPCSC's Decision on "Issues relating to the methods for selecting the Chief Executive and the forming of the Legislative Council in 2012 and issues relating to universal suffrage" promulgated on 29 December 2007 made any reference to arrangements for referendum. This shows that to decide the electoral methods for 2012 by way of referendum is indeed in contravention of the relevant requirements relating to electoral arrangements under the Basic Law. Continuous individual attempts to advocate the seizure of the Central Authorities' power to decisions relating to the constitutional affairs of Hong Kong by way of referendum in the name of "Hong Kong people ruling Hong Kong" will only undermine the relationship and trust between the Central Authorities and the SAR in the end, and will definitely be unable to gain the recognition of the general public.

The referendum system in which certain highly controversial social issues are decided through direct voting by all citizens has special constitutional significance. At present, places where referendum is used have all put in place stringent constitutional requirements on the relevant arrangements. That is to say, no referendum should be used without constitutional mandate. Regarding why legislation on referendum must not be enacted in the SAR, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) is of the view that this issue involves the source of authority of the SAR Government. At present, the authority of the Hong Kong SAR, including its legislative authority, is authorized by the Central Authorities under the Basic Law. Article 11 of the Basic Law provides that the executive, legislative and judicial systems and policies of the SAR shall be based on the provisions of this Law; and Subsection

2 also stipulates that no law enacted by the Legislative Council shall contravene this Law. Therefore, legislating on referendum to put in place the so-called "referendum legislation" is obviously a contravention of Article 11 of the Basic Law.

At the end of this year, the SAR Government will launch a consultation on the electoral methods for 2012. The DAB hopes that different sectors of the community and various political parties will adopt a proactive, objective and pragmatic attitude in formulating, together with the people of Hong Kong, an electoral package in compliance with the Basic Law and the NPCSC's decision on the electoral methods for 2012 promulgated in 2007. Any further attempt to fight in a bundled way for dual universal suffrage in 2012 which is obviously out of the question would only demonstrate a total lack of sincerity in resolving the problem. The DAB is greatly concerned that the ultimate result would only be the lack of progress again in constitutional development.

President, I so submit.

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

MR LEE CHEUK-YAN (in Cantonese): President, "La Démocratie en Miettes" is presented here again today because the issue of policy is revisited. Today, this Legislative Council of Hong Kong has also fallen apart, with 30 Members of this Council returned by functional constituencies, 30 Members returned by geographical constituencies through direct elections and the Chief Executive returned by a small circle.

Mr LEUNG Kwok-hung said just now that the human recording machine was turned on again. In fact, we are also human recording machines. I have to reiterate that Stephen LAM is actually very similar to this bust because he is also half-sized. He should only receive half the remuneration as he is idle half of the time. President, with his entire speech, the Secretary has only made one point that as a decision has already been made by the National People's Congress (NPC), the elections in 2012 will be conducted in this way. As for the elections in 2017 and 2020, decisions have also been made.

Actually, as far as Hong Kong is concerned, I actually think the Constitutional and Mainland Affairs Bureau is in Beijing rather than in Hong

Kong. Hong Kong has to implement whatever decision Grandpa has made. Just now, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) reiterated their ideas, which are typical of a lackey party, that as Grandpa has already made the decision, everyone should face the reality that there is actually no way to fight for universal suffrage in 2012, and thus everyone could only act in active co-operation, and as long as it is a decision made by Grandpa, Hong Kong should stop thinking otherwise. If this is really the case, Hong Kong does not have to do anything at all because all we can do is to stand and wait for the decision of Grandpa. Our Government has to wait for the decision of Grandpa, and so do other political parties. Whatever Grandpa decides, they just act accordingly. Should this situation persists, what is the use of this Council? If this is the case that every one is just waiting, there is no need to give any regard to the Basic Law or the procedures regarding the report to the Central Authorities by the Chief Executive and the endorsement by a two-thirds majority of the Legislative Council whatsoever because all these are a sham. The only truth is as long as Grandpa nods, everything is acceptable; otherwise nothing is acceptable. Is this what it means?

MR WONG YUK-MAN (in Cantonese): Everyone has to kneel down at once when he "blows the whistle".

MR LEE CHEUK-YAN (in Cantonese): Everyone has to kneel down at once when he "blows the whistle", right?

PRESIDENT (in Cantonese): Mr WONG Yuk-man, please keep quiet.

MR LEE CHEUK-YAN (in Cantonese): Therefore, if the situation has come to such a pass, it would really be pathetic for Hong Kong. If everyone adopts an attitude akin to that of a lackey or a slave, why do the people of Hong Kong have to fight for freedom? We wish to have freedom to express our positions and our expectations, expectations for China and for Hong Kong, and our aspirations. We wish to express ourselves freely instead of being slaves.

Today, I read *Prisoner of the State: The Secret Journal of Chinese Premier Zhao Ziyang* by ZHAO Ziyang which, among other things, gave an account of

how HU Yaobang stepped down. Actually, just by thinking about it briefly, one may find this very "frivolous". HU Yaobang had to step down just because a few Elder Statesmen were displeased. I am thinking whether the constitutional system of Hong Kong is as "frivolous" as this. Why is it "frivolous"? It is because the people of Hong Kong are not allowed to make any decision, and some officials within the Government are lackeys and slaves. Should this not be the case, how could there have been two incidents in which the NPC ruled out dual universal suffrage? Someone in the NPC may say while drinking Maotai wine, "As the people of Hong Kong keep making noises and commemorating the 4 June incident, we had better not give permission for them to implement universal suffrage." Then, that would be the end of Hong Kong. I am thinking that it is possible for the situation to be as "frivolous" as this. The more I think about it, the more scared I am, especially after reading *Prisoner of the State: The Secret Journal of Chinese Premier Zhao Ziyang* by ZHAO Ziyang — it was really very "frivolous" for a General Secretary of the Communist Party to step down like this. Actually, the way ZHAO Ziyang was placed under house arrest for 16 years was also very "frivolous". Therefore, under such "frivolous" circumstances, and with such arbitrariness and autocracy, will Hong Kong run into any luck?

However, I think the people of Hong Kong have a historical mission. What is their historical mission? I find it from the candlelight vigils in commemoration of the 4 June incident. I realize one thing on that occasion: The people of Hong Kong are unwilling to stoop to make concessions and live in humiliation. We want to exercise our freedom to fight for democracy not just for Hong Kong but also for China. As we are Chinese in every sense, we have to shoulder this baggage of China. We have to shoulder this baggage until the end. This is not the baggage of the 4 June incident but the baggage of China which we have to shoulder until the end.

Dr Margaret NG mentioned just now that a professor of the Stanford University said some mediators, people whom the Central Authorities trust, should be identified. Actually, many people buy this idea of stooping to make concessions, thinking that we have to appease the Chinese Communist Party. However, as it is so "frivolous", I have no idea how we can appease it. I cannot understand how it came up with some of the decisions. When it is so "frivolous", how can we appease it?

Therefore, in the end, I think there is no way to appease it. We have to know very clearly that the people of Hong Kong are shouldering the responsibility of Chinese people to pursue and fight for democracy. We should not ignore the situation of China while only focusing on improving the situation of Hong Kong, thinking that it would suffice when democracy is practised in Hong Kong. I think we cannot think this way anymore because all of us know clearly that Grandpa makes all the decisions. Therefore, what we have to fight for is not just democracy for Hong Kong but also democracy for China.

Frankly, I have changed my thinking somehow. To be frank, I begin to ask myself what we are discussing with the Government. Are we discussing democracy for Hong Kong? Now that Hong Kong is under the one-party dictatorship of the Chinese Communist Party, do you think it is possible for Hong Kong to develop democracy? That being the case, frankly, we had better make more effort to take up the responsibility of China, the responsibility of the 1.3 billion people to fight for democracy for China first before considering democracy for Hong Kong. When democracy is practised in China, it will definitely be practised in Hong Kong. I think this has become the historical mission of both the people of Hong Kong and the people of China. Ultimately, we have to deal with the situation mentioned by MAO Zedong. He said, "Without democracy, everything is mere window-dressing." "China has a shortcoming, a major shortcoming too. This shortcoming, in a nutshell, is its lack of democracy." This was what MAO Zedong said in 1944, and up till now, we still have to deal with it. Therefore, sometimes I think the two "whatever's" referred to by the Communist Party — whatever MAO Zedong said is right; whatever MAO Zedong said before 1949 is right — is right. However, this is not true for what MAO Zedong said after 1949. Therefore, finally, I think Hong Kong should refrain from stooping to make concessions. We cannot be slaves.

Thank you, President.

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

MS EMILY LAU (in Cantonese): President, I speak in support of Mr LEUNG Kwok-hung's motion and the two amendments. President, regarding this subject, have you ever counted the number of discussions we have held on it?

When I spoke on this subject on the previous occasion, I asked whether we had to discuss it until the end of time or the end of days, and then what? This is now 10 o'clock in the evening, President, but we still have to discuss it because there is something we must get off our chest.

President, Mr IP Kwok-him of your Party is really remarkable. He expressed regret about the change of stance of the Democratic Party. First of all, it did not occur to me that the Democratic Party had decided not to support legislating on referendum. However, when it comes to regrets, President, there is none that can compare with my regret about the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). If the DAB and the Liberal Party had not changed tack, Hong Kong would have implemented universal suffrage in 2007 to 2008, President. Therefore, while he expressed regret about trivialities, why did he not regret his own change of tack? I think one should express oneself clearly and concisely. How can what has been written in the platform of one's political party be changed? Therefore, this makes people think that certain political parties are made up of politicians, President. How can even what has been laid down in the platform of a political party be changed? This is indeed infuriating, and the word "regret" is inadequate to express our feeling.

We support this motion today, hoping that the public can really express themselves by way of a ballot box — not violence — through a peaceful means. It is because sometimes if we allow our grievances to pile up without giving vent to them, President, there is indeed no way out. You can always see on television how people of other places act. Therefore, I advise the Hong Kong Special Administrative Region (SAR) Government and the Central Government not to go over the top in bullying others. The people of Hong Kong — let me quote a remark made to me by a former official of the Xinhua News Agency, YANG Huaji — are very kind. However, the Government should not bully them too much. The public very much hope to fight for universal suffrage, justice and freedom through peaceful, rational and non-violent means. However, they have been let down time and again. Some people say even if some 100 000 to 200 000 people participate in events commemorating the 4 June incident, the people of Hong Kong will not have universal suffrage in 2020 and even 2080. Is this really the case? Now, no one believes there will really be universal suffrage in 2017 and 2020, President. We are asking for dual universal suffrage in 2012, and we will not back down at all.

The SAR Government has been totally indifferent to public opinion. Actually, there is no need to conduct a referendum, President. Why? It is because every time an opinion poll was conducted by whoever it was, the majority of respondents supported the expeditious implementation of dual universal suffrage. It is indeed outrageous for this Government to be totally indifferent to public opinion. It even lacks the courage to reflect the wishes of Hong Kong people to the Beijing authorities. I think this is indeed too much. It has also rendered it necessary for this Council to discuss these issues repeatedly.

We may be a minority here, President, but you should know that in voting, we hold the views of the majority of people. This system is so shameless that it makes those who have received the support of the majority of the people become a minority after joining this Council, and it makes use of an even more shameless voting method to prevent our motions from being passed. A victory won in this way can be ignominious. This Government should be ashamed of itself if this situation is made known to people of any part of the world. If the Government is competent, it should beat its opponent in an open and transparent manner through obtaining 60% to 70% of votes in the ballot box. Then these motions would never be passed. However, this is not the case.

President, people who voted for us definitely support universal suffrage because our political platform is, first, truthful and reliable and does not change, and it also states clearly that we will fight for universal suffrage. I can make it very clear that voters who support the pro-democracy camp definitely support the immediate and expeditious implementation of dual universal suffrage. Therefore, we do not need a referendum because voting has been conducted plenty of times. However, although voting has been held time and again, the Government still dismissed the results as garbage and did not have the courage at all to reflect them to the Central Government. Therefore, this motion moved by "Long Hair" may fail again. If it fails, let us move another one. We will continue to fight on despite repeated failures, and in short, we will go on with this struggle. Why? It is because public opinion is not yet represented, and because there is a very shameful system which lets the people of Hong Kong down time and again.

Therefore, President, it does not matter whether it is you or someone else who expresses the idea that we are asking for dual universal suffrage in 2012 in a bundled approach. This is the wish of the public. Why do we call this a

bundled approach? There are a few million people who support dual universal suffrage. Therefore, I hope those people can get this message. We do not hope to maintain the status quo. Why should we hope so? Of course we hope that the wish of the people will be represented, and we hope the SAR will have an elected Government as soon as possible. Therefore, I hope those people will not block the progress of the world. Maintaining the status quo will not bring any benefit to any one, and will also disappoint the younger generation of all political parties. However, this problem is caused not by us but by some people who, pretending that they could not hear the people's voices, insist on acting against public opinion and do not have the courage to reflect these voices to the Beijing authorities. If the Beijing authorities antagonize public opinion, they are bound to go down in misery, President. Therefore, Mr LEE Cheuk-yan may be right in saying that people who fight for democracy in Hong Kong had better do so in the Mainland. If democracy is fought for in the Mainland, revolution may be advocated.

MS MIRIAM LAU (in Cantonese): President, the Liberal Party has always supported the election of the Chief Executive and all members of the Legislative Council by universal suffrage as soon as possible in accordance with the principle of gradual and orderly progress under the Basic Law. The Decision passed by the Standing Committee of the National People's Congress (NPCSC) in 2007 has actually resolved that dual universal suffrage will not be implemented in 2012. However, it has also been confirmed that the Chief Executive can be selected by universal suffrage in 2017, and the forming of the Legislative Council by universal suffrage can be implemented subsequently in 2020. The timetable for universal suffrage which has long been a subject of dispute has actually been finalized. At present, the Liberal Party does not consider it very meaningful to continue to linger over the issue of dual universal suffrage in 2012.

We respect some Honourable colleagues' insistence regarding 2012 and understand that they may have distrust over the selection of the Chief Executive by universal suffrage in 2017. However, should we trust, for the time being, that universal suffrage will be implemented in 2017, so that every one can be united and make concerted effort on the 2012 constitutional reform in a pragmatic manner to bring about improvement in the constitutional system and strive for the selection of the Chief Executive by universal suffrage in 2017? If some groundwork can be laid, we deeply believe that in 2017, the selection of the Chief Executive by universal suffrage will really be realized. We think this is more

meaningful than continually lingering over the issue of dual universal suffrage in 2012.

As for dual universal suffrage in 2012, why have we been thinking that it is problematic? Actually, some legal rationale is involved. Annexes I and II to the Basic Law stipulate the methods of selecting the Chief Executives and the forming of the Legislative Council. Any amendments made to them have to follow certain procedures, that is, such amendments must be made with the endorsement of a two-thirds majority of all the Members of the Legislative Council and the consent of the Chief Executive, and they shall be reported to the NPCSC for approval or for the record.

As for the Decision made at the end of 2007 — some colleagues said it was the decision made by Grandpa — when the NPCSC made that Decision, Mr QIAO Xiaoyang, Deputy Secretary General of the NPCSC, stated in the Explanations of the Decision the procedures for amending the Annexes to the Basic Law that any amendments made should go through the following five steps: the Chief Executive shall submit a report to the NPCSC; the NPCSC shall decide whether the relevant amendments are necessary; the Government shall introduce a bill on the amendments into the Legislative Council and endorsement by a two-thirds majority of all the Members of the Legislative Council is required; consent shall be sought from the Chief Executive for the bill passed; and finally the amendments shall be reported to the NPCSC for approval and for the record.

Therefore, the statutory procedures for amending the methods of selecting the Chief Executive and the forming of the Legislative Council, be it under the Annexes to the Basic Law or the NPCSC's Decision, do not include the referendum arrangements mentioned today. Therefore, advocating the conduct of a referendum is obviously not in compliance with the existing legal framework, or it can even be described as a contravention of the constitution, unconstitutional and illegal.

What actually is the authority of the NPCSC? The NPCSC has already made it clear that universal suffrage will not be implemented in 2012, and it has already set a timetable. From the legal point of view, the National People's Congress (NPC) is the highest authority and the legislature of the country, while the NPCSC is the standing body of the NPC. The legal status and legitimacy of decisions made by the NPCSC are beyond doubt.

Is this Decision of the NPCSC, or decision of Grandpa, as described by some Honourable colleagues, unacceptable to the public? After searching the records, we find that it is not so. Findings of a survey conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong after the promulgation of the NPCSC's Decision show that as many as 72.2% of respondents have indicated their acceptance or full acceptance of the NPCSC's Decision. As such, what is the meaning of putting forward further new proposals such as conducting a referendum now?

Today, I have listened very carefully to the speeches made by Honourable colleagues, many of whom engaged in various academic discussions relating to this proposal of referendum. As I am not an expert in this field, I just have some general ideas about it. Of course, some referendums are binding while others are not; and some countries frequently use referendums or even abuse them, while other countries only use them on some issues or major issues.

I personally think that only a very indolent government will abuse referendum and leave all decisions to the people so that it does not have to make any decision, and thus a few dozen referendums may be conducted annually. If referendums are used on major issues, social polarization will indeed be resulted.

Actually, a responsible government should gauge public opinions before making a decision which can take into account the climate of public opinions. This is what a responsible government should do. Therefore, the Liberal Party has reservation about referendum. Of course, the discussion today is not on whether or not referendum is a desirable approach because in fact, we have not prepared for such a discussion and relevant information is not available. However, if such opportunities arise in future, I believe we will be able to examine this issue more thoroughly.

Today, this motion is very clear. Mr LEUNG Kwok-hung's original motion and the two amendments are all about the use of referendum by the public to make a decision relating to the elections in 2012. Therefore, from every perspective, this is a decisive referendum, and a decisive referendum is obviously not in compliance with the provisions under the Basic Law, and neither is it in line with the NPCSC's Decision. Therefore, it is impossible for us to support the motion and the two amendments today on this basis. Thank you, President.

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

DR PRISCILLA LEUNG (in Cantonese): President, democracy is an ideal. It allows for diversities in society and also enables the exercise of mutual respect. However, democracy may often have different manifestations when it is practised in different periods in history and in different cultures and races. For example, the society of Taiwan, India, Thailand, the United States and the United Kingdom, after democracy is practised, has undergone changes. I have been pondering the issue of democracy for a long time. What should be the way forward for Hong Kong on the course of democracy? Should we model on the system adopted in the West or that adopted by other Asian countries? How should Hong Kong devise its own course of democracy?

The course of democracy for Hong Kong must possess its uniqueness because Hong Kong is not an independent sovereign State. I think in developing the course of democracy for Hong Kong, consideration must be given to the common sentiments in China and the relationship between the Central Authorities and local authorities. Many Honourable colleagues mentioned the Basic Law just now. I only wish to speak briefly on the two realities facing Hong Kong in the course of practising democracy and pursuing constitutional development, one being the legal reality and the other being the political reality. The political reality is that the framework of the central-local relationship between China and Hong Kong must be included in our consideration of the overall constitutional reform. The legal reality is that provisions are already laid down under the Basic Law such that if we have to move towards constitutional reform, endorsement by a two-thirds majority of all the Members of the Legislative Council and consent by the Chief Executive have to be obtained and the relevant amendments have to be submitted to the Standing Committee of the National People's Congress (NPCSC) for approval or for the record. Therefore, the course of democracy for Hong Kong indeed requires hard thoughts. I am very confident about the quality of Hong Kong people, and I believe Hong Kong will definitely be able to set such a course.

However, under the present circumstances, based on my understanding of the common sentiments and the actual situation of China, if we introduce a referendum system now, I believe it will only slow down the present pace of constitutional reform, or it is even possible that the progress will be undermined.

If that is the case, we will have to continue to discuss different packages again. I believe many Members present and even Members who have just joined this Council this year have put forward numerous models and packages to the Government through different channels, and I myself have also put forward a proposal of a few tens of pages long. After all, these are theoretical discussions. If they have to be put into practice, the Legislative Council has a duty today to find out how to come up with a package with the endorsement by a two-thirds majority of all the Members of this Council. I am not sure about other Members, but I believe many Honourable colleagues who have just joined this Council this year do have the sincerity to join this discussion with an open attitude so as to find out whether we can come up with a new package.

Over the past two decades, I mainly engaged in work involving legal disputes in China and Hong Kong. I have handled many disputes relating to joint-ventures, and I have also handled many successful cases of joint-ventures. If the bottomlines of both parties are widely apart from each other, it is impossible to arrive at any consensus, and they will surely end up leaving in discord, wasting each others' time. However, I believe every one has shown some sincerity this year. I hope we can open up a new direction for 2012, in a bid to seeing a ray of hope for the establishment of the two mechanisms for selecting the Chief Executive and the forming of the Legislative Council by universal suffrage in 2017 and 2020.

I do not know whether my proposal is pleasant to the ears, but we should try to put forward some new packages so that we can narrow our differences in the process of finding out each other's bottomlines. I put forward my mid-point package in the hope that "one person, two votes" can be implemented in 2012, and "one person, 31 votes" can be implemented in 2016. I know many Members returned by functional constituencies consider this very hard to achieve. If members of functional constituencies really find this too hard to achieve and unacceptable, "one person, two votes" can be implemented for a period of eight years, and an attempt may be made to implement the formation of the Legislative Council by universal suffrage, in its true sense, in 2020. My proposed package is in compliance with the Decision made by the NPCSC and the legal timeframe. However, constitutional reform is the same as negotiation over the table, both requiring the art of compromise.

If we have great differences on the issue of constitutional reform, I will also be very concerned. However, I still have some hopes about it. I still hope that, as our first step towards constitutional reform, we can come up with a new package within this legislative term. Thank you, President.

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

DR RAYMOND HO (in Cantonese): President, this Council has discussed the issue of constitutional reform in Hong Kong plenty of times. Some Honourable colleagues seem not only considerably insistent on selecting the Chief Executive and forming the Legislative Council by universal suffrage but also particularly insistent on the implementation of dual universal suffrage in 2012, lest that such an opportunity would never arise again if it is not implemented in that year. Actually, they are adopting the strategy of never yielding an inch in promoting the full implementation of dual universal suffrage in 2012, wishing to make sure that it is achieved overnight instead of implementing it in the light of the actual situation and in accordance with the principle of gradual and orderly progress as stipulated in the Basic Law. In fact, this will only result in contrary effects and affect the progress of constitutional reform in Hong Kong.

The Basic Law is the mini-constitution of Hong Kong. Not being an exception, the constitutional development of Hong Kong has to be implemented in compliance with the provisions under the Basic Law. According to Articles 158 and 159 of the Basic Law, the power of interpretation and amendment of the Basic Law shall be vested in the Standing Committee of the National People's Congress (NPCSC) and the National People's Congress respectively. Besides, Annex I to the Basic Law gives a clear account of the method for the selection of the Chief Executive of the Hong Kong Special Administrative Region (SAR). One of the requirements is that if there is a need to amend the method for selecting the Chief Executives for the terms subsequent to the year 2007, such amendments must be made with the endorsement of a two-thirds majority of all the Members of the Legislative Council and the consent of the Chief Executive, and they shall be reported to the NPCSC for approval. Annex II to the Basic Law is about the method for the formation of the Legislative Council of the Hong Kong SAR and its voting procedures. The Annex also provides that if there is a need to amend the method for forming the Legislative Council after 2007, such

amendments must be made with the endorsement of a two-thirds majority of all the Members of the Council and the consent of the Chief Executive, and they shall be reported to the NPCSC for the record.

The NPCSC made a decision on 29 December 2007 to set a definite timetable for the introduction of elections by universal suffrage for the Chief Executive and the Legislative Council of the Hong Kong SAR. The Decision of the NPCSC states clearly that the Chief Executive can be elected by universal suffrage in 2017 in Hong Kong and it also states clearly that after the election of the Chief Executive by universal suffrage, all Members of the Legislative Council can also be elected by universal suffrage, that is, after the introduction of universal suffrage for the Chief Executive in 2017, all Members of the Legislative Council can be elected by universal suffrage in 2020 at the earliest. In order to put the constitutional reform of Hong Kong into practice as early as possible, we should make good use of the time, discuss the concrete implementation details and reach a consensus in accordance with the timetable to facilitate the activation of the relevant legislative process. To put up an impracticable request at this stage, that is, the implementation of dual universal suffrage in 2012, will only be obstructive to Hong Kong's fight for the early implementation of constitutional reform.

The introduction of election by universal suffrage for the Chief Executive in 2017 in Hong Kong is arguably a big step forward in the progress of constitutional reform. In fact, 2017 is only 20 years into the reunification in 1997; and it is only 35 years since the commencement of the Sino-British talks on the future of Hong Kong in 1982. We should be pleased that the Hong Kong SAR can implement universal suffrage in the election of the Chief Executive within such a short period of time. Compared with other developed countries in which a long constitutional evolution process is required to achieve universal suffrage, we should be proud of the Hong Kong SAR.

As for the Legislative Council, Article 68 of the Basic Law stipulates that, and I quote, "the method for forming the Legislative Council shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the election of all the members of the Legislative Council by universal suffrage", unquote. In the process of achieving this goal, representatives from functional constituencies can precisely provide a stabilizing effect for the Legislative Council. However, I totally agree that functional

constituencies should do something to expand their electorate bases. Since the first functional constituency election held in 1985, the "one person, one vote" mechanism has already been adopted by professional sectors. As eligible voters of the engineering subsector are mostly members of the Hong Kong Institute of Engineers (HKIE), and in order to further expand its electorate base, I proposed four years ago that young members and arbitrators and mediators of the HKIE should be included as eligible voters in order to increase the number of electors from the existing some 12 000 to over 30 000. This proposal was endorsed by the Council of the HKIE. Unfortunately, as the 2005 constitutional reform package was voted down, I did not have the opportunity to put forward this proposal to include it in the relevant legal provisions on elections. Besides, I totally agree that functional constituencies with voters being primarily corporate voters should consider expanding their respective electorate bases to enhance their representativeness. Insofar as expansion of electorate bases is concerned, adjustments should be made by individual functional constituencies in the light of their specific circumstances. Of course, functional constituencies cannot exist forever, but a process which takes into account the actual situation and is devised in accordance with the principle of gradual and orderly progress is required. They cannot disappear all of a sudden.

As there is already a clear timetable for constitutional reform in Hong Kong, we should make concerted effort to create the best conditions for its smooth implementation. We should refrain from continually wasting our time and energy discussing implementing it in a particular year which is out of the question.

With these remarks, President, I oppose the original motion and all the amendments.

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

MR KAM NAI-WAI (in Cantonese): President, just now a colleague said as there were some new colleagues to this Council in this Session, it was hoped that some changes could be made. I heard some old colleagues, such as Dr Raymond HO, mention that universal suffrage should not be implemented overnight. It has already been over a decade since the reunification. If not for the change of tack by the Democratic Alliance for the Betterment and Progress of

Hong Kong and the Liberal Party one after another because of a remark made by Grandpa, we should have implemented universal suffrage which has been long awaited by the people of Hong Kong.

Dr HO expressed gratitude that a timetable had been set. I think we should not adopt such a servant mentality. The Democratic Party will use the slogan "We are no servants" on 1 July this year. We should not maintain this servant mentality anymore. In our present fight for universal suffrage, we should be the masters.

There is one thing which I must get off my chest. Recently I read an article entitled "The Declaration of Hong Kong Restart". Incidentally, I also noticed over these two days that Mr Kay LAM also mentioned the content of this article in the "A 'Plastic' a day — the absurdities of Hong Kong" of his personal blog. Let me quote from "The Declaration of Hong Kong Restart": "However, as a matter of fact, China is a *de facto* authority, and the People's Republic of China is our mother country. Hong Kong and China as a whole, which share the shame and glory in the cultural, historical, geographical and economic domains, are inextricably linked with each other; and their interests are in total alignment with each other in the long run." What is most unpleasant to my ears is not the sentence "It is impossible for anyone who loves Hong Kong not to love China", but the sentence "Patriotism is to love the People's Republic of China which, as a matter of substance, represents China". Regarding this part of the Declaration, I now quote from the personal blog of Mr Kay LAM: "The logic of this is akin to saying that those born in Iraq have to love the Iraq under Saddam HUSSEIN; and those born in Afghanistan have to love Afghanistan under Taliban", and I will not quote the other comments. I think another meaning behind is when one loves the People's Republic of China, one has to love the Communist Party which practises one-party dictatorship; and anyone who does not love the Communist Party is not patriotic.

I wonder whether this inference is acceptable to the people of Hong Kong. Just now many colleagues have mentioned that referendum can convince everyone, but it may come amiss for the Communist Party. A simple remark that Grandpa is not convinced will result in our entire constitutional reform following the instruction of Grandpa.

Just now a colleague mentioned a recent comment that the participation of 200 000 people in the vigil in the evening of 4 June will make the implementation

of the constitutional reform more difficult. This comment has existed all along. However, does it mean that if no one participates in the vigil in the evening of 4 June, the 4 June incident will be vindicated? Does it mean that if no one participates in the vigil in the evening of 4 June, dual universal suffrage will be implemented in 2012? I cannot help but ask whether such an inference is justified. This is an absurd inference to draw.

As we all know, democracy has never been a gift which can be obtained by waiting for it, but has always been achieved by recovering the rights of the people from the people in power through exercising the collective power of the people. The people have to come out and tell the people in power that they should return political power to the people. This has always been the way it was in history. Therefore, the greater the number of people taking to the streets on 1 July, the clearer it is the message to the people in power that we demand democracy.

Mr LEE Cheuk-yan mentioned just now that he had changed his thinking somehow. Let us not focus our discussion only on Hong Kong because when democracy is not practised in China, it is difficult for Hong Kong to practise democracy. What I would like to tell Members is that the vigil in the evening of 4 June this year was the one with the most participants among all the vigils I participated in over the past years. I can tell Members that when I was watching members of the public pouring in at the entrance, I noticed that many of them were compatriots from the Mainland. Perhaps the Hong Kong Alliance in Support of Patriotic Democratic Movements of China may advise later that they have received quite a lot of monetary donations in Renminbi. I think as we are born in Hong Kong, we still enjoy a free society, though not democracy. Being a place of freedom, Hong Kong is very appealing to many compatriots from the Mainland. Our belief in fighting for democracy will definitely create an impact on our compatriots from the Mainland, who would move together with us towards this goal of fighting for democracy.

Therefore, I believe that in the imminent 1 July March, instead of only voting in a referendum with our feet, we should, more importantly, demonstrate to our compatriots from the Mainland the persistence of Hong Kong people. I remember a colleague has commented to me that Hong Kong people are a bit "stubborn". Instead of being "stubborn", we are just being unyielding and persistent, and we subscribe to certain core values. The principle we uphold must not be given up. This principle is that we should not simply act according to Grandpa's wishes. We are people with free will, and we believe in democracy

and universal suffrage, which we consider the fundamental rights of every citizen. I wish to call on the people of Hong Kong here again to tell those in power with their feet on 1 July this year that we demand universal suffrage.

Thank you, President.

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you may now speak on the two amendments. You may speak up to five minutes.

MR LEUNG KWOK-HUNG (in Cantonese): President, I have listened attentively to the views expressed by various Members, and to put it simply, there is actually only one point, that is,

PRESIDENT (in Cantonese): Mr LEUNG, you will have some more time for reply later.

MR LEUNG KWOK-HUNG (in Cantonese): Thank you, President. I catch your point.

PRESIDENT (in Cantonese): You should now speak on the two amendments.

MR LEUNG KWOK-HUNG (in Cantonese): First of all, I wish to express my gratitude to the President for his instruction and to the relevant colleagues for proposing the amendments. Actually, Mr WONG Yuk-man proposed the amendment because of the ruling made by the President. The fact that the police has not issued a notice of no objection for the 1 July march from April till now has made this event, which has been so familiar to the people of Hong Kong and participated in a peaceful manner by 500 000 people to commemorate the

reunification in a special manner and fight for democracy, an action pending approval and possibly illegal. This is very absurd. Do we need the police to tell us whether or not the Mid-Autumn Festival is a festival? Now, it has become a habit of Hong Kong people to fight for democracy, oppose legislating on Article 23 of the Basic Law, demand the incompetent Chief Executive to step down and condemn collusion between business and the Government on 1 July. This is the same as the Hong Kong Special Administrative Region (SAR) Government's act of spending enormous manpower and resources on instilling the habit of watching the flag-raising ceremony among the public. While the former is the public's assertion of the rights in relation to association, procession, demonstration and assembly stipulated in the United Nations human rights conventions; the latter is an act of the Government.

As the police abused its power by ignoring this fact and not issuing a notice of no objection, this Council is unable to state its position — I am talking about stating its position, just making a verbal remark. This Council may vote against it. Instead of trying to challenge the President's ruling, I am just explaining the helplessness of the President in making this ruling. As for the Commissioner of Police, I do not know on what basis he acted. He just could not care less. I believe even if we condemn him here today, he will remain impassive. Therefore, Mr WONG Yuk-man actually had no alternative but to move this amendment. However, to a certain extent, he has expressed more comprehensively the voice of many Members of this Council who support the 1 July march. Therefore, I wish to thank him for proposing this amendment.

As for Ms Cyd HO's amendment, many people do not understand what it means. I believe Ms Cyd HO has to explain it in her personal website. I believe what she means is we have to prevent power abuse by the Government. That is, if legislation on referendum is enacted, the Government may conduct a referendum at whim to approve of its proposals. Actually we are like walking a tightrope. If referendum is allowed, just think about it, with the existing Government's ability to launch propaganda, or the present situation of this Council, referendum may serve as a platform for the Government. Therefore, I guess Ms Cyd HO's amendment seeks to require the Government to provide resources whenever a referendum is to be conducted so that different stakeholders, including those who support and those who oppose the relevant proposal, will have adequate platform and grounds to explain why a referendum is required, what the referendum is about and what the different options are in the referendum. She said it was a good-will amendment. Of course, I agree with

and accept her amendment. However, I think she really has to do some explanation because the noun she uses — deliberative whatsoever — is very difficult to understand. I believe it would be better if a better translation is provided.

As you all know, I do not have any personal enemy in my political career. No matter what today's voting results will be, I will not detest Members. I never detest people for who they are but only for what they say. Therefore, I wish to thank those Members who proposed the amendments, and I hope Members will vote by their conscience and give Hong Kong people an opportunity to enjoy the right of referendum.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I wish to thank Members for expressing their penetrating views again on the constitutional development in Hong Kong, which is an issue of common concern.

Generally speaking, I believe everyone agrees that we should attain the ultimate aim of universal suffrage in accordance with the Basic Law. Although Members still have diverse views on the timetable and roadmap for universal suffrage, the views expressed by Members here have exactly demonstrated the diversity of opinions in the community of Hong Kong.

Before summing up, I wish to respond to the remarks made by a few Members.

Mr Alan LEONG enquired again how the Chief Executive has fulfilled his election pledge. I can explain this to him again. On the 11th day of office of the Third Term Hong Kong Special Administrative Region (SAR) Government, we already published the Green Paper on Constitutional Development. Subsequently, a three-month public consultation exercise was launched. In December, the Chief Executive submitted a report to the Standing Committee of the National People's Congress (NPCSC), which made a decision on the timetable for universal suffrage before the end of that month that the Chief Executive can be selected by universal suffrage in 2017, and the election of all the Members of the Legislative Council by universal suffrage can be implemented subsequently in 2020.

In 2007, we obtained the timetable for universal suffrage within six months, which was a progress much greater than that achieved by any previous term of Government and any leader of Hong Kong in promoting democratization.

Mr Alan LEONG referred to the story of "The North Wind and the Sun" we read in primary school. I would also like to use this story to respond to his comment. Instead of blowing the wind of dual universal suffrage in 2012 again at this stage, it would be better for us to use the heat of "the willingness to co-operate" to melt the contradictions and barriers between each other. If Members are willing to do so, we will be able to achieve some progress in 2012 and may also pave the way for selecting the Chief Executive by universal suffrage in 2017 and 2020.

Regarding Mr Albert HO's question about how universal suffrage will be implemented, I can tell him that according to the NPCSC's Decision in December 2007, the Chief Executive shall be elected through universal suffrage by all registered eligible electors of Hong Kong on the basis of "one person, one vote". As for the implementation of universal suffrage for the forming of the Legislative Council in 2020, although no model has been put forth yet, we have clearly indicated over the past few years that in implementing universal suffrage for the forming of the Legislative Council, the seats of the Council should be returned in compliance with the principles of "universal" and "equal" suffrage. Therefore, although the Central Authorities have only authorized the Third Term SAR Government to deal with the two electoral methods in 2012 at this stage, these principles can already be established.

Mr KAM Nai-wai participated actively in the present motion debate, but I am afraid I cannot agree with some of his remarks today. How could Mr KAM Nai-wai compare our country with those under Saddam HUSSEIN and Taliban respectively? Our country is a great nation with a history and a civilization of 5 000 years, and our Government has also done a great deal for our country, our race and our people over the 30 years of reform and opening-up. I hope he will refrain from using such wrong citations and making comparisons which will cause confusions.

Ms Audrey EU highlighted that proposals concerning referendum or plebiscite were mentioned in the second draft of the Basic Law. I wish to point out to her and other Members again that as a matter of fact, when the Basic Law

was enacted and promulgated in 1990, arrangements for referendum were not provided. This shows when the Central Authorities made the final decision and enacted the Basic Law, referendum was not part of the constitutional arrangements. This is an important event in history. Therefore, in summing up, I have five more responses to make.

First, what is the history concerned? The history is that between 1985 and 1990, we made two important decisions in the discussion on the drafting and enactment of the Basic Law. The first decision was to stipulate in Articles 45 and 68 of the Basic Law that the ultimate aim is the selection of the Chief Executive and the formation of the Legislative Council by universal suffrage. The second important decision was that the means to attain the aim of introducing elections by universal suffrage should involve an established procedure consisting of three steps. Upon the submission of a proposal by the SAR Government under the leadership of the Chief Executive, the first step is that the proposal has to receive the endorsement by a two-thirds majority of all the Members of the Legislative Council; the second step is that the consent of the Chief Executive has to be obtained; and the third step is that the proposal has to be reported to the NPCSC for approval and for the record.

To date, we have to give due regard to this event in history and this set of arrangements instead of only accepting the aim of universal suffrage but not the constitutional procedures set out in the Basic Law. "We cannot have the best of both worlds", this is just not the way things go in this world. When a set of constitutional procedures are in place, we have to follow and give due regard to them.

The second point I wish to make is that we have to cherish the existing opportunity which is not easy to come by. In addition to the timetable for universal suffrage, we can — if everyone puts in great efforts — make the two electoral methods in Hong Kong more democratic in 2012 as well. Besides making these two elections more democratic in effect, the Government, Honourable Members and different political parties and groups have a constitutional duty and mission to try to make good use of this three-step mechanism set out in Annexes I and II to the Basic Law. So far, this constitutional mechanism has not been activated or has not completed a full cycle. When it has completed a full cycle next year, that is, in 2010, the elections in 2012 will become more democratic. By the time we formulate a method in the period between 2012 and 2017 for selecting the Chief Executive by

universal suffrage, everyone will be more confident and experienced, and there will be a better foundation for co-operation, co-ordination and consensus.

The third point I wish to make is that I know quite a number of Members and political parties and groups still consider it most desirable to implement dual universal suffrage in 2012. Much as I respect Members' views, Members have to understand that our present proposal is to implement it only one term, that is, five years later. To select the Chief Executive by universal suffrage in 2017 is also acceptable to many people in Hong Kong — just now a Member highlighted again that 70% of Hong Kong people find it acceptable. Instead of living in past disputes again, we had better work hard for Hong Kong today to fight for further democracy.

The fourth point I wish to make is that "politics is an art of possibilities". I respect some Members' attempts at the impossible. However, by raising the issue of referendum or revisiting the issue of dual universal suffrage in 2012, Members are actually not acting for the well being of Hong Kong. These acts are not a blessing for Hong Kong. We have to fight for democratic progress within the existing framework and institute for a democratic future for Hong Kong.

The final point I wish to make is that Members have to understand that decisions on constitutional arrangements cannot be made by Hong Kong alone but have to involve three components. These decisions will only be achieved by consensus reached among the Chief Executive, the Legislative Council and the NPCSC. Therefore, in dealing with the issue of constitutional development in Hong Kong, it is necessary for us to co-operate with the Beijing authorities. In promoting constitutional development, we have to co-operate with the Beijing authorities, and in exploring room for further economic development, we also have to co-operate with the Mainland. This is true for promoting both constitutional and economic development.

President, perhaps honest advice may not be pleasant to the ears, but I believe it can facilitate Hong Kong to move forward. With these remarks, President, I hope Members will vote against the motion.

MR ALBERT HO (in Cantonese): President, may I ask the Secretary to clarify one point? He has said in his speech just now that we should not compare China, which has a civilization of several thousand years, with Iraq. May I ask

him to clarify whether he meant Iraq, formerly known as Persia, with a civilization of several thousand years and from which the Babylonian civilization originated, is a barbaric country? Did he mean that as Iraq is a country with no civilization at all, it cannot be compared with China?

PRESIDENT (in Cantonese): Mr Albert HO, what you said just now has already been beyond the scope of your request for clarification. It seems that you intend to extend the debate. As such, I think your request for clarification should not be granted. Besides, if you wish to seek clarification from a public officer or a Member who is speaking, you should do so when he is speaking. You may only make a request for clarification with the consent of the public officer or the Member concerned and the President.

MR ALBERT HO (in Cantonese): I came in because I saw this situation on the television outside just now. However, why have I sought clarification? It is because I hope we would not insult other countries out of our ignorance.

PRESIDENT (in Cantonese): I now call upon Ms Cyd HO to move her amendment to the motion.

MS CYD HO (in Cantonese): President, I move that Mr LEUNG Kwok-hung's motion be amended, and wish to appeal to the public to vote with their feet.

Ms Cyd HO moved the following amendment: (Translation)

"To add ", provide resources for promoting civic deliberation before the conduct of each referendum to achieve the goal of deliberative democracy," after "on referendum"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Cyd HO to Mr LEUNG Kwok-hung's motion, be passed.

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

(Members raised their hands)

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

(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.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Dr Joseph LEE voted for the amendment.

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

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, three were in favour of the amendment and 18 against it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 19 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.

PRESIDENT (in Cantonese): Mr WONG Yuk-man, you may move your amendment.

MR WONG YUK-MAN (in Cantonese): President, I move that Mr LEUNG Kwok-hung's motion be amended.

Mr WONG Yuk-man moved the following amendment: (Translation)

"To add "; and this Council also appeals to the people of Hong Kong to demonstrate on 1 July the people's power and express their determination to fight for dual universal suffrage in 2012" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Yuk-man to Mr LEUNG Kwok-hung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Dr Joseph LEE voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr CHIM

Pui-chung, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, three were in favour of the amendment and 18 against it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 19 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 negated.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you may now reply and you have five minutes 40 seconds.

MR LEUNG KWOK-HUNG (in Cantonese): President, as usual, I will reply by referring to the undertaking made by the Communist Party. I now read from the

editorial published on *Xin Hua Daily* on 2 February 1944. One of the paragraphs reads "the people shall have the popular right to vote, the right of initiative, the right of vetoing and the right of removal in the administration of their local county; and in the administration of the country, with the exception of the right to vote in elections, the equivalent of the other rights shall be exercised by representatives of a national assembly on the people's behalf." This is quoted by the Communist Party from Mr SUN Yat-sen to illustrate why there is the right of vetoing and the right of initiative, that is, the right of referendum opposed by the Government.

"Bro", that was in 1944. It is now 65 years afterwards, and the Secretary is still making feeble effort to oppose his forerunner. Besides, he misused an example. The Babylonian civilization is definitely comparable to the Chinese civilization. However, he made confession of his own accord. The one-party dictatorship practised by Saddam HUSSEIN, which is modelled on that of the USSR, is similar to the one-party dictatorship practised by the Communist Party of our country. He made a mistake and made confession of his own accord. It is right for him to condemn one-party dictatorship, but please do not insult other races. Secondly, I will read from the article again on the government-operated newspaper of the Chinese Communist Party — the government-operated newspaper of Chongqing under the rule of the Kuomintang — "Whether or not the right to vote could be exercised thoroughly, sufficiently and effectively is inextricably linked to whether or not the right to stand for election is subject to unreasonable limitation and exploitation. Broadly speaking, the right to vote includes the right to stand for election. When there is the use of the right to vote, there must be the object of the right to stand for election. As a result, the existence of the right to vote denotes the parallel existence of the right to stand for election." Members have all mistaken. The referendum I propose of course includes the timetable and the so-called roadmap.

Today, regarding the interpretation of the Basic Law by the National People's Congress (NPC) that everyone brags about, even if Mr QIAO Xiaoyang is here, does he have the courage to tell all the people of China what universal suffrage is and whether or not there is any screening of candidates? This was also attacked by the *Xin Hua Daily* 65 years ago. In the so-called right of universal suffrage referred to by the Government, restrictions are imposed on the qualifications of candidates running for Chief Executive. Similarly, the Government intends to impose restrictions on the qualifications of candidates in

the so-called direct elections for functional constituencies. The referendum I propose includes the roadmap and also the timetable. Therefore, what Mrs IP and Priscilla LEUNG propose will not be achieved.

May I ask them for advice and request them to make an affirmation concerning the following: Will Mrs IP, Priscilla LEUNG and all the people who have spoken on the subject today dare to sign a disclaimer, undertaking to oppose the Central Authorities, if the Chinese Communist Party advises that candidates running for Chief Executive shall go through a screening process? However, this is also not right because based on their ideas, without the acquiescence of the Central Authorities, why should they express opposition? In other words, it is logically possible that they may also betray the people of Hong Kong in the future. Mr LAU Kong-wah knows this very well because he has indicated in his campaign for the same election I ran for that he would follow the Central Authorities. In response, I asked him what would happen if the Communist Party was out of power and how he would act.

MR WONG YUK-MAN (in Cantonese): There will be new central authorities.

MR LEUNG KWOK-HUNG (in Cantonese): President, there is a character of a servant with the name of JIA Gui in the *Dream of the Red Chamber*. Noticing that he always stooped, the master asked him to stand up straight. However, he did not have the courage to do so and he even thought that he had heard his master wrong. Members, our discussion today is on an issue which involves all the people of China. Secretary Stephen LAM, as you oppose referendum, may I ask how you can convince the people both inside and outside the Taiwanese Government to accept the unification of China and issue them an appeal for surrender? Does it mean that after the unification, the right of referendum currently enjoyed by the people of Taiwan will be repealed, or that no condition will be set by the Beijing Authorities? "Bro", please do not waste our public money. Therefore, it would only be a waste of energy if I dwell on this issue.

My main objective today is not to debate with you but to tell all the young people in Hong Kong and all those whose efforts to fight for universal suffrage have been suppressed that it is futile to express their views here. They have to take to the streets on 1 July and tell the Government with their strength that so

long as universal suffrage is not implemented, the people's power will continue to show the Government that it is wrong. If the Government has the courage, it should conduct a referendum. If we lose, we will never organize any procession again. If the Government loses, it should allow us to implement universal suffrage.

Does the Government have the courage to make this undertaking? Will Regina IP dare to say anything about it? Will Priscilla LEUNG dare to say anything about it? Will IP Kwok-him dare to say anything about it? Just for this time, and just once. Aristotle said, "Give me a big enough lever and I can move the world." We in the pan-democratic camp need a lever, a referendum to determine to whom the victory belongs.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEUNG Kwok-hung be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert HO rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert HO has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Dr Joseph LEE voted for the motion.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Prof Patrick LAU, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the motion.

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 motion.

Mr CHAN Kam-lam, Mr LAU Kong-wah, 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 motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, three were in favour of the motion and 18 against

it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 19 were in favour of the motion 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 motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 24 June 2009.

Adjourned accordingly at two minutes past Eleven o'clock.

Annex I

DISCIPLINED SERVICES LEGISLATION (MISCELLANEOUS AMENDMENTS)

BILL 2009

COMMITTEE STAGEAmendments to be moved by the Honourable James To Kun-sun

<u>Clause</u>	<u>Amendment Proposed</u>
4(2) [NEGATIVED]	By deleting “reduced retirement benefits” and substituting – “reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.
4(4) [NEGATIVED]	By deleting “reduced retirement benefits” and substituting – “reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.
7 [NEGATIVED]	By deleting “reduced retirement benefits” and substituting – “reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.
8(1) [NEGATIVED]	By deleting “reduced retirement benefits” and substituting – “reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

9(1)

[NEGATIVED]

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

9(4)

[NEGATIVED]

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

10(2)

[NEGATIVED]

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

10(4)

[NEGATIVED]

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

10(6)

[NEGATIVED]

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

12(2)

NEGATIVED

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

13(2)

NEGATIVED

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

15(2)

NEGATIVED

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

17(2)

NEGATIVED

By deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

27(3)

NEGATIVED

In the proposed regulation 12(1)(g), by deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

~~28(2)~~
NEGATIVED

In the proposed paragraph 4(c), by deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

~~28(4)~~
NEGATIVED

In the proposed paragraph 2(c), by deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

~~28(6)~~
NEGATIVED

In the proposed paragraph 2(c), by deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

~~28(8)~~
NEGATIVED

In the proposed paragraph 2(c), by deleting “reduced retirement benefits” and substituting –

“reduced retirement benefits (in relation to a person who is a member of the civil service provident fund scheme, the amount of reduction of retirement benefits not to exceed 25% of that person’s retirement benefits)”.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Education to Mr CHEUNG Man-kwong's supplementary question to Question 2**

As regards the threshold of 16 pupils for rural schools, rural schools being aided schools are subject to the same subvention mode and policy on class operation as the other aided primary schools. Therefore, whether a rural school can operate Primary 1 (P1) classes depends on whether it meets the threshold for operating P1 classes under the Primary One Admission (POA) System.

In response to the Audit Commission's and the Public Accounts Committee's call on the Education Bureau to ensure cost-effective use of resources by reducing surplus school places, it is necessary and incumbent on the Education Bureau to draw up a policy to consolidate underutilized primary schools so that limited resources will be properly deployed. After consulting relevant educational bodies, school councils and school sponsoring bodies, the Education Bureau has implemented the policy of "Consolidation of Under-utilised Primary Schools" since the 2003-2004 school year. If the number of pupils allocated to a P1 class of a school is less than 23 and there are still unfilled places in other schools of the same school net, the school may not be allowed to operate the P1 class in order that limited resources will be properly employed and the overall education quality enhanced.

Starting from the 2008-2009 school year, the class size for P1 has been reduced from 32 or 37 to 30 or 35, and the original threshold for operating P1 classes has also been adjusted downwards from 23 to 21. Besides, to tie in with the implementation of small-class teaching in public sector primary schools in phases starting from P1 and then progressively extends to P6 in the subsequent years, the threshold for operating P1 classes has been further reduced from 21 to 16 in the 2009-2010 school year.

In fact, the adjustment of the threshold for operating P1 classes to 16 pupils has been a very low level. A school must operate on a certain scale in order to nurture a good learning environment with well-equipped facilities as well as provide adequate manpower resources for delivery of quality education. If the number of pupils in a school is too small, it will not only hinder pupils' social

WRITTEN ANSWER — *Continued*

learning but also the cost-effectiveness of resources deployment which are not in the interest of pupils and society.

The Education Bureau will continue to keep under review the supply and demand of P1 places in the POA school nets (including those in remote areas). Apart from considering the number of pupils allocated to individual schools, we will also take into account other special factors. For example, if a school is located in remote areas, consideration can be given to allowing the school to operate P1 classes even if its enrolment falls below 16 pupils.