

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 15 October 2008

The Council met at Eleven o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE CHAN TANYA

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

### **PUBLIC OFFICERS ATTENDING:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CLERKS IN ATTENDANCE:**

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

**TABLING OF PAPERS**

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Air Navigation (Hong Kong) Order 1995 (Amendment) Order 2008 (Commencement) Notice .....	223/2008

**Other Papers**

- No. 2 — Report by the Trustee of the Prisoners' Education Trust Fund for the period from 1 April 2007 to 31 March 2008
- No. 3 — Report of changes to the approved Estimates of Expenditure approved during the first quarter of 2008-2009  
Public Finance Ordinance : Section 8
- No. 4 — The Legislative Council Commission  
Annual Report 2007-2008

**THE CHIEF EXECUTIVE OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION PRESENTS THE POLICY ADDRESS**

**PRESIDENT** (in Cantonese): Members will please remain standing while the Chief Executive enters the Chamber.

(The Chief Executive had entered the Chamber, but Mr LEUNG Kwok-hung remained standing, holding a large imitation cheque)

**MR LEUNG KWOK-HUNG** (in Cantonese): President, we are in a peaceful and amicable atmosphere here, but outside the people are flared up with dire grievances, and the collusion between the Government and business .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung .....

**MR LEUNG KWOK-HUNG** (in Cantonese): Last time I handed a cheque to the Chief Executive and asked him to do something, but he has not done .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, this is not the speaking time for Members, please sit down.

(Mr LEUNG Kwok-hung defied the President's instruction and remained standing, yelling loudly in protest)

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... Now I ask you .....

(Mr LEUNG Kwok-hung walked up to the Chief Executive in front of the President's pedestal, with a banana in his right hand, and a piece of paper and an egg in his left)

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please return to your seat.

**MR LEUNG KWOK-HUNG** (in Cantonese): You are .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung.

**MR WONG YUK-MAN** (in Cantonese): Give him that banana to eat!

(Mr LEUNG Kwok-hung, facing the Chief Executive, shook the banana and the egg in his hands)

**MR LEUNG KWOK-HUNG** (in Cantonese): How much does a banana cost, and how much does an egg cost? Answer me.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung.

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... You have no idea how expensive rice costs, if the Old Age Allowance is not increased and if there is no minimum wage .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please return to your seat.

(Mr LEUNG Kwok-hung defied the President's instruction, and kept yelling loudly in protest)

**MR LEUNG KWOK-HUNG** (in Cantonese): No unemployment assistance fund, no universal retirement protection .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you are now in breach of .....

**MR LEUNG KWOK-HUNG** (in Cantonese): Answer me and you are ..... Chief Executive.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you are now in breach of the Rules of Procedure. If you do not stop, I will have to ask you to withdraw from the Chamber.

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I swore allegiance to the people of China and the people of Hong Kong here, the Chief Executive is in dereliction of his duty, what the people have saved .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you are now in breach of .....

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... has ended up with nothing.

**PRESIDENT** (in Cantonese): You have now breached the Rules of Procedure.



**MR LEUNG KWOK-HUNG** (in Cantonese): ..... Do you know how much does an egg cost? Do you know how much does a banana cost? Of course you do not know .....

**PRESIDENT** (in Cantonese): Please stop at once and return to your seat.

**MR LEUNG KWOK-HUNG** (in Cantonese): What makes you qualified to talk about legislating on minimum wage here .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung.

**MR LEUNG KWOK-HUNG** (in Cantonese): We do not want \$22, we want \$35.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you are now impeding the conduct of the meeting.

**MR LEUNG KWOK-HUNG** (in Cantonese): I took my oath here, I have the right to .....

**PRESIDENT** (in Cantonese): You have to withdraw from the Chamber immediately.

(Several security officers walked up to Mr LEUNG Kwok-hung in a bid to stop him from yelling, but Mr LEUNG remained standing and yelling loudly)

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... represent the Hong Kong people outside, not the Hong Kong people here.

**PRESIDENT** (in Cantonese): Clerk, please help Mr LEUNG Kwok-hung to leave the Chamber.

(Several security officers took Mr LEUNG Kwok-hung away, but Mr LEUNG kept yelling loudly all the same)

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... not for the small-circle election to control the Council, Hong Kong .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please leave the Chamber.

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... Hong Kong uses all the ammunition ..... Can you just use a little of the ammunition to save the poor? Can you just use a little of the ammunition to ask the capitalists not to make it \$22? .....

**PRESIDENT** (in Cantonese): Please leave the Chamber.

(Mr LEUNG Kwok-hung continued yelling loudly)

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I took my oath solemnly. I speak for the people of Hong Kong, here, in this place; there is small-circle election in this place .....

**PRESIDENT** (in Cantonese): Please leave immediately.

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... place being monopolized, otherwise minimum wage would have already been in place; otherwise the universal retirement protection would surely be in place .....

**PRESIDENT** (in Cantonese): Please leave the Chamber, and do not return to this meeting.

(The Clerk and security staff walked up to Mr LEUNG Kwok-hung and showed him the way out, but Mr LEUNG kept yelling loudly all the same)

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... I took my oath here, and I want to ask you, are you a member of the Communist Party? What makes you qualified to remove me from the Chamber?

**PRESIDENT** (in Cantonese): Please leave the Chamber.

**MR LEUNG KWOK-HUNG** (in Cantonese): You do not even have control over your own integrity.

**PRESIDENT** (in Cantonese): Do not return for this meeting.

**MR LEUNG KWOK-HUNG** (in Cantonese): I asked you a question, you answer it first, communist ..... you give an answer, you do not even have control over your own integrity, how can you talk about integrity with me? You answer me whether or not you are a member of the Communist Party?

(Mr LEUNG Kwok-hung left the Chamber under the escort of the Clerk and security staff)

**PRESIDENT** (in Cantonese): The Chief Executive will now present the policy address to the Council.

**CHIEF EXECUTIVE** (in Cantonese): President, last year, I delivered the first policy address of the Third Term Government of the Hong Kong Special Administrative Region (HKSAR). It set out a five-year blueprint for the Government.

In that policy address, entitled "A New Direction for Hong Kong", I advocated "Progressive Development" as a core value of our governance. This includes promoting economic development as our primary goal, promoting economic development through infrastructure projects, promoting community development through the revitalization of historic and built heritage, and promoting social harmony under the concept of helping people to help themselves. We have been implementing these pledges over the past year.

The large-scale infrastructure projects are coming on line. The construction start dates for most of the transport infrastructure projects have been fixed, and there has been significant progress in cross-boundary infrastructure

projects. Design of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link is under way. A consensus has been reached on financing arrangements for the Hong Kong-Zhuhai-Macao Bridge. We expect works to start by 2010. We have been examining ways to enhance co-operation between Hong Kong International Airport and Shenzhen Airport, and to develop the Lok Ma Chau Loop.

The West Kowloon Cultural District (WKCD) is an important strategic project that will support Hong Kong's development as a creative economy and global metropolis. The Legislative Council has approved the bill and funding application for this project. The WKCD Authority will be established soon to steer the project. We have also decided that the Government should fund the construction of the Kai Tak cruise terminal and will submit detailed proposals in phases to the Finance Committee for approval. We expect works to start in 2009 and aim to complete the first berth in 2013.

The concept of "Progressive Development" represents sustainable, diversified and balanced development. Last year we achieved substantial progress in striking a balance between economic development and environmental conservation. We signed the new Scheme of Control Agreements with the two power companies. This means lower electricity tariffs for the public. This also means that the power companies will reduce emissions through an incentive and penalty mechanism. In August, with the support of the Central Government, we secured a continuous and stable supply of clean fuel from the Mainland. This, in turn, will help improve the air quality in Hong Kong.

In times of sustained economic prosperity, people from different strata will benefit from real income growth. It is a time when everyone strives ahead. But once the economic tide changes, the community needs to pull together to care for the less fortunate. The relief measures that the Government announced earlier have progressively come into effect and directly benefit most people. These include the government payment of public housing rents, an electricity bill subsidy for all households, a rates waiver for the whole year, and extra payments of the Comprehensive Social Security Assistance (CSSA), Disability Allowance and Old Age Allowance (OAA). In rolling out these measures, we have made every effort to ensure they cover different sectors so the benefits of economic growth can be shared by all. Apart from helping people to ride out difficulties in the short term, we encourage our citizens to strive for the best and uphold the Hong Kong Spirit.

The HKSAR Government achieved a major breakthrough on constitutional development. After deliberating my report, the Standing Committee of the National People's Congress (NPCSC) made a decision in December 2007 setting out a clear timetable for Hong Kong to implement universal suffrage for the Chief Executive election in 2017, and the Legislative Council election in 2020.

A new chapter has opened in Hong Kong's relationship with our country. The pace of our economic integration is accelerating, while co-operation with Guangdong is about to enter a new phase with increasingly diversified areas of co-operation. We will contribute to the formulation of the National 12th Five-Year Plan so that Hong Kong can play a greater role in our nation's development. The 2008 Olympic and Paralympic Games were a phenomenal success. Here in Hong Kong, we shared in the glory by co-hosting the Olympic and Paralympic Equestrian Events. Astronauts aboard the Shenzhou-7 successfully performed China's first spacewalk and returned to a triumphant welcome from the entire nation. We have seen a growing sense of national pride and identity in our community. I firmly believe that we can continue to make the best of the advantages under "one country, two systems".

New challenges have surfaced since the last policy address. The risk of global recession is in sight and tainted milk products have triggered concerns over food safety. Economic globalization has narrowed the distance between nations and fostered a closer international community. Some even suggest that "the world is flat". As an externally-oriented economy, Hong Kong is naturally vulnerable to changes in the external economic environment. With globalization, Hong Kong is even more exposed to external factors in areas such as the economy, finance, food safety and environmental protection. To address these issues, we need to co-operate with other governments as well as international organizations. The Government's role is increasingly important and needs to be redefined. We must exercise public power in an appropriate manner and formulate forward-looking policies. We should be ready to take decisive action to help stabilize the economy and rebuild people's confidence to ride out the difficulties.

The financial crisis, food safety and environmental pollution are the three major concerns of the public. All involve economic and social risk management under globalization. The financial crisis triggered by United States subprime mortgages has spread worldwide. Some banks have been affected by rumour-mongering, which has shaken the confidence of customers.

Risk management has become more important than ever to our financial system. Separately, the globalization of the food trade is a huge challenge to food safety management because foodstuffs nowadays are made from ingredients sourced from different places.

Environmental pollution is another problem that takes more than the efforts of one single government to tackle. Just as it takes international co-operation to fight global warming, we need cross-boundary collaboration to improve our air quality.

Honourable Members, to meet the challenges posed by globalization, we need to re-examine the functions and roles of the Government. We will continue to uphold the principle of "Big Market, Small Government" in promoting economic development. The Government's role is to formulate policies conducive to market competition. When the market fails, however, the Government should be prepared to intervene in a timely and decisive manner. To stand out in the face of severe competition, we need to broaden our horizons and intensify economic integration with the Pearl River Delta (PRD) Region. The Government also needs to take the lead in building a Hong Kong-Shenzhen international metropolis as well as strengthening co-operation with Guangdong.

Advanced industrial countries are all facing such problems as an ageing population, a widening wealth gap and environmental pollution. The solutions to these social development problems lie in long-term policy planning and regional co-operation.

On governance, rising public expectations, coupled with rapid information dissemination by the media, necessitate prompt government response. Government officials should be more proactive in reaching out to the public, listening to their views and taking the public pulse. Apart from communicating through traditional channels such as advisory bodies and opinion leaders, we need to have direct dialogue with various sectors in the community.

These are uncertain times. We face risks to our economy, society and everyday lives. Strong government leadership is the key to stabilizing the economy and helping people regain peace of mind. Under the concept of "Strong Governance", we endeavour to achieve a pragmatic, credible and accountable Government. "Public opinion underpins the strength of our leadership. Enhancing people's well-being is the first order of business of good governance." I hold fast to these values in policymaking.

Hong Kong is a modern international city and a sophisticated capitalist market economy. It has always been a great challenge to achieve sustained prosperity, good governance, social harmony and quality living.

The first major challenge we now face is the severe external economic environment. The financial turmoil triggered by the United States subprime crisis continues to deteriorate, with a fall in asset prices, a near-frozen credit market, and a number of major international financial institutions running into difficulties. The crisis has spread to Europe, and it seems the worst is yet to pass. As they bear the brunt of the financial turbulence, Europe, the United States and other developed economies are verging on recession. Here in Hong Kong, economic growth declined noticeably to 4.2% in the second quarter. We expect the economy to slow further. As a small, open economy and a global financial centre, Hong Kong is not immune to the impact of this financial tsunami. Some investors in Hong Kong have suffered losses from a derivative product, referred to as Minibonds, issued by the United States investment bank Lehman Brothers, while rumours triggered a fleeting run on a local bank.

The financial tsunami we now face is a global crisis. Its destructive force is much stronger and more widespread than the Asian financial turmoil in 1997. The recovery will take longer, be more difficult and certainly cannot be taken lightly. That said, our financial infrastructure is more robust than it was in 1997, having matured a lot from the opportunities seized and the experience we — me and my financial team included — all gained from the previous crisis. Although the current financial tsunami has not caused systemic damage to our financial market, we will not underestimate its impact, nor flinch from meeting the challenges, nor rest on our laurels. We must get the job done.

To meet this major challenge, Hong Kong people should stand united in vigorously pursuing economic development. The Government will implement the major infrastructure projects and development strategies to reinforce our role as a global financial centre. We have no plan to cut back public expenditure on infrastructure and social services for the disadvantaged. At the same time, we will uphold fiscal prudence and the concept of "Big Market, Small Government".

As the financial tsunami has yet to recede, it is practically impossible at this stage to ascertain its adverse impact on both our and the global economy. To prepare for the challenges ahead, I will soon establish and chair a task force to continually monitor and assess the impact of the financial tsunami on local and global markets, and provide timely evaluation of its impact on the local economy

and our major industries during this trying period. More importantly, the task force will propose specific options for the Government and business community to address the challenges. This will help us overcome the crisis, turn it into new business opportunities and enhance our competitiveness in the long term. Members of the task force will include top government officials, finance experts, economists and representatives of major industries.

The financial turmoil has given rise to a series of questions: Will a new global financial order emerge? Can the existing regulatory regime cope with developments in the global financial market? How should we chart Hong Kong's development as a global financial centre?

Enhancing our status as a global financial centre to help the economy power ahead is a well-considered strategy. In the face of global financial volatility, we need to keep calm and take a critical look at our own strengths and weaknesses. By so doing we can move in the right direction and reinforce our position as an international financial centre.

Hong Kong boasts a sound legal system, a free flow of capital and information, a large pool of financial talent and a vibrant economy. All these underpin our status as a global financial centre. Meanwhile, the economic development as well as the reform and opening up of our country have presented new opportunities for a broader and deeper financial market. We have much to offer in supporting our country's rapidly expanding and increasingly internationalized economy. Hong Kong is the only Chinese city in the same elite league as the global financial centres, London and New York. Building on this solid foundation, we will look for opportunity amidst this financial tsunami, and tap into emerging markets to consolidate our financial sector as an important economic pillar.

We have remained vigilant since the onset of the global financial crisis more than a year ago. We have exercised our best endeavours to ensure financial system stability and strictly performed our supervisory functions. The Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC), and the Office of the Commissioner for Insurance (OCI) have strengthened their regulation of financial institutions to ensure proper protection of the public interest.

The HKMA is now looking into the complaints about the Lehman Minibonds. The HKMA and the SFC will examine how to further strengthen



the regulatory regime and enhance investor protection and education before making a full report to the Financial Secretary. The Government will then follow up as soon as possible. These measures will help enhance public confidence in our financial system.

The financial crisis has prompted international organizations and various economies to co-operate and recommend ways to strengthen the future stability of financial markets. To boost the resilience of financial institutions, the HKMA will strengthen the supervisory framework for liquidity risk management for authorized institutions, and revise the methodology for calculating capital adequacy ratios in accordance with the latest guidelines and recommendations of the Basel Committee on Banking Supervision.

As precautionary measures to safeguard banking stability in Hong Kong and boost public confidence, the Financial Secretary announced yesterday the use of the Foreign Exchange Fund, on a special and time-limited basis, to establish a Contingent Bank Capital Facility to make available additional capital to locally incorporated licensed banks when necessary. Besides, the Fund will be used to guarantee, with immediate effect, the repayment of all customer deposits. These two measures will remain in force until the end of 2010. Meanwhile, the Hong Kong Deposit Protection Board will continue to review the coverage and compensation limit of the Deposit Protection Scheme, and provide feasible long-term proposals to better protect depositors in the long run.

The SFC has stepped up its efforts, including intensified stress tests, to assess the financial exposure that brokers can withstand in adverse market conditions. The SFC will tighten regulation of fund managers by reviewing the Code on Unit Trusts and Mutual Funds to better protect investors. In addition, the International Organisation of Securities Commissions is reviewing the disclosure of information by distributors of funds at points of sale. The SFC will enhance the disclosure of information to investors, taking into account best international practices and Hong Kong's situation.

The OCI is a government department. To further improve the insurance supervisory framework, we see the need to establish an independent Insurance Authority. This will give the regulatory body more flexibility in operations and staff recruitment, and prepare Hong Kong for the "risk-based capital regulatory regime" to be adopted by the international community. We believe the establishment of an independent Insurance Authority will promote the long-term, stable development of our insurance industry. A Government-commissioned

consultancy is expected to be completed this year. We will assess the consultant's recommendations and prepare proposals for consultation.

To protect policyholders sufficiently in the event of insurer insolvency, the OCI is exploring with the Hong Kong Federation of Insurers feasible options for establishing Policyholders' Protection Funds.

Protecting investors aside, our priority task in enhancing Hong Kong's status as a global financial centre is to increase the competitiveness of our financial sector. To promote market competition and encourage employees to take a more active interest in their MPF investments, the Government will propose changes to the operational arrangements of the MPF system. These changes will allow employees to transfer their contributions from an MPF scheme selected by their employers to a scheme of their own choice. The Government is drafting legislation which we will introduce into this Council as early as possible.

To maintain a business and investment-friendly environment, Hong Kong must combat money laundering and terrorist financing effectively. To better co-ordinate our strategies and policies, the Government set up the high-level Central Co-ordinating Committee on Anti-Money Laundering and Counter Financing of Terrorism. The initial stage of work is to scrutinize the supervisory regimes adopted by individual financial sectors to combat money laundering and terrorist financing, with a view to drawing up legislative proposals. Departments and organizations concerned will consult the industry on their recommendations.

In the face of competition from other cities in the region, we need to be forward-looking in planning the development of our securities market. We have to deepen and broaden the scope of the market, expand its service network and improve its reliability; develop the commodity futures market; enhance the efficiency of listings; attract more new enterprises from the emerging markets to list in Hong Kong, including large corporations from Eastern Europe and Russia; and, push ahead with the development of an Islamic bond market.

The real estate market is an important contributor to Hong Kong's economy and is closely related to people's livelihood. To most people, their flats are their most important assets. In the years following reunification, the negative equity faced by many home owners during the Asian financial turmoil has left a mark on the community. Through a repositioned housing policy and

market-driven land supply over the past six years, we have rebuilt people's confidence in the property market, solved the over-supply problem and allowed the property market to resume development and vitality. We cherish these hard-earned results and will continue to implement the Application List system to allow the market to decide the new land supply. Despite the financial crisis we now face, the Government and government-owned statutory bodies will not indiscriminately supply residential or commercial land. Neither will we sell land way below market prices.

Co-operation with Guangdong over the past year has been fruitful thanks to the efforts of both Governments. The Governments of Guangdong, Hong Kong and Macao have reached a consensus on funding the Hong Kong-Zhuhai-Macao Bridge. This has allowed us to advance the start of construction to no later than 2010. The recently-signed Supplement V to the Mainland and Hong Kong Closer Economic Partnership Arrangement will usher in a new phase of co-operation under a package of service liberalization and facilitation measures for early and pilot implementation in Guangdong.

We should step up efforts to pragmatically take forward priority joint ventures in the short to medium term. We have to focus on: promoting co-operation in service industries; actively working with Guangdong to optimize and upgrade its industrial structure while assisting Hong Kong enterprises to respond to Mainland policy adjustments; and, actively facilitating cross-boundary environmental protection to create a green and quality living area in the PRD Region. We also need to strengthen co-ordination in the planning and implementation of cross-boundary infrastructure projects.

The Lok Ma Chau Loop has huge potential for long-term development. The planning authorities of Hong Kong and Shenzhen consulted the public in both places on the future development of the Loop this year. Among proposed land uses, higher education, the research and development of new high technology, and cultural and creative industries received wide support on both sides. We will assess these proposals in greater depth and consult stakeholders on the feasibility of various proposals. We intend to decide on the land uses of the Loop and conduct a comprehensive planning study in the coming few months.

To enable Hong Kong to complement enhanced cross-strait relations, the HKSAR Government is strengthening exchanges and co-operation with Taiwan.

The Hong Kong Trade Development Council (TDC) will set up an office in Taipei. The preparatory work is now at the final stage.

We are also encouraging Hong Kong industrial and business leaders, as well as Taiwanese businessmen in Hong Kong, to form a Hong Kong-Taiwan Business Co-operation Committee. The Committee will facilitate direct communication between enterprises from both places and foster closer co-operation in areas such as trade, investment and tourism.

The Immigration Department will introduce two new measures in January 2009 to provide greater convenience for frequent business visitors and tourists from Taiwan:

- (1) Remove the restriction that limits a person to two iPermit applications within each 30-day period; and
- (2) Extend the limit of stay in Hong Kong from 14 days to 30 days for holders of iPermits and multiple-entry permits.

I have appointed the Financial Secretary to head an inter-departmental steering committee. It has been examining and co-ordinating the overall strategy and action plan on closer economic and trade ties with Taiwan.

We will continue to promote Hong Kong's technological development through financial and infrastructural support. We will also reinforce our intermediary role to promote technological co-operation between the Mainland and the rest of the world. In May this year, thanks to joint efforts with Shenzhen, DuPont decided to establish the Global Thin Film Photovoltaic Business/R&D Centre in the Hong Kong Science Park, and to set up production facilities in Shenzhen. We will continue to work with the Shenzhen authorities to maximize the benefits of the Shenzhen-Hong Kong Innovation Circle.

To nurture local talent, we introduced an Internship Programme under the Innovation and Technology Fund (ITF). It aims to attract promising science and engineering graduates to take part in ITF-funded research and development (R&D) projects to better equip them for a future career in industrial and commercial R&D. We have recently enhanced the programme by increasing the amount of the subsidy and expanding the pool of new recruits to cover graduates of higher degrees as well as non-local graduates of local universities.

We will extend the programme to our R&D centres to provide more opportunities to develop our human capital.

To promote the development of creative industries, the Commerce and Economic Development Bureau will set up a dedicated Creative Industry Office with integrated and realigned resources from related departments, including the Television and Entertainment Licensing Authority, the Innovation and Technology Commission, the Office of the Government Chief Information Officer, and the Trade and Industry Department. The new Office will co-ordinate the work of different departments and work closely with the trades to boost the development of creative industries. It will also consider providing more effective support for our creative industries through integration of resources.

To maintain our position as a convention and exhibition capital, we need to increase the exhibition area of the Hong Kong Convention and Exhibition Centre (HKCEC). The atrium link expansion of the HKCEC will be completed next year. The Government and the TDC are examining the feasibility of a Phase 3 expansion of the HKCEC at a nearby site. We will embark on detailed studies and public consultation as soon as possible.

We will also strengthen collaboration among agencies responsible for promoting Hong Kong overseas, including the Hong Kong Economic and Trade Offices, TDC, Invest Hong Kong and Hong Kong Tourism Board, in developing strategies for city branding and publicity.

Following the exemption of wine duty in February 2008, the Government has taken various measures to promote the development of wine-related businesses.

To complement efforts to develop wine trading and distribution businesses in Hong Kong, the wine industry has been looking for a venue suitable for multiple uses such as auction, retail and wholesale, wine appreciation, food and beverage, storage, exhibition, wine school and museum. As we take forward the revitalization of historic buildings, we have identified some buildings with commercial value that can serve such purposes on a trial basis. To test market and community reaction, we plan to designate Haw Par Mansion for commercial uses, including wine-related businesses. We will invite expressions of interest early next year.

To attract more talent to Hong Kong, we maintain an open immigration policy. In 2007, more than 33,000 talented people from the Mainland and overseas came to live and work in Hong Kong — almost double the tally of five years ago. To expand our pool of talent, we launched the Quality Migrant Admission Scheme in June 2006. As a further step, in January this year, we relaxed some restrictions under the Scheme. So far, more than 700 applicants have been accepted under the Scheme.

From the 2008-2009 school year, the Government has fully subsidized students in public secondary schools, including senior secondary education. The New Senior Secondary Curriculum will be implemented from the 2009-2010 school year. This will mark a key milestone in our educational development. The curriculum and assessment changes aim to promote whole-person development and life-long learning among students. We will give full support to schools in implementing these initiatives. In parallel, we will continue to commit additional resources to enhance the quality of English teaching and learning.

To enhance students' ability for self-learning and interactive learning, and to promote the use of e-books rather than printed copies, we will look into the development of electronic learning resources. The use and prices of school textbooks have become a public concern. Some people have pointed out that the frequently-revised textbooks have imposed a financial burden on parents in recent years. We will invite information technology experts, parents, school principals, teachers, publishers and others to form a task force to study these issues in detail. We will draw on international experience in formulating long-term measures to alleviate the financial burden on parents and to facilitate learning.

Following the delivery of the 2007-2008 policy address, the Government earmarked four greenfield sites and four vacant school premises for international schools. We invited all international schools and other interested parties to express interest in those sites and premises, and received an overwhelming response. We have completed the allocation exercise for the vacant school premises, and we expect that the schools concerned will start running classes in the coming two school years. As for the four greenfield sites, we will, by year-end, ask the 31 organizations that have expressed interest to submit their proposed school plans.

I stated earlier the first challenge faced by Hong Kong currently lies in the economy. The second challenge is balancing social interests and upholding social justice. Public policies should balance the interests of different social strata. We also need to devise long-term solutions and foster community consensus over controversial policies. In parallel, we need to take a forward-looking approach in promoting social development. This includes upholding the family as the core social value of this modern Chinese society and introducing sustainable measures to meet the challenges posed by an ageing population.

### *Food Safety*

To better ensure food safety, the Government has been working on a comprehensive Food Safety Bill for introduction in the current Legislative Session. The recent milk product incidents have highlighted the inadequacies of existing laws and the need to speed up the legislative work. The Government has set up an expert group to thoroughly assess the impact of the melamine incidents and to recommend follow-up measures to the Chief Secretary for Administration on the health care and food safety fronts.

The Government will give priority to drafting the relevant part of the Food Safety Bill so that the authorities can promptly ban the import and sale, and order the recall of, problem food when necessary. We will soon introduce the Bill into the Legislative Council.

### *Protection for Flat Buyers*

Purchasing a flat is an important investment decision for most people. Clear information about the flats for sale helps prospective buyers to make an informed choice. To address the problem of different definitions of "saleable area" adopted by real estate developers, the Transport and Housing Bureau worked with relevant sectors to standardize the definition of "saleable area" for uncompleted first-hand residential properties. "Saleable area" includes only the area of the unit, balcony and utility platform. Other areas such as bay windows will be listed separately, item by item.

The Government amended the relevant provisions of the Consent Scheme early this month. Since then, the sales brochures for uncompleted residential

units offered for the first time should carry the standardized definition of "saleable area", and developers will adopt the new pricing template for these units. The Consumer Council and the Estate Agents Authority are stepping up publicity and education for the public and estate agents. This includes publishing leaflets that remind flat buyers of the information they should get as well as requiring estate agents to provide prospective buyers with comprehensive and accurate information on unit areas and selling prices.

### *Information on Consumer Prices*

The Consumer Council has rolled out measures to provide the public with information on the prices of various goods. To enhance the transparency of prices, and to expedite the flow of information, the service will be expanded to include a wider range of goods. This will help consumers make informed choices.

### *Tolls for Harbour Crossings*

The Government appreciates the public's concern about traffic congestion at the harbour crossings and the different toll levels. We will commission a consultancy study on this issue immediately. While the complexity of the problem should not be underestimated, we will endeavour to find a long-term solution that is feasible in transport, financial and legal terms, and develop strategies for possible negotiations in the future.

However, adjusting the tolls of the three crossings alone cannot effectively solve the congestion problem. Well-developed road links to the crossings are also a crucial factor. Traffic congestion in Central and Wan Chai will not be alleviated until the Central-Wan Chai Bypass project is completed. The Bypass will also help rationalize the traffic flow of the three crossings. Failing this, we can hardly encourage greater use of the Western Harbour Crossing.

Consumers benefit from a business environment conducive to free competition. I pledged last year to introduce a Competition Bill in the 2008-2009 Legislative Session. The Government published a consultation paper on a competition law in May this year. We are now working on draft legislation based on views collected during the exercise. I very much hope to introduce the Bill in the current Legislative Session.



*Fuel Prices*

In response to public concerns that fuel prices are "quick going up, slow coming down", we have asked the oil companies to promptly adjust prices in tandem with international oil price movements, and be more transparent in price setting so the public can monitor their retail prices. We are now discussing specific measures with the oil companies. If it is found that fuel prices are indeed "quick going up, slow coming down", the Government will consider further measures to protect the public interest which may include tightening the monitoring of fuel prices through the petrol station tendering process. We hope the community will actively discuss the fuel price issue. This will enable us to strike a balance between maintaining a level playing field for business and protecting consumer interests.

*Legislating for Wage Protection*

Since we launched the Wage Protection Movement (WPM) for cleaning workers and security guards in October 2006, there has been a gradual shift in the community's attitude towards a minimum wage, marked by a greater empathy and appreciation of wage protection for grass-roots workers and corporate social responsibility. I would like to thank wholeheartedly those trade associations, enterprises, employers and owners' corporations that have supported and participated in the WPM. I am also grateful to the Labour Advisory Board for its efforts in monitoring the progress of the WPM over the past two years. We have just completed a review of the WPM. Despite increases in both the number and proportion of workers benefiting from the WPM compared with two years ago, the situation, on the whole, is unsatisfactory. There are indeed limits in promoting wage protection through voluntary participation. I have unequivocally pledged to introduce legislation on a statutory minimum wage for cleaning workers and security guards should the WPM fail. To honour this pledge, the Government will now proceed with the legislative work.

Some members of the business community and the labour sector are of the view that if the Government introduces a statutory minimum wage, employees in all trades and industries should be covered at the same time. I share their views, particularly from the perspective of social justice. In fact, cleaning workers and security guards are not the only low-income jobs, and worker

mobility among different types of low-income jobs does exist. Moreover, it is quite difficult to define "cleaning worker", and any definition is bound to be controversial. Therefore, the Government is inclined to go for an across-the-board statutory minimum wage. We aim to introduce a bill into this Council in the 2008-2009 Legislative Session. I am aware that some people, including businessmen, employers and academics, have qualms about the introduction of a statutory minimum wage. Let me stress that the Government will handle the relevant issues, including the minimum wage level and related review mechanism, in a prudent and pragmatic manner.

Drawing reference from the successful experience of other countries, we will establish an advisory Minimum Wage Commission (MWC). MWC members will be drawn from the labour sector, business community, academia and government departments. The Commission will study the level of minimum wage as well as the review mechanism, to ensure a sensible balance between safeguarding the interests of grass-roots workers and forestalling the loss of low-paid jobs, while sustaining our economic growth and competitiveness. The Labour and Welfare Bureau (LWB) will proceed immediately with the preparatory work for the establishment of the MWC.

Finally, I would like to reiterate my views on the minimum wage issue. First, the introduction of an across-the-board minimum wage should protect workers against exploitation while at the same time prevent the loss of low-paid jobs. Second, wages are returns for employees' labour. As family needs vary, the minimum wage may not be sufficient to cover family expenses of all employees. Employees in need can obtain assistance under the current social security system. This can also encourage able-bodied recipients of the CSSA to rejoin the workforce and motivate them to move from welfare to self-reliance.

The development of social enterprises helps create job opportunities for the grassroots in local communities. We will continue to enhance the public's understanding of social enterprises. The Home Affairs Department launched the Social Enterprises Partnership Programme early this year to encourage tripartite collaboration among the Government, the business sector and the community. To date, more than ten social enterprise projects have been successfully implemented through cross-sectoral collaboration. We will continue to provide seed money under the Enhancing Self-Reliance Through Partnership Programme to support the start-up of new social enterprises.

*Food Assistance*

Surging food prices have created a financial strain for many low-income earners. I announced in July that we would enhance short-term food assistance services to individuals in dire need, with \$100 million earmarked for the Social Welfare Department to work with non-profit-making organizations to offer additional food assistance. This additional support service will provide immediate and direct aid to all needy individuals and families, including new arrivals, single parent families, individuals and families in need of emergency relief, street sleepers, and needy individuals who have not benefited from our relief measures over the past year. We will submit our proposals to the Finance Committee for approval as soon as possible.

We will call upon district organizations and non-governmental organizations (NGOs) to proactively get in touch with needy individuals who have not benefited from our relief measures over the past year to meet their needs and provide additional assistance. We will also step up publicity on the food assistance initiatives for this group, in particular tenants of bedspace apartments, cubicle apartments and rooftop structures.

*Assistance for the Elderly*

The ageing population is another challenge we must address. The number of people aged 65 or above is expected to increase to 2.17 million by 2033, or two and a half times the present figure. By then, one in four persons in Hong Kong will be in this group. Individuals, families and society should share the responsibility for taking care of our elderly people.

The OAA Scheme is not intended to meet the basic needs of the elderly. That is why the OAA rate is lower than that of the CSSA. However, as the ageing population grows, and more of the elderly who cannot meet the CSSA income and asset eligibility resort to the OAA as a maintenance subsidy, there have been calls for the Government to increase the OAA rate to \$1,000. We need a comprehensive strategy on the provision of financial support for the elderly. We should consider the following points:

- (1) In recognition of views expressed by different sectors and political parties over the past year, we concur that the proposed level of \$1,000 for the OAA is reasonable.

- (2) Given a rapidly ageing population and our limited financial resources, however, we should direct resources to the elderly in genuine need to ensure the sustainable development of our existing non-contributory social security and welfare system, which is based on a simple tax regime. As such, the Government needs to consider introducing a means test mechanism, while ensuring the current OAA recipients will not be affected by any change in policy.
- (3) We will proactively explore whether the permissible limit of absence from Hong Kong under the OAA Scheme can be further relaxed.
- (4) For the financially self-sufficient elderly, we also need to show our gratitude by encouraging various sectors and private organizations to offer different forms of concessions to them.

The LWB is working to complete the review on the OAA by year-end. Over the past six months, the Government has provided altogether more than six additional months of the OAA to the elderly. This should help alleviate the financial burden for needy elderly people in the short run.

**MR ALBERT CHAN** (in Cantonese): Is the Chief Executive refusing to .....

**CHIEF EXECUTIVE** (in Cantonese): We .....

**MR ALBERT CHAN** (in Cantonese): ..... to raise the Old Age Allowance to \$1,000?

**PRESIDENT** (in Cantonese): Mr Albert CHAN.

**MR ALBERT CHAN** (in Cantonese): President, I wish to seek a clarification. Does the Chief Executive still refuse to raise the Old Age Allowance to \$1,000?

**PRESIDENT** (in Cantonese): If you wish to seek a clarification, you must sit down first .....

**MR WONG YUK-MAN** (in Cantonese): Donald TSANG should feel ashamed to face the elderly.

**PRESIDENT** (in Cantonese): Mr WONG Yuk-man .....

**MR WONG YUK-MAN** (in Cantonese): No means test. Pay at once .....

**PRESIDENT** (in Cantonese): Mr WONG Yuk-man .....

**MR WONG YUK-MAN** (in Cantonese): What are you saying?

**PRESIDENT** (in Cantonese): Please sit down.

(Mr Albert CHAN and Mr WONG Yuk-man disregarded the President's instruction, and remained standing and protesting loudly)

**MR WONG YUK-MAN** (in Cantonese): It has been a very long time since this demand for an increase of \$300 was made.

**MR ALBERT CHAN** (in Cantonese): President, just now .....

**MR WONG YUK-MAN** (in Cantonese): What is the rationale? You explain that to me. Why is a means test necessary?

**PRESIDENT** (in Cantonese): You are both impeding the conduct of the meeting .....

**MR WONG YUK-MAN** (in Cantonese): You shut up. You should feel ashamed to face the elderly.

**PRESIDENT** (in Cantonese): If you do not stop .....

**MR WONG YUK-MAN** (in Cantonese): ..... ashamed to face the wage earners.

**PRESIDENT** (in Cantonese): You .....

**MR WONG YUK-MAN** (in Cantonese): Donald TSANG is incompetent.

**PRESIDENT** (in Cantonese): If you do not stop .....

**MR WONG YUK-MAN** (in Cantonese): This policy address is but empty talks.

**PRESIDENT** (in Cantonese): I have to ask the two of you to leave the Chamber. Will you sit down please?

**MR WONG YUK-MAN** (in Cantonese): What if I do not leave? Come on, explain to me what will happen if I do not leave?

**PRESIDENT** (in Cantonese): If you .....

**MR ALBERT CHAN** (in Cantonese): Is it the Communist Party, is it the Communist Party that wants to remove Members from this Chamber?

**PRESIDENT** (in Cantonese): If you do not stop .....

**MR WONG YUK-MAN** (in Cantonese): Why do I have to leave?

**PRESIDENT** (in Cantonese): If you do not stop, I will have to ask both of you to leave. Clerk, please help the two Members to leave the Chamber.

(The Clerk and security officers walked up to Mr Albert CHAN and Mr WONG Yuk-man and indicated their withdrawal, but the Members kept yelling loudly)

**MR WONG YUK-MAN** (in Cantonese): Donald TSANG should feel ashamed in front of the elderly. No means test.

**PRESIDENT** (in Cantonese): Will the two Members leave the Chamber at once.

**MR WONG YUK-MAN** (in Cantonese): Pay at once. Refund the CSSA.

(Mr WONG Yuk-man banged at the bench)

**MR ALBERT CHAN** (in Cantonese): President, we must voice our strong protest and that is .....

**PRESIDENT** (in Cantonese): Members .....

**MR WONG YUK-MAN** (in Cantonese): The policy address is but empty talks .....

**MR ALBERT CHAN** (in Cantonese): This \$1,000, this \$1,000 of Old Age Allowance, is a consensus reached by the people all over Hong Kong.

**MR WONG YUK-MAN** (in Cantonese): Donald TSANG is incompetent.

**PRESIDENT** (in Cantonese): Mr CHAN, you two .....

**MR WONG YUK-MAN** (in Cantonese): The SAR Government is incompetent.

**PRESIDENT** (in Cantonese): Will the two Members please leave this Chamber at once and do not return to this meeting.

(Mr Albert CHAN and Mr WONG Yuk-man defied the President's instruction, and kept standing and yelling loudly)

**MR WONG YUK-MAN** (in Cantonese): Donald TSANG is incompetent.

(The Clerk indicated to Mr Albert CHAN and Mr WONG Yuk-man to leave the Chamber, but Mr WONG picked up a banana on the bench and threw it towards the President)

**MR ALBERT CHAN** (in Cantonese): Protest against not paying out \$1,000 as Old Age Allowance. Strong protest. This is an insult to the elderly. Even such an affluent society cannot afford to pay out \$1,000 as Old Age Allowance. This is an insult to all the elderly in Hong Kong.

**PRESIDENT** (in Cantonese): Will the Members please leave at once. Will Mr CHAN leave the Chamber at once.

(Mr Albert CHAN and Mr WONG Yuk-man left the Chamber under the escort of the Clerk and security staff)

**MR CHIM PUI-CHUNG** (in Cantonese): President, during your campaign for the presidency, you pledged to all the Members that you would cause other Members to .....

**PRESIDENT** (in Cantonese): Mr CHIM Pui-chung .....

**MR CHIM PUI-CHUNG** (in Cantonese): Not to affect my right, you have to remember that.



**PRESIDENT** (in Cantonese): Mr CHIM Pui-chung, in the course of the meeting, you can only speak on a point of order. Chief Executive, please continue.

**CHIEF EXECUTIVE** (in Cantonese): Perhaps I did not speak very clearly just now. Let me repeat my point. To address the issue, a comprehensive strategy on the provision of financial support for the elderly is needed. Several aspects are involved. Firstly, let me repeat. In recognition of views expressed by different sectors and political parties over the past year, we concur that the proposed level of \$1,000 for the OAA is reasonable.

*Core Family Values, Expanding Elderly Services*

We will increase subsidized residential care places through those to be provided in new contract homes and the Enhanced Bought Place Scheme. At the same time, we will provide additional subsidized day care places and home-based services to better support elderly people and their carers. The District-based Trial Scheme on Carer Training has proved effective in enhancing carers' confidence and skills in looking after the elderly. We will extend the Scheme to cover all districts.

The Family Council headed by the Chief Secretary for Administration was established in December last year. The Council has discussed in detail core family values and harmonious relationships among family members, and will encourage the community to participate in promoting these values.

To create an environment conducive to family harmony, the Family Council is considering further ways to encourage the business community to adopt family-friendly work practices that enable employees to strike a work-family balance. On the advice of the Council, the Government is looking into ways to include the family as a factor to consider in its policymaking process.

To help needy families take better care of their young children, the Neighbourhood Support Child Care Project has this month been launched on a trial basis at six locations to mobilize community organizations to provide "centre-based care" services for children under six years old. The service operators will also train women in the districts to become "home-based child carers" and encourage them to look after their neighbours' children at home. This will promote mutual help in the neighbourhood. In addition, the operating hours of the services are more flexible as they are available in the evenings, and

on some weekends and holidays. This can better meet the needs of parents who have to work or attend to urgent matters away from home, and thereby reduce the risk of children having accidents while left unattended at home. The Project will be extended to all districts by March next year.

We have enhanced support services and amended legislation to strengthen protection for victims of domestic violence. In the coming year, we will build on this foundation and further reinforce direct services and support. This includes increasing the manpower of the Family and Child Protective Services Unit and the Clinical Psychology Unit, further developing the batterer intervention programmes, enhancing support provided by refuge and crisis centres to women and children in need as well as those facing family crises, and continuing to strengthen public education.

#### *Enhancing Rehabilitation Services*

The Government will continue to develop family-oriented and diversified support services and enhance professional support for persons with disabilities or mental health problems so as to cater for their needs at different stages.

We believe early action is vital to the development of children with disabilities. The Government will strengthen pre-school training and provide timely services for them. As for adults with disabilities, the Government will continue to provide additional places for day training and residential services. We will also enhance medical social services for chronic patients and persons with mental health problems.

#### *Tackling Juvenile Drug Abuse*

Over the past year, the Task Force led by the Secretary for Justice has been working in full swing to map out strategies to combat the youth drug abuse problem. The Task Force has worked closely with anti-crime and anti-drug networks, solicited views from stakeholders, and enhanced collaboration among government departments, NGOs and the community for the anti-drug cause. A series of short to medium-term measures, which are being implemented, cover preventive education and publicity, treatment and rehabilitation, law enforcement, and research. A two-year territory-wide anti-drug campaign and the "Path Builders" initiative have been launched to foster a drug-free youth culture, and to mobilize the whole community to provide assistance to our young people at different levels and through innovative ways. The Task Force will shortly publish a report on holistic and sustainable policies and measures for the long term.

*Health Care Reform*

The first-stage public consultation on health care reform reflects a broad community consensus on the pressing need for reform. Our citizens recognize the need to enhance primary care, promote public-private partnerships, develop an electronic health record system and strengthen the health care safety net. They consider that these service reforms should be expedited. We are committed to making the best use of increased resources over the next few years to introduce those service reforms with clear public support before finalizing the health care financing arrangements.

The public generally agrees that the Government should increase its commitment to health care and continue to be the primary source of financing for health care. As for the supplementary financing options, we have received many insightful views on various important issues. We plan to launch the second-stage public consultation in the first half of 2009 to encourage further discussions and seek to forge a consensus on health care financing.

To consolidate and enhance Hong Kong's position as a prime medical centre in the region, we must have comprehensive measures in place to upgrade our hardware and software. For the hardware, we will encourage and facilitate the development of private hospitals. The Government is identifying suitable sites initially including the Wong Chuk Hang, Tseung Kwan O, Tai Po and North Lantau areas. We will invite expressions of interest and proposals on hospital development from the private sector. We will formulate policies to ensure that the premiums for such land are fair to the private hospitals and the public. We will also ensure that the development of private hospitals will further upgrade our health care services to benefit the community and promote the expansion of the medical services industry.

As for the software, we need to attract talent from around the world to enhance training, exchanges and the professional competence of our health care personnel. In full respect for professional autonomy, we will discuss with the health care registration bodies, training providers and professional bodies ways to strengthen local medical practitioners' professional competence in line with international standards.

In parallel, the Government will take steps to redress the serious imbalance in the provision of public and private health care services. We will implement a

series of pilot measures to promote public-private partnership. These include purchasing primary care services and hospital services from the private sector, subsidizing the public for preventive care provided by the private sector, and establishing medical centres of excellence in paediatrics and neuroscience.

To meet service demand in Tin Shui Wai, which has seen rapid developments in recent years, we plan to build a hospital in the district to strengthen medical services for residents. We expect works of this new hospital to start in 2011 for completion in 2015.

The proposal to enhance primary care services received broad public support during the health care reform consultation. We will allocate more resources in the coming few years to implement this proposal. This will include introducing basic primary care service models focusing on preventive care and a primary care register based on the family-doctor concept. The Secretary for Food and Health will set up a Working Group on Primary Care to take forward this initiative. Members will include health care professionals from the public and private sectors.

To provide comprehensive primary services in local communities, and to cater for the health care needs of the elderly and the underprivileged in particular, we will explore a primary care delivery model — the "community health centre" — to co-ordinate the efforts of different service units in the delivery of primary care services. Depending on the different needs of communities, service units could include general out-patient services, outreach community health care services, nurse clinic services, allied health services, and specialist services for relatively simple cases. We will explore the feasibility of delivering services under the community health centre model through tripartite collaboration among the public sector, the private sector and NGOs proposed by me, with the public sector responsible for service co-ordination. Under the new service delivery model, low-income families and the underprivileged will continue to be taken care of by subsidized public health care services.

The Government keeps abreast of the latest developments in vaccines and pathology, and will include new vaccines in the free Childhood Immunization Programme (CIP) if there are sufficient scientific justifications. On the advice of experts and the Centre for Health Protection, the Government has decided to include pneumococcal conjugate vaccine in the CIP.

To improve the health of our citizens and reduce the risk of chronic diseases such as diabetes, hypertension and renal disease, we will promote the prevention of, and care support for, chronic diseases in both the public and private sectors in local communities. We will conduct health risk assessments and draw up management programmes for high-risk patients; help chronic patients improve their self-care skills through enhanced education; implement a pilot scheme to subsidize chronic patients to receive comprehensive treatment, follow-up and care support from private practitioners; and, set up multi-disciplinary teams at designated General Out-patient Clinics to provide chronic patients with integrated care.

I have disposed of two challenges earlier, and the third challenge is how to meet public demands for a quality life. Hong Kong is a modern world city. For residents, a quality living environment — covering air quality, living space, cultural infrastructure and heritage conservation — is just as important as economic growth. Over the past two decades, Hong Kong has transformed from a manufacturing base into a services-based economy. Such a transformation has impacted on urban planning, and set the stage for us to re-examine ways to beautify our cityscape and upgrade the quality of life to make Hong Kong truly an ideal home.

The Government is now reviewing the air quality objectives. To improve air quality in the long run, we have decided to adopt targets in stages giving due regard to the World Health Organization's guidelines.

We must press ahead with sustainable development. While we help our economy power ahead, we must protect the environment and ecology. We also need to work hand-in-hand with neighbouring areas to foster the development of an economy that is based on low energy consumption and low pollution in the PRD Region.

To further strengthen our co-operation on environmental protection, we have reached a consensus with the Guangdong Provincial Government on jointly transforming the PRD Region into a green and quality living area under the principle of promoting environmental protection and sustainable development. Our common goal is to enhance the appeal and competitiveness of the Province and the Region.

To achieve this goal, Hong Kong and Guangdong will work together in the areas of post-2010 emission reduction arrangements, the optimization of the fuel mix for power generation, the development and wider use of renewable energy, vehicle emissions reductions, enhanced conservation and greening, scientific research, as well as publicity and education. We will also discuss in detail our objectives, specific measures and co-operation mechanism.

We will make early preparations to meet the challenge of climate change. In particular, we will enhance energy efficiency, use clean fuels, rely less on fossil fuel, and promote a low carbon economy — an economy based on low energy consumption and low pollution.

Improving air quality and reducing greenhouse gas emissions are among the Government's top priorities. As electricity generation is a major source of pollution in Hong Kong, I pay special attention to ways of reducing coal-fired power generation and promoting the wider use of clean fuels while maintaining secure supplies of energy.

The Memorandum of Understanding signed between the HKSAR Government and the National Energy Administration on 28 August 2008 ensures a long-term and stable supply of nuclear electricity, and the supply of natural gas from three different sources — namely, offshore gas, piped gas, and liquefied natural gas (LNG) to be supplied through an LNG terminal to be built, as a joint venture, on a neighbouring mainland site. At present, 28% of electricity generated by power plants in Hong Kong is gas-fired. To improve air quality and address the challenges posed by global warming, we will actively explore ways to gradually increase the use of clean energy by, for example, increasing the proportion of natural gas for local electricity generation to 50%. As part of our review of the air quality objectives, we will consult the public on this and other measures to improve air quality.

Energy consumption is closely related to greenhouse gas emissions. In Hong Kong, buildings account for 89% of total power consumption. As such, we will legislate for the mandatory compliance of Building Energy Codes to improve energy efficiency in new and existing buildings as soon as possible.

I propose reserving \$150 million under the Environment and Conservation Fund to partially subsidize building owners to conduct comprehensive energy and carbon audits. I propose reserving another \$300 million to offer building owners partial subsidies for energy efficiency projects.

To further promote energy efficiency and conservation, and to reduce carbon dioxide emissions substantially, we plan to implement a district cooling system at the Kai Tak Development to supply chilled water to buildings in the new development area for centralized air-conditioning.

We enacted the legislation on the Mandatory Energy Efficiency Labelling Scheme in May this year. We will propose amendments to the Energy Efficiency (Labelling of Products) Ordinance in 2009 for the second phase of the Scheme, with a view to adding other products for labelling. In addition, to promote the use of more energy-efficient lighting products, we will study the need to restrict the sale of incandescent light bulbs. The Government will continue to assess the problem of energy wastage of external lighting and study the feasibility of tackling the problem through legislation.

We will continue to reduce waste at source and encourage waste recovery and recycling. Following the enactment of the Product Eco-responsibility Ordinance by this Council, we will introduce an environmental levy on plastic shopping bags at selected retail outlets next year. The Government will monitor the effectiveness of this initiative and consider how best to extend its coverage. To promote waste recovery and recycling, apart from the source separation of waste programme in residential, commercial and industrial buildings, the Government has enacted legislation for the provision of a refuse storage and material recovery room on each floor of new residential buildings.

The disposal of electrical and electronic equipment affects the environment. While we continue our efforts to promote the voluntary Producer Responsibility Scheme (PRS), we will study the possibility of introducing a mandatory PRS through legislation to cover other electrical products. We will consult the community and the trade on our proposals.

### *Geological Park*

Hong Kong boasts rich geological resources of high academic research, tourism and scenic value. For example, the hexagonal rock columns and erosion features along the New Territories East coastline are unique attractions. We are considering the development of a geological park under the framework of the Country Parks Ordinance and Marine Parks Ordinance, with a view to turning these special geological features and rock clusters into natural scenic spots for our citizens and visitors to enjoy.

*Beautifying the Harbourfront*

Imbued with cultural and historical significance, Victoria Harbour is an icon of our city. All Hong Kong people cherish it as our precious asset. The Harbour-front Enhancement Committee, and a number of community organizations, have in recent years offered suggestions and advice on ways to enhance our harbourfront. I applaud their efforts. The Development Bureau will co-ordinate the work of different government departments to ensure the effective implementation of projects to beautify and revitalize these areas. It will set up a task force to study the feasibility of conducting medium and long-term re-planning of the harbour, improve the accessibility of the harbourfront and, in consultation with District Councils, proceed with the construction of waterfront promenades. I hope that our beautiful harbour will remain a symbol of our city that can be enjoyed by all.

*Revitalizing the Central School*

In my previous policy address, I announced that the Former Police Married Quarters Site in Aberdeen Street, the original site of the Central School, would be removed from the List of Sites for Sale by Application for a year and that we would invite proposals on its revitalization during this period. In view of the general support for its revitalization during extensive consultations, I have decided to formally remove the site from the List. Its planned use will be for creative industries and education. The revitalization plan will take into account the history and characteristics of the area along Hollywood Road, and will be subject to public consultation.

*Improving the Pedestrian Environment*

We will take forward pedestrian schemes to minimize vehicle-pedestrian conflicts and improve roadside air quality. The schemes cover footbridges, pedestrian subways, pedestrianized streets and traffic calming streets. Our focus will be on improving the pedestrian environment in business districts, shopping centres, and leisure areas with heavy pedestrian flows. For example, we will consider constructing additional pedestrian subways in Causeway Bay linking the MTR station with Victoria Park as well as the busy streets in the heart of Causeway Bay and its junction with Happy Valley; extending the footbridge system in Mong Kok to cover central Mong Kok and the Tai Kok Tsui area; and developing a footbridge system at Castle Peak Road (Yuen Long) in the Yuen



Long town centre. We expect to put forward specific proposals as early as possible.

In addition, we will establish a new assessment system for the provision of hillside escalator links and elevator systems for uphill areas. The Housing Department is studying the feasibility of installing lifts and escalators connecting common areas in hillside public housing estates, as well as lifts in walk-up, low-rise public housing blocks to facilitate resident access.

To tie in with the WKCD development, we need to enhance our software by promoting cultural activities in the community and tapping into cultural consumption markets. To bring more cultural activities into local communities, the Government will encourage cultural and performing arts groups to stage performances across the territory. We will continue to support artistic creations and overseas exchanges, encourage tertiary institutions and professional arts groups to nurture intermediaries for arts services, and develop a broad audience base. Our joint efforts will help realize the vision of developing Hong Kong into a world-class arts and culture destination.

The tremendous success of the Beijing 2008 Olympic and Paralympic Games, coupled with our success in staging the Olympic and Paralympic Equestrian Events, has aroused much community interest in sports. We will step up our efforts on various fronts, such as further promoting sports in the community, organizing more major sports events, and reinforcing support for elite athletes. In this way, we can make the best preparations for hosting the Hong Kong 2009 East Asian Games, and prepare for the Guangzhou 2010 Asian Games, and the London 2012 Olympics. The Hong Kong Sports Institute is being redeveloped to provide world-class training facilities for our athletes, including disabled athletes. With the participation of districts and schools, we will launch more effective feeder programmes to identify and nurture budding young athletes for competitive sports. We will also encourage the business community to support our sports development. For instance, they can sponsor major sports events organized by the National Sports Associations, or work more closely with the sports sector in such areas as attracting sports professionals from the Mainland, youth training and post-retirement arrangements for athletes.

As a tourism, financial, business and trading centre in the Asia-Pacific Region, Hong Kong must continue to attract business visitors and tourists from the rest of the world. Hong Kong people often go on sightseeing or business trips to the Mainland and overseas. Last year, the passenger traffic in and out

of Hong Kong continued to rise, almost topping 220 million trips. Convenient and efficient immigration services are essential. Hong Kong has so far secured mutual visa-free access or visa-on-arrival arrangements with more than 130 countries and regions. We are about to conclude an agreement with our close neighbour, the Macao Special Administrative Region, to further streamline clearance for residents travelling between the two places. We expect the new measures to take effect in mid-2009. For Taiwan, I have just outlined measures to facilitate the entry of its people. In addition, we expect to sign a mutual visa-free access agreement with Russia in the near future. This will be the first such agreement signed by Russia with a developed economy, and will help promote the trade and tourism development between our two economies.

The fourth challenge lies in effective governance and the public's trust in the Government. Rising inflation, and the controversies over the expansion of the Political Appointment System and post-retirement employment of civil servants, have changed the public's trust in the Government over the past year. People have doubts about certain issues: Have the core values of the HKSAR Government changed? Is the Government trustworthy? Is the Government fair and impartial? Is it less capable than before? Does the Government still adhere to the principle of meritocracy? Does it take into account public opinion in formulating policies?

We inherited the political system of the pre-1997 executive-led government. The gradual development of democracy since reunification has brought about significant changes to our political landscape. Hong Kong people have developed keen political awareness, which has led to higher expectations for effective governance. We will draw lessons from the controversy and criticisms over the expansion of the Political Appointment System as our political system evolves.

To gain public support, the Government needs to deliver. Our decision-making process has to be more transparent and built on wider community consensus. This will help create an inclusive political environment and promote democracy in an orderly and progressive manner, thereby meeting the public's aspirations for democracy.

The Executive Council assists the Chief Executive in policymaking. It actively helps the Government promote policies and enhance communication with different sectors of the community. Last year, the Government put

forward a new policy agenda for the ensuing five years. A new Legislative Council was elected in September. In light of these developments, I have decided to appoint new Members to the Executive Council, which will continue to operate under the principles of confidentiality and collective responsibility. I will announce the new membership shortly.

Earlier this year, there was some controversy over the expansion of the Political Appointment System. I assure the public that the Government adheres to the principle of meritocracy in its appointments. A number of Under Secretaries and Political Assistants have assumed duty, and their performance is being scrutinized by the Legislative Council and the media. I am confident they will help enhance the political capability of the Government. The expanded Political Appointment System will strengthen the relationship between the Executive Authorities and the Legislature, as communication, formal or otherwise, steps up between Honourable Members and the new appointees.

There are many new faces in the current term of this Council, and a few that bring stimulants. (*Laughter*) I hope that this will bring fresh thinking and a change to the relationship between the Executive Authorities and the Legislature. We will face many challenges in the coming year. The Executive Authorities and the Legislature must co-operate closely before we can take solid action in the interests of our community. I will foster multi-level, multi-front communication between the Executive Authorities and the Legislature. Government officials at different levels — the Chief Executive, the three Secretaries, all Directors of Bureaux, as well as Under Secretaries and Political Assistants — will maintain communication, dialogue with Members when formulating policies, and seek their views as early as possible.

The timetable for universal suffrage set by the NPCSC last year enjoys wide support in the community. To lay a solid foundation for universal suffrage, the top priority for the Third Term HKSAR Government is to determine the two electoral methods for 2012 with a view to further democratizing the election systems. In the first half of 2009, we will consult the public on the methods for electing the Chief Executive and for forming the Legislative Council in 2012. I hope that in the coming years, different sectors and political parties will be pragmatic and make good use of the time to forge a consensus for the electoral arrangements in 2012.

Rising civic awareness has increased public demands for accountability. In face of this challenge, the Civil Service has been as devoted to duty as ever

and spared no effort to meet the needs of the community. I am most grateful to all civil servants for their professionalism. I am also proud of their outstanding performance.

While we have kept on improving the quality of public services, there have been occasions when we might not have met people's expectations. We must remain humble at all times and be open to suggestions for improvement. To ensure that public services move with the times and respond quickly to citizens' needs, I have asked Heads of Departments to review the implementation of their performance pledges and to improve their complaint handling mechanisms in the coming year.

In addition, we will study the reports of such institutes as the Heritage Foundation of the United States, Fraser Institute of Canada, World Bank and World Economic Forum on global competitiveness, economic freedom and business environment to identify areas for improvement. We will promptly formulate measures to upgrade the quality of government services in line with the standards of other advanced economies.

The Government has been seeking community views through advisory and elected bodies such as District Councils and the Legislative Council. I have asked all my politically-appointed officials to reach out to the community more proactively and to visit districts to listen to public views and work with stakeholders. I will continue to promote the concept of public engagement within the Government, and provide training for civil servants on communication with the civil society. With the development of new media, many citizens now voice their views on the Internet. The Government will collect public opinion from the Internet more actively.

### *National Education*

Apart from encouraging our people to care about, and participate in, local affairs, it is the Government's duty to help everyone, especially our younger generations, to know more about our fast-developing Motherland. This year, we mark the 30th anniversary of China's opening up and reform. Next year, we will mark the 60th anniversary of the founding of the People's Republic of China. We will launch a series of activities for this important occasion to enhance young people's understanding of our country. This will help foster a strong sense of national identity in the era of globalization.

It is the HKSAR Government's established policy to promote national education. We will continue to adopt a three-pronged approach in this regard: helping students better understand the history and development of our country through curriculum planning; providing students with opportunities to join study and exchange programmes to heighten their sense of national identity; and, encouraging students to contribute to our country's development.

In the past year, we organized lectures and training programmes for teachers and students, and produced web-based teaching materials on the opportunities and challenges in our country's development. Topics included the Beijing 2008 Olympic Games, the staging of the Olympic Equestrian Events in Hong Kong, China's first spacewalk by astronauts in its space mission of Shenzhou-7, the 30th anniversary of China's opening up and reform, and disaster relief and reconstruction efforts for the Sichuan earthquake.

The Government will devote additional resources to promoting national education. For example, we will offer more opportunities for Hong Kong students to join Mainland study trips and exchange programmes, and enhance professional training and exchange programmes for teachers. In this way, both teachers and students will see for themselves the rapid development of our country. Currently, we subsidize about 5 000 secondary students to participate in such trips and programmes each year. We will increase the quota to 37 000 to include junior secondary and upper primary students. To promote national education in a more strategic and systematic manner, we will create a national education platform to be known as "Passing on the Torch" by co-ordinating the work of various voluntary groups.

We will continue to subsidize Mainland study trips for youths. Separately, we will allocate additional resources to launch a National Education Funding Scheme for Young People to subsidize and support large-scale national education activities targeting mainly youngsters. This is to give our young people a chance to see for themselves the development of our country and to grow to love our motherland and Hong Kong.

President, Honourable Members, in my previous policy address I outlined a five-year blueprint for Hong Kong, and set out clear development goals. With the concerted efforts of our governing team, the Civil Service and this Council, my policy agenda is being gradually implemented. I would like to thank Honourable Members for your support. Our track record has shown that ours is a pragmatic government that gets things done.

In my view, the Chief Executive has two leadership roles — as a political leader and a government administrator. As political leader, I have to set development goals and uphold core social values, and embody these goals and values in the policy agenda, development strategies and public policies. To get the job done, I need to interact with and listen to the views of the Legislative Council, political parties and various sectors in the community. Having devoted my entire career to public service, I have a reasonable grasp of the management and administrative duties as a government administrator. As our political institution evolves, there is bound to be room for improvement for the expanded Political Appointment System, as well as the Chief Executive's mode and style of governance.

Political leadership requires sound values and clear vision. In recent years, there has been a lively discussion on the core values of society. The Government and the community must open a dialogue on this issue. In my manifesto for the 2007 Chief Executive Election, I stated my view on Hong Kong's core values. I said, "With globalization, Hong Kong is facing an economic transformation, and conflicting opinions and interests have emerged in the community. I believe that Hong Kong needs to handle these conflicts appropriately to rise to a new height and enter a new era".

Simply put, these conflicts manifest themselves in the economic, political and social arenas. On the economic front, we need to strike a balance between development and environmental conservation. In fact, they are not opposing forces. On the political front, while developing democracy, we should put in place a supporting system and maintain high efficiency in governance. The Executive Authorities and the Legislature should complement each other and take into account public opinion in performing their respective functions and in decision-making. The ultimate aim is to work for Hong Kong's prosperity and stability, and the benefit of the people. We should maintain a proper balance between our rights and duties. Hong Kong people cherish freedom and the rule of law. They should also recognize that they have a duty to our community and our country. While the Government accepts the responsibility to take care of the disadvantaged, our citizens have to shoulder their own responsibilities, care for their families and contribute to society. As our society advances, citizens have higher expectations on enterprises. Enterprises should no longer just perform a purely economic role — they should also shoulder social responsibility. They should also gear up for a more open and democratic political system.

As for social conflicts arising from, for example, the wealth gap and balancing interests between big business and ordinary citizens, I believe the key to tackling the problem lies in boosting our economic development to bring about prosperity, and investing in education to promote social mobility. Helping people to help themselves is essential to poverty alleviation. To resolve conflicts between big business and ordinary citizens, the Government is duty bound to monitor the situation and take remedial measures when the market becomes ineffective.

We have to re-examine some of the ideas about the development of Hong Kong that gained prominence in the 1980s and abandon dichotomy as an analysis tool. For instance, not only can patriotism and democracy co-exist, they can also complement each other in politics. Building a democratic system on a shared sense of national identity is where our future lies. In regard to the economy, we should not see a free market and government intervention as two exact opposites. The market is not omnipotent. Intervention is not necessarily an evil. If the market fails, the Government should intervene. We also need government supervision when public interests are compromised. As to social development, a diversified cultural life and a green environment can help improve our competitive edge.

International politics have evolved considerably since the ideological confrontations in the 1960s and 1970s. Both left-wing and right-wing political parties in the world are searching for a middle ground, the so-called Third Way. People have turned their back on political, economic and social extremes. I firmly believe in justice, equality and liberty. We should steer the middle course in the best interests of the community. We should adopt a moderate approach to balance the various interests of society, and seek collaboration and consensus in the political, economic and social arenas rather than resort to confrontation, struggle and conflict.

The external economic environment is deteriorating. The financial tsunami has sent huge shockwaves across the globe and caused anxieties about our economic prospects. In times of uncertainties, there is a greater need to keep calm and to accomplish our tasks pragmatically. Hong Kong is on the right track with its development. The implementation of the 10 major infrastructure projects announced in the last policy address will increase employment opportunities and economic benefits, which will give fresh impetus to our economic growth.

We will address squarely the challenges ahead with effective crisis management and improvements to our systems. At the same time, we will seize new opportunities and turn crises into opportunities. Hong Kong people are known for our resilience in the face of adversity. All these years, we have worked miracles in times of difficulty, making continuous improvements and progress.

I have full confidence in Hong Kong people. Our people should have confidence in themselves, too. Sharing a common vision, we can rise above all challenges and emerge stronger. Thank you.

**PRESIDENT** (in Cantonese): The Chief Executive will now leave the Chamber. Members will please stand. After the Chief Executive has left, this Council will continue to deal with the unfinished business.

### **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motion. Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the Food Business (Amendment) Regulation 2008.

I now call upon Ms Miriam LAU to speak and move her motion.

### **PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

**MS MIRIAM LAU** (in Cantonese): President, at the House Committee meeting of 10 October 2008 Members decided to set up a subcommittee to examine the Food Business (Amendment) Regulation 2008. Members also agreed that I, in my capacity as Chairman of the House Committee, shall move a resolution to extend the period for scrutiny of the relevant subsidiary legislation to 5 November 2008 so that the subcommittee can be given more time for deliberations. President, the content of the motion is set out on the Agenda, and I urge Members to support the motion.



**Ms Miriam LAU moved the following motion:**

"RESOLVED that in relation to the Food Business (Amendment) Regulation 2008, published in the Gazette as Legal Notice No. 185 of 2008 and laid on the table of the Legislative Council on 2 July 2008, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) and deemed to be extended under section 34(3) of that Ordinance, be extended under section 34(4) of that Ordinance to the meeting of 5 November 2008."

**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 and that is: That the motion moved by Ms Miriam LAU, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 3:00 pm tomorrow.

*Adjourned accordingly at twenty-three minutes to One o'clock.*