

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 30 October 2008

The Council continued to meet at Nine 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 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 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 ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

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

THE HONOURABLE LEUNG KWOK-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

MEMBERS ABSENT:

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

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

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

DR THE HONOURABLE LEUNG KA-LAU

PUBLIC OFFICERS ATTENDING:

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

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

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

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Clerk, please do a head count and see if a quorum is present.

(The Clerk did a head count of the Members present and indicated that a quorum was lacking)

PRESIDENT (in Cantonese): A quorum is not present. Please ring the bell.

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

PRESIDENT (in Cantonese): Council shall now resume the meeting and continue with the first debate session of the Motion of Thanks.

MEMBERS' MOTIONS

MOTION OF THANKS

Continuation of debate on motion which was moved on 29 October 2008

MISS TANYA CHAN (in Cantonese): The financial tsunami has swept across the world, and in the last few days, either I or colleagues in this Council have made a number of proposals to help the SMEs. This is the second wave of measures that can be considered following the first wave of measures launched by the Government. Of course, it is our hope that we need not launch a third wave of measures, yet, in general, with a few more options in hand, we can cope with changes in society at any time.

Some may ask, "you have always been concerned about young people, why have SMEs got anything to do with you?" In fact, I wish to tell everybody that SMEs are the career starting points for many young people. Recently, the Young Women's Christian Association conducted a survey, and the respondents were mainly young people. About 73% of the young people indicated that they were worried about the impact of the financial tsunami on their employment prospects. Even if they could find a job, the wages have been declining, and even more people could not find a job.

To many people, SMEs are the starting points, as many of the local community economy projects are carried out in the form of SMEs. As local community economy, unlike what Mrs Regina IP, who is sitting next to me, has said, can take the form of more than a gala point. In fact, the development of local community economy will not only help local people to engage in more commercial activities, it can also help the socially disadvantaged groups. Members of the public could become bosses, employees, seller or consumers.

Many young people are creative, and they may have special talents in products or software. So as long as there is adequate support to enable them to bring their talents into full play, this is also a business. In the beginning, perhaps they are only small enterprise founded and run by some friends. I hope the Government will provide more opportunities to these young people and help the SMEs, such as strengthening the links between the Government, tertiary institutions and SMEs, so that students or graduates can have more room for development as well as more opportunities.

In such a difficult economic situation, the Government has expressed the wish to stimulate the economy, attract investors or import talents, but how much could be achieved under the current mode of urban planning? Take tourism as an example. In the past, the place attracted visitors most was the Victoria Harbour, but it is a pity that most tourists are probably impressed by the endless screen-like buildings on both sides of the Victoria Harbour now. Another example is the ridgelines of the Victoria Peak and the Lion Rock. They used to attract a lot of people in the past, but the erection of skyscrapers one after another has ruined them.

Talking about investors or talents, we have heard many complaints about Hong Kong's poor air quality, and if we continue to allow every community to be surrounded by endless screen-like buildings, they will only worsen the already poor air quality, and the walled effect and heat island effect will only worsen our air quality. For visitors from overseas, they may leave if they consider the situation unsatisfactory, but residents living in Hong Kong cannot leave at will and they have to live with this obnoxious consequence every day.

The public's requirements for air quality, the environment, life and urban planning have been heightened greatly, and, the Government recognizes and knows them very well. The general public cannot accept those colossal or invasive development projects anymore.

Next, I wish to spend more time to discourse on planning issues. Hong Kong has already formulated the Hong Kong Planning Standards and Guidelines, in which many areas are covered, such as the protection of the Victoria Harbour, the ridgelines, retention of about 20% of space, restriction on buildings that they should not exceed a certain height, as well as the reference of ventilation breezeway and view corridor, and so on. Many government projects have been trying to follow this set of standards and guidelines as much as possible, but for private development projects, it seems that they are beyond its reach.

Let me cite an example. The King Wah Road project, which is located in a privately owned waterfront lot in North Point near the Island Eastern Corridor, has been discussed for a while. Although the Government says that it will return the harbour to the people, it has indicated that it would treat the planning application by the developer who proposed to build a 40-storey residential block there with leniency by giving sympathetic consideration. I hope the Government will keep the gate strictly and apply the standards and guidelines by all means. I also hope the Government will step up the implementation, and there may come a time when it may have to consider whether there is a need for legislation in order to make more people (including private developers) to follow this set of guidelines, because once the harbour and the ridgeline are damaged, it is very difficult for them to re-emerge. After a building is erected, it will not be damaged or demolished in three to five years, and in general, it will stand next to us for 40 to 50 years.

The second part I wish to talk about is the territory-wide review of the Outline Zoning Plans (OZPs) as mentioned in last year's policy address. It was also mentioned in the policy agenda that development restrictions will be stipulated progressively in OZPs. Take Hong Kong Island as an example, there are more than 20 OZPs in the entire Hong Kong Island region. I can now see that only four have been approved. May I ask the Government when this progressive review will end? Can the Government give us a timetable and tell us when it will complete the territory-wide review of OZPs?

Originally, large-scale projects (such as transport infrastructure) could bring some opportunities and even some convenience to old communities, but if there are no planning restrictions, new large-scale construction projects will only bring excessive development to old communities and cause negative impacts residents living in the district, in terms of traffic, air ventilation, sunlight, or even community network. All of them will be adversely affected. I hope the

Government will give priority to and speed up the review of a number of OZPs which will be affected by large-scale infrastructure projects.

In addition, I have also asked the Government whether there were any basis or information for reference, such as traffic or air ventilation assessment reports during the review of those OZPs. We were not talking about the development of a small lot, but the entire community. Do we have a more strategic report for reference? However, as far as I know, there is no such information. Therefore, I would like to urge the Government to conduct a large-scale, detailed, farsighted and strategic assessment especially for each district within those OZPs, including the assessment on the district's traffic, air ventilation, and where necessary, the impact on the local community.

We hope that the Government will conduct these surveys. Even if the Government cannot conduct them by itself, we hope it will seek help from its partners, such as universities, or if necessary, voluntary groups, that is, those non-governmental organizations as we put it. I also hope that the Government will give due respect to these data and refer to these data in planning.

Take the development of the Mid-Level West on Hong Kong Island as an example. In the late 1980s, in fact, a report had mentioned the traffic problems there and pointed out that the development of the Mid-level West was nearly reaching full capacity, and it urged the Government to avoid the danger before it was too late. However, it is a pity that in the past 20 years, we have seen the erection of 40-storey or even 50-storey screen-like buildings one after another in the Mid-Level West, and they have made residents living in the district suffer — not only original residents living in the district have to suffer, even residents newly moved into the district are also affected considerably.

Next, I will talk about the land exchange policy. As I said earlier, although the Government acknowledges the public expectations for a better living environment and it understands the people's expectations, the Government has not made appropriate adjustments to the policy according to these expectations. The Secretary once expressed the hope for a stable policy. Let me take the Mega Tower that the people of Hong Kong are concerned about — which has now changed its name to Hopewell Center II — as an example. The Secretary said that the Administration was not legally liable to approve land exchange applications by developers, but the Administration should respect their legitimate expectation and realize it. I would like to point out that the public have

legitimate expectations for the Government, too, then, why has the Government not fulfilled the reasonable and legitimate expectations of the public for the Government and the living environment?

Residents have absolute respect for the private property rights of private developers, and we hope developers will carry out project development on the land they own, and we also hope that when they come up with a new OZP, they will submit it once again to the Town Planning Board for approval. I also hope that the Government will have respect for the public's demand on the environment and the quality of life.

Next, I will talk about the Town Planning Ordinance (TPO). Just now I have cited a lot of examples, in fact, they can prove that urban planning is fraught with problems now and it is no longer effective. Has the Government ever thought of reviewing it as soon as possible? In fact, the Government had reviewed the TPO in 2004 and implemented the amended TPO in 2005. At that time, the Government undertook that, if necessary, it would continue to review it. Just now I have cited lots of examples, and I have said most of them are on Hong Kong Island, but I believe the authorities know better that different parts of the territory are fraught with planning problems, thus I hope that the authorities will review the TPO again as soon as possible. The Civic Party has all along been proposing various forms of review, for example, it may make the Secretariat an independent organization, or to add more civic elements to its membership in order to allow real discussions among members of the public.

Lastly, I would like to talk about the review of the urban renewal strategy. Our fellow partisan, Mr Alan LEONG, had striven for the conduct of the review in 2006 successfully, and now it is finally implemented. However, if Members are interested, they may learn from the Internet that the entire review process is in fact divided into three stages and it will take two years to complete; the first round of review is still ongoing. In what form has it been conducted? Government officials had not directly faced professional bodies. Instead, the Government had commissioned a number of consultants, and focus groups were set up by these consultants, then some groups, including professionals or members of the community were invited to join the discussion. Why should such an indirect approach be adopted? I understand that it will probably be carried out at the second or third stage, but why can we not advance or even speed up this process?

The whole process will take two years, and at the ensuing third stage, the steering committee is required to consolidate these views and submit a report to the Government. Please think about this. If we have to make legislation for this, I am afraid it will take four years, and it would be 2012 already, and the Chief Executive would have left his office. In fact, does the Chief Executive, Donald TSANG, really want to review the whole urban renewal strategy?

Now many projects are already under way, and many can no longer wait for four more years, will the Government consider speeding up the entire review by all means, hopefully they can members of the public can not longer put up with those redevelopment projects which bulldoze everything, which make local residents suffer, or even those causing confrontations among residents, people who could have got the compensations earlier, and those who are concerned about the planning of the area. If the authorities can expedite the review, all of these problems can actually be avoided, and urban areas can become more harmonious. Why can the Government not offer compensation first before planning? Why should the Government adopt the bundling approach?

I hope the Government will take note of the recommendations made by me just now and give us a response. And I also hope that we can do a better job of planning, in order to really make Hong Kong a better place.

Thank you, President. I so submit.

MR WONG YUK-MAN (in Cantonese): President, originally I was to wait for my turn to speak yesterday, but I did not make it when it came to the last Member to speak. Since the Director of Bureau I wish to ask questions is here today, I will turn to the topic I wished to speak yesterday.

The part on the policy area of information technology and broadcasting found in the Chief Executive's policy address is truly repugnant to anyone who reads it. Now in this policy area there are a number of important issues which warrant our attention. The Control of Obscene and Indecent Articles Ordinance is presently under review. Members who read the newspaper today would learn that the Citizens' Radio was issued another summons. The issue of opening up the airwaves is always a concern to me. Our party members have another civilian radio and altogether they have received some 10 to 20 summonses. The

most ridiculous thing is that there are altogether nine Members of this Council who have been charged and this is a world record by itself. Though some of these Members have retired, there are still six incumbent Members of this Council who have been prosecuted for taking part in unlawful broadcasting. Their number adds up to one tenth of the number of Members of this Council. Such a state of affairs is not found anywhere in the world. What have they done? It is only because they have taken part in the broadcasting of a radio programme and that is all. Six Members of this Council have been served a summons and charged. Dear friends, this is just too much. President, do you know that six Members of this Council have been served a summons and charged? However, it does not concern you people at all. CHOY So-yuk also took part in the broadcasting of the Citizens' Radio but she did not get a summons and she was not charged. So did a Member of the Executive Council, Anthony CHEUNG. He did not get any summons and he was not charged. I have no idea what standards the Government is using to instigate prosecutions.

It is public demand that the airwaves be opened. TSANG Kin-shing has been doing it for a number of years and prosecutions are still being instituted against him. There are still people who are served summonses and charged today. Of course, you may say that we are talking about law, but in an open city like Hong Kong, in this international city, as many as six Members of the Legislative Council have been served a summons and charged for taking part in a programme alleged to be unlawful broadcasting in contravention of the Telecommunications Ordinance. These six Members of the Legislative Council include Emily LAU, LEE Wing-tat and me. A total of six Members of this Council are involved and all of them are Members elected by popular elections. The only thing they did was to take part in a programme of the Citizens' Radio and they were served a summons. They are now defendants accused of breaking the law. Then some people began to put forward this view and say, "Look at these Members of the Legislative Council, they are lawmakers but they have broken the law themselves."

Why do they have to break the law? Why did they, knowing full well that the Citizens' Radio does not have a licence, still take part in its programmes in public? They said that they would not mind doing that. To be honest, if anyone breaks the law inadvertently, I do not think he should be falsely accused, right? This is just like how SZETO Wah has been treated. He is some 70 years

old and he has to go to this place and that and appear in Court for no reason or be detained there for a few hours. He has been put through that for almost six times. He is now more than 70 years old and to tell the unpleasant truth, just how many times can he afford to toil and labour like that?

In the Magistracy, when the Magistrate gave his verdict, he did not say that the Telecommunications Ordinance was unconstitutional. The Citizens' Radio was ruled not guilty. At first the Government did not apply for leave to appeal but then later it tried to get round with that by resorting to some tricky means. It was in the morning that the Government was ruled unconstitutional and in the afternoon, the Government got a senior prosecutor and demanded a stay on the ruling and petitioned for an injunction. It is in this way that we are found to be broadcasting in violation of the injunction. This is how the Government has repeatedly tried to corner us and drive us out of existence. May I ask, what we have done wrong?

The most authoritarian country in the world, that is, North Korea, has got six radio stations. We are somewhat better than they are, for we have got seven FM frequencies. But we have only got three radio stations. That means we are worse off than North Korea. We are no match for South Korea and Taiwan. After the press censorship was lifted in Taiwan in 1988, radio stations that previously could only get a licence with the approval of the Kuomintang surged drastically in number to some 30. Now there are 178 radio stations in Taiwan. And the number of underground radio stations is countless. This is especially the case in Tainan, in the south of Taiwan. In Hong Kong there are only three radio stations and according to the affinity theory, "Taipan" has got a licence. Whereas for us, when we applied for FM broadcasting, the reply said that there was no frequency left. As a matter of fact, the range of the spectrum from 88.1 to 107.9 can be divided into 100 segments and in theory, as many as 100 radio stations can be accommodated.

I have no idea about what is in the mind of the Government and I am not accusing it wrongly, but this is an obvious case of impeding the free flow of information and the freedom of speech. When did that piece of law appear? Secretary, I think you know that very well, for that was meant to target the communists. Now these communists have become upstarts and buddy, can you please help? We have a President suspected of being a communist and there are several Members of this Council who are also suspected of being communists. In those days, this Telecommunications Ordinance was meant to target the communists.

I hope the Government can think carefully about the sequela of this law. We knew right from the outset that we would be prosecuted. It does not matter, for we know that this is what we will get. Actually, it is a miserable thing to be prosecuted by the Government and appear in Court. Now "Long Hair" is about to appear in Court on a count of assault committed against a policeman. People like us will often have to appear in Court and that is miserable. You ask us whether we are afraid. Yes, we are scared to death. We have to spend on the petrol for our car, or pay for the transport fares and we have to sit in the Court like a stupid (*Laughter*) you all laugh, I have not yet adorned my speech with expletives. (*Laughter*) And bursting in expletives cannot vent my anger and throwing bananas is something trivial. There are people who want to poke trouble with me. Bring it on, I am not afraid of them. If they want to play this game, then I will play it with you. President, I tell you I will play the game with you.

Besides, about Uncle Wah, every time I talk about him, I will get really mad. For every time when he appears before the Court, he has to sit there and wait like an idiot. In this way he comes to the Court a number of times but still the trial does not begin. The Government does not make an appeal but it applies for an injunction again. It wants to fix things up a bit. It makes some people do something in contravention of the injunction and that becomes another case pending trial. If an appeal is made, then the application has to go on pending. What kind of game is it trying to play? It is to waste our time, squander our money and kill our determination. It is as simple as that. What are we fighting for? We are fighting for the opening up of the airwaves. Maybe we are not yet able to get a licence, right? All we are fighting for is only the freedom of communication and speech for the Hong Kong people. It is that simple. If the airwaves are open, does it mean that we will get a licence? When added to the fact that digital broadcasting is now being studied, actually, why does a study have to be done on digital broadcasting? It is certainly practicable and what is so difficult to require the radio stations to do that?

Now there is a 90% chance that "Taipan" will do it this way. Why does he have to apply for an AM radio licence? Can we tune in to AM broadcasts now? Then the next thing would be digital broadcasting, handing out free radios to people and dominate the market. This can be done simply by securing some hundreds of thousand listeners and so money from advertising can start to roll in. This is what I would predict. I do not know if this is what he is going to.

However, he has got a great number of tycoons backing him up and there are a few shareholders in the Executive Council, right? What kind of a world is this?

On the second issue, I think I have to note my time, because I will have to set aside 15 minutes of my speaking time. Tomorrow I will come back to denounce this policy address. The second issue which is related to information technology and broadcasting is the review of the Control of Obscene and Indecent Articles Ordinance. About the review of this Ordinance, I wish to present a book to everyone here. This book is not meant to be a gift to the President, it can be said to be a gift to the Secretary. This is a copy of the *National Geographic*. This magazine is wrapped in a plastic cover with the warning printed on it, saying, "Contents of this article may be offensive to some people and this article should not be sold, circulated" How come it is so strange when there is a mistake in the warning? It is really a big thing. "..... leased, handed to or lent to a person under the age of 18 or be displayed, broadcast or shown to such person." So what is found in this magazine must be indecent or obscene. So what is inside? Let us unwrap it for everyone to see.

The cover of that issue is about the gold road in India. This is indeed a good read. This is a Chinese version and is distributed in Taiwan and sold in Hong Kong. Please take a look at that later. There is an article here called "The Last Neanderthal". Two hundred thousand years ago, the vast span of land straddling Europe and Asia was home to these people. Some archaeologists had discovered some fossils and the picture of Neanderthal men was drawn by computer graphics. The Neanderthal men there are all naked. The drawing is computer simulated. The breasts and the private parts are all visible, though somewhat vaguely. May I ask, after looking at this picture, you would think that this is obscene or indecent and it would make people feel uncomfortable in any way? Wrap the magazine up in plastics and print a warning on it. This is what you have done. May I ask, "Is this not ridiculous?" This is as ridiculous as classifying the statue of David as indecent.

I tell you, this Obscene Articles Tribunal, this Film and Entertainment Office are all crap. This is an international laughing stock. This is such a good book with educational value. Starry LEE says that throwing two bananas will set a bad example for the young people. This is your problem, not mine. Will that set a bad example for the young people? This magazine should be read by secondary school students but it is now wrapped in plastic cover and labelled not

suitable for people under the age of 18. I hope the Government can give an explanation on this.

Tell me, can we have any confidence in the review of the Control of Obscene and Indecent Articles Ordinance, given this kind of standards and this kind of officials? There is this member of the public who told me that when he bought that book, he found to his surprise that the book was wrapped in plastic cover. He thought that there were certain things worth a look. Yesterday I consulted my colleagues and they asked if there were anything there to see. I told them they could have a look. There are four pictures in it, and that is all. And that is why the magazine is wrapped in plastic cover and it is stated explicitly specifically that it is not suitable for people under the age of 18.

So I wish to tell Members that this review of the Control of Obscene and Indecent Articles Ordinance is bound to have a miserable ending. It is miserable on your part because you will not get away with it, not for me. I will surely fight with you to the bitter end.

Apart from the review of the Control of Obscene and Indecent Articles Ordinance, there is the public broadcasting review and it is another mess. What will come up next? If the authorities want to muffle Radio and Television Hong Kong (RTHK), then they may as well take action and tell the RTHK staff to go home, right? There is no better way than that. What the authorities are now doing is indecisive. Some people say that the radio should be supported, but what is the use of doing it? The radio is now gasping in its last breath and it is in its final hours. It is totally shattered and it is dying. But there is no way to know what the authorities have in mind.

Therefore, as the Secretary is here today, I hope that he can answer the questions I have raised earlier. Actually, this would involve no more than common sense. As for the review of the Control of Obscene and Indecent Articles Ordinance, it is true that some sort of consultation is going on, but that is highly selective. Some minority groups are not consulted. Have the authorities ever consulted the gay and lesbian community? Have the women's groups been consulted? The issue is their concern, too. And if the authorities have the guts, they may try to consult people from Zi Teng, a sex workers concern group. There is also a need for it. The other day in a meeting of the Panel on Security, I asked the authorities to answer my question and that is: For the period from July to September, how many policemen received a hand job in the course of their

carrying out anti-vice duties? I demanded that relevant figures be given. But the authorities cannot provide any such figures to me. This sounds odd. The guidelines say that policemen in the course of performing such duties may receive hand job service, but when I asked the authorities for the figures, no reply was given.

The sex workers have always been bullied by the policemen. Now the authorities are working on the Control of Obscene and Indecent Articles Ordinance, and the developments in that will certainly affect the sex workers and so do the gays and lesbians. Now the authorities also want to regulate the Internet, then may I ask, "Have the people in the Internet sector been consulted?" The authorities are only acting as they so wish and making a fanfare about their efforts. In the end, they are paving the way to enactment of legislation to implement Article 23 of the Basic Law. I want to give a stern warning to the SAR Government here that they should watch out if they try to do that.

I hope the Government can give a reply to my question regarding the Control of Obscene and Indecent Articles Ordinance. I hope that they can adopt an open attitude and listen more to what the disadvantaged groups have to say. Second, about the opening up of the airwaves mentioned just now, I think political prosecution is involved here. It is absurd. Third, about the review of public broadcasting, would the authorities show us the results right away? And the fate of RTHK must be decided during the tenure of Donald TSANG.

I so submit.

PRESIDENT (in Cantonese): Does any Member wish to speak on the policy areas of the first session of the debate?

MR ALAN LEONG (in Cantonese): President, talking about issuing a warning to the SAR Government, in respect of handling the minibonds incident, an alarm may also have sounded. As I have been assisting some victims of minibonds to handle their problems, I am aware of the developments now. Many banks are making the findings of their internal investigations public. Of course, there are some findings which the victims are not willing to see, for after some investigations, some banks may think that no mistake was made on the part of their staff and so there is no need to make any compensation. There are also

some banks which may think that the minibonds which their clients hold do not worth much money anyway and even if a price is asked, these minibonds may in fact not have any value.

President, right from the start, I have seen the problem. The Civic Party is also aware of the fact that each case has different problems and background. Come to imagine this. An old man aged 83 may be illiterate, and he used to put his money in a fixed deposit account, then he was misled by some bank staff who said that buying minibonds was the same as making a fixed deposit but the interest would be 2% higher and was very safe. Another case may be a 40-year-old doctorate degree holder who has also bought minibonds. But he knew what he was buying and as the Government wants to take an across-the-board approach and ask the banks to offer a redemption price regardless of the facts of each case, something would happen and that is, the 83-year-old man and the 40-year-old doctorate degree holder will get the same offer. President, this is not fair. If such things really happen, I believe only one person will be happy and, that is, that doctorate degree holder. The banks will become dismayed because they did not make any mistake apparently, but the Government is forcing its will on them and so they will have to make the compensation. The 83-year-old man will also think that it is most unfair, for with respect to the facts of his case, the bank should have paid him 100% compensation, but what he gets is the same redemption price as that doctorate degree holder.

President, under the present circumstances, we would of course need to pacify the public and vent their grievances by all means. If the same approach is taken for some tragic and tear-jerking cases as some other cases where the clients intend to fish in troubled waters, it would be hard to convince everyone. And it is unfair, too. So the Civic Party and I have made some suggestions. Now the banks are releasing the findings of their internal investigations and many victims may be reluctant to accept these findings, for they think that the banks are undertaking the investigations into themselves. If at this time the Government can appoint an independent committee or group which has credibility to assess the truthfulness of the banks' findings, then the results can be used as a base for the next step towards the solution of the problem, such as by way of conciliation.

President, for conciliation to be successful, it must be backed up by facts. In the example cited by me just now, that is, about the 83-year-old man and the 40-year-old doctorate degree holder, how are they to be convinced? If the President is asked to be the mediator, what would you say to them? It would be

very difficult to say anything to them if you do not base what you say on facts. Hence, I hope that the SAR Government can consider going back to the basics and realize the truth in the saying "more haste, less speed". If things have come to a near conclusion and if the matter is to be solved in such a way that the result is to everyone's satisfaction and considered fair, then we will really have to go back to the basics to deal with the matter and focus on the facts of each case and consider the circumstances surrounding it in making the judgment. This would be the fairest approach to take.

President, talking about the financial tsunami, we notice the package of measures announced by the Premier, Mr WEN Jiabao, recently to help Hong Kong, and we are all very pleased to hear them. But at the same time, we can also see that according to the Premier, there was a possibility that the Hong Kong SAR Government might have underestimated the impact of the financial tsunami on Hong Kong. Was there not enough foresight? In this regard, President, what I want to say is, Premier WEN mentioned the need to increase domestic demand as a policy that he would adopt on the Mainland to steer the nation clear of the dark clouds of the financial tsunami. President, funds in the Hong Kong banking system are sufficient. The contraction of economic activities is mainly due to the lack of confidence among Hong Kong people in the future. In view of that, Premier WEN's short-term measure of increasing domestic demand to address the economic plight is in fact worth consideration.

In the policy address on this occasion, the Chief Executive seems to use the 10 major infrastructure projects as the means to spur domestic demand in Hong Kong. But President, you may also know that in the 10 major infrastructure projects, the Hong Kong-Zhuhai-Macao Bridge project, for example, will have to wait at least two or three more years before commencement. Or the co-operation of the airports in Hong Kong and Shenzhen, or the development of the Loop, all these are only at the study stage. President, as the saying goes, water from afar cannot put out a fire nearby. Certainly, I also notice that Secretary Mrs Carrie LAM said in this Council some time ago that some public works projects would be expedited because of the fall in the costs of building materials. But the question is: What kind of works projects are these? I would of course suggest that such projects should be those that can have an immediate effect on creating a large number of jobs for the low-skilled workers. I also hope that such projects would be able to meet the daily needs of the public. The Government may consider identifying such projects through the district councils and the local networks of the parties. Such projects should commence as soon as possible. President, in the face of this financial tsunami, I do not think Hong

Kong can evade the issue of coping with economic restructuring and the operation that has to be performed on our economy, so to speak, in view of its medium-to-long-term development would have to be quite a major one.

All along Hong Kong has been relying on the four economic pillars of the logistics, tourism, services and financial industries. However, these four major pillars have become shaky in the wake of the financial tsunami. President, the SAR Government must adopt a flexible approach in developing various industries as a back-up for the economic development of Hong Kong. There is this direction which I have always favoured and which I feel should be the direction for our economic development and that is, to develop the cultural and creative industries. President, in the policy address in 2005 delivered by the former Chief Executive, Mr TUNG Chee-hwa, there was indeed a very detailed account of that from paragraph 83. It is unfortunate that soon after the delivery of his policy address, Mr TUNG stepped down.

On the cultural and creative industries, it can be seen from the recent developments in many cities and countries that much attention is paid to the cultural and creative industries. We know from overseas experience that in the course of economic restructuring, cultural and creative industries can lift the economy to a new level. While the development of creative industries will require creative talents, it will also create employment opportunities for people with technical skills, particularly as avenues for creative young people to prove their worth.

President, in the 2005 policy address, according to what Mr TUNG said about the creative industries, they should encompass those industries in which creativity is the principal means of adding value. Creative industries in Hong Kong encompass 11 categories: design, architecture, advertising, publishing, music, film, computer software, digital entertainment, performing arts, broadcasting, and antiques and art dealing. Mr TUNG also said at that time that the creative industries as mentioned above should be replaced by cultural and creative industries as a clearer expression of our direction. We should consolidate our core industries, foster a favourable social environment to nurture and attract versatile people with multi-skills, promote the development of cultural and creative industries and facilitate the transition to a knowledge-based economy. This point was mentioned by some Honourable colleagues yesterday. Mr TUNG in fact already gave a lucid account of this aspect in 2005. He said that this would "sustain prosperity and enhance our quality of life."

As a matter of fact, Hong Kong is endowed with the necessary conditions. There is an uninhibited flow of information in Hong Kong. Ours is a free and highly open society where capital, talents and goods can move freely. All these are important factors in developing cultural and creative industries. Of course, we have sound rule of law which offers effective protection for intellectual property rights. Our society is diversified and tolerant. It is a meeting point of Eastern and Western cultures. It is the cultural cradle for many overseas Chinese. Hence there is great diversity in cultural and leisure activities. We have a colourful and exciting way of life. These are essential to the development of cultural and creative industries, and we have all these in place.

President, given the time constraint, in the first session of the debate, I would also like to talk about cultural issues. The West Kowloon Cultural District (WKCD) project is closely related to the cultural and creative industries which I have just mentioned. The WKCD is an excellent opportunity to build up the matching facilities for the cultural and creative industries. However, after reading the message released to the public after the first meeting of the WKCD Authority headed by Chief Secretary Henry TANG, I am somewhat unnerved. This is because, insofar as the WKCD project is concerned, the argument that has all along been put forward, and which is mentioned by the Chief Executive, too, is that it is a project for Hong Kong people. However, as evident in the planning problems which the Development Bureau has to deal with in the first place and in the arguments advanced by Henry TANG who is the Chairman of the WKCD Authority, the Government has not come off the high horse, as the English proverb says.

The Chief Secretary says that three models would be made for us to choose from. That is like having three dishes of pork, beef and mutton as options, but the sad thing is Hong Kong people are vegetarians. President, this is actually where the problem lies. It is also mentioned in our Subcommittee on the WKCD that if we are convinced that this project is vital to the building of Hong Kong into an international cultural capital and to the cultural and creative industries which I have talked about, the government officials must refrain from exerting significant influence on the design of this project. They must put all their trust in the wisdom of Hong Kong people. If they do not even ask whether the people are meat lovers or veggies, and then prepare dishes of pork, beef and mutton, this would be shooting wide off the mark and hitting the wrong target. We hope that when the WKCD project is to proceed, the Administration, especially those officials holding the reins of power, should renounce their elitist mentality and

embrace a bottom-to-top approach of democratic consultation. Then it would do everyone a great service.

President, in this session I would also like to talk briefly about urban planning. About the reform of the Town Planning Board (TPB), this Council in fact dealt with a Bill on that in 2000. The President at that time was already a Member of this Council. However, as I note after browsing the documents, what was passed in the previous Legislative Council was at most only one third of the Blue Bill version in 2000. As the saying goes, the easier things are dealt with first, to be followed by the more difficult ones. Since the term of the Legislative Council was about to expire at that time, the second and third parts of the Bill were not dealt with. However, as I have learnt from the officials of the Development Bureau in recent years, it seems that the Government is of the view that reform for the second and third stages is not necessary because it is quite happy about the present situation.

Actually, I do not know why they are so happy because, as we may all have noticed, in the lawsuits which the developers have had with the TPB, they have won most of the time. In the judgment given by the Court, a stern criticism is made of the TPB, including a query of why it would only believe in the officials of the Planning Department. President, as you will know, there is a considerable conflict of roles. This is because its secretariat is composed of staff seconded from the Planning Department. Now the chairman is Raymond YOUNG, Permanent Secretary for Development. There is also the criticism that the TPB as an official agency, that is, an agency which exercises judicial authority, whether or not it should adopt the procedures that it is using now. The Court has called that into doubts. As seen by the public and from the position of the Courts, there seems to be a need for reform of the TPB. Such a reform is to be carried out as soon as possible and it should be done quickly. Otherwise, President, I think that the TPB would become very passive and this will not do Hong Kong any good. I hope therefore that the Secretary can rethink on that.

With respect to the strategy of urban renewal, I would like to mention in passing that the period of two years is too long. It is hard to imagine that the Government would see it fit to use some method which is generally considered to be out of touch with the times when it proceeds with acquisition. An example is the K7 plan in Yue Man Square, Kwun Tong. This is a project which involves as many as 1 600 households. President, if it is discovered after the review is finished two years from now that there should be more leeway and flexibility in

addressing the demands of the people, for example, there can be options like a flat for a flat, a shop for a shop or redevelopment with the participation of and investment from the residents, then it would be odd that all these cannot be considered by the Government. The plan to acquire premises in Kwun Tong could then not have options like a flat for a flat and a shop for a shop or other flexible ways. It does not sound at all convincing in logic. I hope the Government can give a clear account of this to see how things can be made fairer, instead of using some approach which is clearly problematic to cope with residents waiting for redevelopment and acquisition.

In planning, the last issue I wish to raise is the planning for the harbour. President, the harbour is actually a very precious kind of natural resources for Hong Kong. Even the *National Geographic* has also classified it as a national treasure. But we are spoiling this national treasure. I can see that with respect to planning for the harbour area, the Government refuses to listen to the wisdom of the masses. And in the Harbour-front Enhancement Committee which is highly regarded by the Government, many people have taken part in it, putting their time and energy into it. But the conclusion they get is that the Government is still maintaining its executive-led approach and the members are only serving a window-dressing purpose. I would not probe into the problem of how general that impression is for the time being, but if this is the impression left on some dedicated people who have joined the Committee, I think the Government should have a review of that.

President, as time is getting very short indeed, so I would like to raise two issues which belong to the policy area of Secretary Eva CHENG. President, it is about the constant hikes in rent imposed by The Link REIT. President, I wish to tell Ms CHENG that recently a resident told me that previously \$50 would be quite a good sum of money to spend, but now even \$100 is not enough. As the President is aware, in the *State of the World's Cities 2008* report released by the United Nations, Hong Kong is rated to have a Gini Coefficient as high as 0.53, way above the alert level of 0.4. In such circumstances, if the Government is still putting up the excuse that The Link REIT is only a private organization beyond its control, I believe this is something that merits serious deliberation. President, as seen especially from the Housing Ordinance and the judgment of Ms LO Siu-lan's Court of Final Appeal case, the view of the Court is that even if the Government has entrusted its duty of providing for the minimum needs in people's life to The Link REIT through a sale of its assets, the responsibility

incumbent on the Government cannot be absolved. I hope that based on the spirit of the judgment, the Secretary can take good care of the livelihood problems caused by The Link REIT before they deteriorate to such an extent that the people's life is infested with these problems, for then would be too late.

On another issue within the policy area of Secretary CHENG, President, I would like to talk briefly about public rental housing and the Home Ownership Schemes, as well as the Home Purchase Scheme loans. Now there are about 110 000 applications on the Waiting List for public rental housing and thus it can be seen that there is still a huge demand for public rental housing. The Government must speed up the production of public rental housing flats to meet this demand. Besides, although many young people are now university graduates, and some couples are both university graduates as well, they have difficulties in buying a home. So the Government can consider resuming the Home Ownership Scheme and relaunch the Home Purchase Scheme so that these young people who are university graduates and who are unable to buy a home despite their having the ability to repay mortgages, would have a chance to buy their first home.

Lastly, President, as I have made a pledge to the residents of the housing estates in Kowloon East, so I must mention it and that is, there are many public housing estates in Kowloon East that are built on hillsides and we are happy to note the Chief Executive mention in the policy address that elevators will be built for the convenience of the residents. I hope to see some projects commence as soon as possible in pursuance to this policy direction. Thank you, President.

MR LAU KONG-WAH (in Cantonese): President, just now I have heard Mr WONG Yuk-man speak and I would like to comment on that in a peaceful manner. I understand Mr WONG Yuk-man very well and I have just borrowed his magazine to read. I think that he is sensible in what he has said. There are things that are open to further discussions on the law about obscene and indecent articles and it warrants a review and such work is underway. Some provisions in the law may have become obsolete such that there may be some difficulty in getting the right kind of flexibility in enforcement. As seen from the picture of that magazine alone, it seems that such pictures can often be found in the Discovery Channel on the TV.

Besides, we also understand very well the issue of radio stations to which Mr WONG Yuk-man has referred. If there are more non-government radios in Hong Kong, there can be more freedom of speech and this may well be public demand. However, I would like to put a reminder here and that is, as I listened to the speech made by Mr WONG, there was an argument that he had repeated a number of times. I do not want to go into the facts of the case and we should not be discussing them anyway, for the case is going through the proceedings. However, since he has mentioned a number of arguments and repeated them a number of times, saying that those involved are Members of the Legislative Council elected by the people, the subtext seems to be a question on why popularly elected Members of the Legislative Council should be arrested. President, there are many Members here who are returned by popular elections. My view is that such Members should not think that they are above everything, and they cannot break the law. We can debate this in the Chamber of this Council, but a more appropriate occasion would be in a court of law. We may not be able to pass any judgment on the case at this stage because the legal proceedings have commenced. We must respect such proceedings and the decision a Judge may make on the case. Therefore, it is difficult for us to argue over the rights and wrongs of that case and whether acts are done intentionally or inadvertently.

Another thing is that — I have been a Member of this Council for several years — we as lawmakers should remind our law-enforcement departments that they should enforce the law when it is in place. There is, of course, a need to handle things with flexibility. But if we are to tell the Administration that laws should not be enforced even though they are already there, then this is something we as lawmakers should not often do, nor would such things happen. I wish Mr WONG would understand these two points.

As for the issue of throwing bananas, the incident was of course an eye-catcher in Hong Kong. At that time, we actually made a judgment on the incident already. As for Mr WONG's allegation that Ms Starry LEE had said that he had set a bad example for children, but actually it was Ms LEE who had set such a bad example for children. I think he did not have to put it that way. As a matter of fact, the Complaints Division of the Legislative Council has received about 70 complaints about the incident. As I was the Member on duty at that time, I had the first chance to read the complaints as recorded by staff of the Complaints Division after they had got these calls. Those who called of course had different views and in order to be fair, I had asked the Secretariat staff to sort out these comments and complaints and the document was distributed to all Members afterwards, including the Member involved in the incident.

PRESIDENT (in Cantonese): Mr LAU Kong-wah, please speak on issues related to the Motion of Thanks.

MR LAU KONG-WAH (in Cantonese): All right, I would like to respond to IT issues raised by some Members earlier.

President, today many newspapers have reported on the comments made by Premier WEN yesterday on the economic and financial matters in Hong Kong. I notice that some Members have different reactions. Some Members think that this is some instruction from Premier WEN and this is the subtext. Some see those comments as an encouragement for Hong Kong. My reading of these comments is that they are both a reminder and some sort of support. Both are found there. Actually, this is not the first time this Council has a big debate on a financial crisis; we had one after the financial turmoil in 1998. Should there be any change to the financial industry which dominates our economy so much?

However, in the past 10 years, government officials seemed not to have changed this mentality at all and it is only when a big wave has pounded on our shores that they are forced to hold discussions again. The reminder from Premier WEN is very important. There is no way we can go back to the industrial mix of the 1960s and the 1970s, but does it mean that there can be no new industries at all? President, you must know the problem of melamine which emerged earlier. When things go wrong with foods from the Mainland, it is actually an opportunity for the food manufacturing industry in Hong Kong. I would think that this is a golden opportunity. Occasions like these should be turned from crises into opportunities. Should we not seize such opportunities? The Mainland is such a huge market, but the low-skilled workers in Hong Kong should be given a new outlet at the same time. I think the Government should think about this seriously.

President, both encouragement and support are important. At each critical moment, I would see our Premier on the TV and he would always knit his brows and show genuine concern for Hong Kong and he would give us his support. I can see that the measures he proposes are very solid, especially in the support he shows to the SMEs on the Mainland owned by Hong Kong businessmen. I think that this is very important. In the past, the mainland banks and even the county governments might not support these Hong Kong-owned enterprises in the form of loans and other forms of financial support, but if there are changes in this

regard now, I think this would be a life booster for all the Hong Kong-owned businesses in Guangdong Province. Therefore, I think the Chief Executive should make use of this opportunity and discuss this with the leaders of Guangdong Province and do something to save these Hong Kong-owned enterprises. As these county governments have to follow instructions from higher authorities, the assistance from the Guangdong Provincial Government, the county governments and the banks should be helpful to the Hong Kong-owned enterprises.

With respect to SME loans, we have just approved of the funding for the provision of a guarantee for loans capped at \$6 million. However, many SME owners have told us that if it is half and half between both parties, the banks are not going to make out the loans all the same. As the parties seem to be so hesitant, the Government should discuss the matter with the banks. But the banks also have their commercial decisions to make. So some factory owners and SME owners have made many proposals such as a 75% guarantee from the Government when the loan reaches a certain amount, say, \$1 million. As for how this line should be drawn, should it be \$1 million, or \$2 million? Should it be 70% or 80%? This can be discussed, but the Government must not act indecisively. If for our proposal that a guarantee should be given with the ceiling of the loan set at \$6 million and both parties should take up half of the guarantee, and should a large number of SMEs still fail to borrow any money, then problems will appear. The Government should take the bold step of talking it over with the banks and it should find out the actual situation of these SMEs. I think most SMEs may not necessarily have to borrow \$6 million. Should the requirement be thus relaxed in such cases? I do not think this can only be done after the Task Force on Economic Challenges has discussed it. As to how the line should be drawn, it should be discussed as soon as possible.

As for the Hong Kong-Zhuhai-Macao Bridge mentioned by Premier WEN, I think that the project should commence as soon as possible. The Secretary is here now. The policy address has mentioned a timeframe. Since it is said that the project should commence soon, can some efforts be made to streamline the procedures? Can the time be shortened? When there are delays in the procedures, we suggest that the mainland section should be built first. The crucial point is the final financial arrangements. Since Premier WEN has brought up the issue, I would think that we can make use of this opportunity to speed up the construction of the Hong Kong-Zhuhai-Macao Bridge.

After the Bridge is commissioned, its cost-effectiveness will depend on whether the number of carrying holding Hong Kong/Mainland licence plates would increase. If the number of such vehicles remains what it is now, it will not be sufficient to maintain the Bridge and it will run into losses. The Secretary should negotiate with the mainland authorities to see whether restrictions can be lifted. Or some temporary Hong Kong/Mainland licence plates can be issued, that is, those that will enable Hong Kong residents to drive to places like Zhuhai, Zhongshan, Zhanjiang or Hainan Island and their vicinity for three or four days. As for the short-term effect of this move, I am sure Hong Kong people will welcome it. Of course, approval from the Mainland must be sought. This approach can actually be considered, especially when traffic in the Shenzhen-Hong Kong Western Corridor is so scanty. Since both the Hong Kong and mainland sides have invested a lot of money in it, we can use this Shenzhen-Hong Kong Western Corridor as a testing point. So why can we not strive to let Hong Kong people have temporary Hong Kong/Mainland licence plates as a means to stimulate the economy of both places?

Though Premier WEN has said that restrictions on the Individual Visit Scheme would be relaxed — of course I understand that many mainland cities will further relax the restrictions — in respect of residents living in nearby Shenzhen, the DAB has been proposing the idea that Shenzhen residents be allowed to use their Shenzhen identity cards and do not have to join the Individual Visit Scheme to come to Hong Kong for travel. There are close to 10 million people living in Shenzhen and if they can come to Hong Kong for spending, this can be another kind of booster for Hong Kong. Can the Chief Executive talk with the authorities at the national, provincial and municipal levels about that idea? This is a direction towards revitalizing the economy and it should be implemented as soon as possible. Since the Premier has made his wish known, the Government must try its best to put this into action.

President, there are some other transport issues that I wish to talk about. I think this is a crucial year, for there are the 10 major infrastructure projects. In the face of the financial crisis and the economic storm, I do not think there are many actions we may take, but whatever can be done must be done. Two things are very important. For one thing, these infrastructure projects must commence soon, and for another, there should be better and faster integration and mutual complementary and matching actions with the mainland economy. These two things are certainly helpful and they are actually a focal point for the infrastructure construction. So this year is crucial. I hope that I can talk with

the Government about my views before the relevant policies are finalized. I hope the Secretary can give me an answer.

The first thing is the Guangzhou-Shenzhen-Hong Kong Express Rail. This Express Rail has not yet been finalized. It is designed to link to another rail on the Mainland and it is more than a rail link with Guangzhou but a link to the most important railway network in China, including rails from Fujian and Shanghai. For this funnel-shaped railway network of such an importance, if the co-location of customs and immigration clearance cannot be adopted there, it will greatly undermine the effectiveness of this rail. The Secretary has kept on saying that this is no simple matter, for two problems must be solved. First, the laws of Hong Kong and second, whether the Mainland will agree to the idea.

When we discussed the co-location of customs and immigration clearance for the Shenzhen-Hong Kong Western Corridor, the problems became very complicated and they had to be discussed in the Standing Committee of the National People's Congress. As I was the chairman of the relevant committee, I know the matter very well. However, even if there are difficulties on this occasion, I would think that attempts should be made to talk with the Mainland so that this funnel effect will not go away.

The problems related to the Guangzhou-Shenzhen-Hong Kong Express Rail should be discussed as soon as possible and the most important issue is the Kowloon station. If the railways cannot be linked as presently the case, when passengers from Fujian and Shanghai reach the Kowloon station, they will have to drag their luggage along and find a taxi or a minibus on the street and drag the luggage along once again to the Airport Express and the MTR station. This is ridiculous. As it is still the design stage, I wish to remind the Government that if the Express Rail cannot be linked to the MTR direct underground, the efficiency of this Express Rail will be greatly undermined. So I hope very much that the Hong Kong Government can give us an answer soon.

As for the Shatin to Central Link, President, it is still not yet finalized. Now is also a critical moment. Three issues are most critical and they have been discussed for a long time. I hope the Secretary can respond to these later. First, a station must be built in Hin Keng, Sha Tin and it is well-justified. The Government says that further studies will have to be made. This is an issue which the Sha Tin residents are very concerned about and it is an issue in which

cost-effectiveness is involved. The second is the Tsz Wan Shan station and the issue of installing an elevator system so that residents living uphill can have access to the places below. I hope that the authorities can do that. Lastly, it is the exit of the rail in Kowloon City.

I would also like to remind the Secretary that as the trains from the Shatin to Central Link would run from Lo Wu, Sheung Shui, Tai Po and Sha Tin directly to Admiralty or Central without any need for interchange, this will be very convenient. I therefore agree to the idea. However, the present design is to change the present 12-car design to a nine-car design. I understand that this is due to problems in the Hong Kong Island sections, but just take a look at the stations along the East Rail and we will find that they are packed with people every day. They are so crowded not just in the peak hours but also in the non-peak hours. If the nine-car design is used, even if changes are made to the signalling system, I am very worried that chaos may arise. Therefore, I think the Secretary should reconsider that point at the design stage.

President, the last thing I wish to talk about are the three harbour crossings. Some discussions have been induced. Is it the best time now to discuss the repurchase of the two crossings? I would think that this is a most opportune time. First, in the policy address, there is a paragraph on the need to study the three crossings. Certainly, the Chief Executive also mentions the consultancy report and says that a conclusion would only be drawn by end 2009, but I think the Government should have the opportunities to talk with CITIC Pacific before because this topic has been discussed in this Council for several years.

The message from Members of this Council is very clear and as I believe, it is also unanimous. I was referring to the situation in the previous term of the Council. I do not know the situation for this term, for there are new Members and they may have different views. The view of Members in the last term is quite clear and unanimous. That is why discussions are always ongoing. There is a view that the buyback should be carried out after the consultancy report is completed. Another view is that such a report is unnecessary for it is a big waste of money as the report will cost a few million dollars. Instead, talks should be opened with CITIC Pacific at once. I do not think that the two views need to be mutually exclusive and both courses can be pursued at the same time. The reason is that the consultancy report is still very important. Even with the acquisition of the two crossings, the toll charged now for private cars using the Eastern Harbour Crossing is \$25, those using the Cross-Harbour Tunnel is \$20

and those using the Western Harbour Crossing is \$45. After the acquisition, how much should \$25 be reduced in order to make the toll attractive enough? Should the \$20 toll be reduced or increased? How should the toll for the Western Harbour Crossing be reduced? What should be done to achieve an even traffic flow?

Most importantly, is the road traffic smooth enough for cars when they reach Hong Kong Island? Also, this is not the problem of the three crossings only, for there is still the question of how these three crossings can be tied in with the Tate's Cairn Tunnel, Route 8 and Route 3. I think all these questions must be examined from an overall perspective, not just from the three crossings. When the consultancy study is underway, the Government can talk with that company about acquisition. This would be the most suitable approach to take.

It remains, of course, that the most important thing about acquisition is money. If the consideration offered is too high, there is a chance that the Government may be accused of colluding with the business; and if the price offered is too low, the small shareholders will accuse CITIC Pacific of selling its assets at dirt-cheap prices. So it is really a dilemma. I do not think we can just come up with any price and think that everything will be all right. The two courses must be pursued at the same time. This is the best way. I hope very much that this project which has been under discussion for a long time can become a reality.

There is a point mentioned in the policy address and very often by the Secretary that makes me feel very worried. The Secretary says that even if the acquisition is complete and tolls can be reduced, the cars may not be able to come to Central. This is because of the traffic jam at the exit of the Western Harbour Crossing. So even when tolls are lowered, cars will only get stuck in the tunnel. That is right. The reclamation issue has gone through twists and turns and planning is not complete after many years. This is unfair to residents living on Hong Kong Island. Just when would the reclamation project complete and the Central-Wan Chai Bypass be built? It may be 10 years from now, and that will be really bad. Do we have to wait 10 years before we can discuss a buyback and traffic flow?

I think too many delays have been caused to this problem and this is the moment to test the wisdom of the Government and the Secretary. What kind of a proposal will they present in such circumstances? Honourable colleagues who drive will know that recently traffic has been very smooth. Previously when I

drove, it was already very congested at the Tate's Cairn Tunnel at 8 o'clock in the morning and there were long lines. But it was smooth as silk today. This is of course due to the economic conditions. I do not want to have a day like this every day. I hope there will be more cars and a better economy. Therefore, this is an issue we cannot afford to evade. I hope the Secretary can respond to the views presented by me. Thank you, President.

PRESIDENT (in Cantonese): Does any other Member wish to speak in this session of the debate?

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): It is now time for the public officers to speak. Four public officers will speak in this session. They may speak up to 60 minutes in total.

FINANCIAL SECRETARY (in Cantonese): President, good morning. As emphasized by the Chief Executive in his policy address, in face of the severe external economic environment, it is imperative that we remain confident, not to allow ourselves to be thrown into confusion and embrace this new challenge with all-out efforts. Developing the economy and creating jobs are the policy objectives of the Government. They are also the major means to overcome various challenges. As the Financial Secretary, I will fully play my part in economic development and financial management to expeditiously implement the Chief Executive's policy objectives, so as to enable Hong Kong to successfully overcome various challenges.

At present, the financial tsunami has become a global focus and caused an enormous impact. It is the worst crisis in the global economy since the Great Depression in the 1930s. Due to the critical external economic environment, the economic prospect of Hong Kong will inevitably be affected.

While the recent global financial turmoil unfolds, the risk of the global economy being dragged into a serious and prolonged recession further escalates. The governments of European countries, the United States and several other

countries have already taken proactive actions to inject large sums of capital into and provide various support measures to their local financial systems and institutions. In the past two weeks, although market worries about banks collapsing began to subside, whether bail-out measures adopted by these countries can comprehensively stabilize and restore the order of and confidence in the global financial market is still an uncertainty. Furthermore, the risk of the financial turmoil proliferating remains high and some developing countries heavily indebted or with large deficits in their cash flow accounts are facing new financial crises. Caution must be taken against whether non-bank financial institutions in Europe and America will encounter new problems. Moreover, quite many non-financial institutions have also shown problems one after another.

Unwinding-position activities propelled by market deleveraging and risk aversion have caused global asset prices to slump, the financial market to tumble, the economy to slide and enterprise profit forecasts to be adjusted downwards. This has formed a vicious cycle. Even if the financial market can be stabilized and the global credit market gradually begins to thaw and relatively resumes its proper function of capital reallocation, I am afraid the credit crunch will not be reversed in the short term and assets prices may continue to adjust. Thus, psychologically, we must be sufficiently prepared that the negative impact brought by this financial tsunami may last for a rather long period of time.

Many developed countries and regions, including the United States, European Union and Japan, may begin to run into recession in the third quarter. As the economies of the emerging markets are linked to the developed regions on fronts of commerce and finance, their economic growth has slowed down to different degrees. As a highly open economy, I believe Hong Kong will inevitably face a rather tough situation at a later time.

We are grateful to Premier WEN Jiabao for his care and support for Hong Kong people and for having confidence in our financial system. The Hong Kong financial market is underpinned by a sound institution and regulatory framework. The financial tsunami has not done any systemic harm to our financial market. Looking at the bright side, this indicates and proves that Hong Kong has solidly entrenched its position as an international financial centre. I believe that having weathered this test will help us further consolidate Hong Kong's position as the international financial centre.

The financial tsunami has highlighted the risks brought by innovations developed by the financial market. I believe all financial regulators in the world will conduct a review in the light of the recent experience. I have already requested the Hong Kong Monetary Authority and the Securities and Futures Commission to consolidate this experience, while the Financial Services and the Treasury Bureau will conduct a systematic review, which has to be comprehensive and thorough, and then report it back to me.

As a member of the global market, Hong Kong will continue to co-operate with other regulators to enhance the international regulatory standard. Continued efforts will also be made to review and perfect our own regulatory system. The policy address has explicitly demonstrated our resolution to consolidate Hong Kong's position as an international financial centre and the specific direction of optimizing the regulatory system. I will implement as soon as feasible the relevant policy directives.

On the economic front, the financial tsunami has significantly slowed down the momentum of growth of the Hong Kong financial sector. In addition, the global economic prospect has worsened and assets prices have tumbled. All these have negatively dampened consumer demand and investment sentiment. In fact, the performance of our export sector has further weakened in the recent months, while the recent strengthening of the US dollar is also unfavourable to the competitiveness of our exports. Coupled with the slowing down of retail growth and various setbacks suffered by the service sectors, all such factors will significantly affect the economic growth in the latter half of the year.

In this critical external environment, I believe the momentum of growth of the mainland economy will also slow down, but its economic fundamentals remain favourable and its domestic demand continues to rise rapidly. Moreover, inflation in the Mainland has eased in recent months, which has provided a favourable condition to stimulate its economic growth. The Mainland has thrice reduced its interest rates and adjusted downwards its reserve requirement ratio. In the past two weeks, it has also launched a series of measures to boost economic growth, assist its export sector and small and medium enterprises (SMEs), and stabilize its financial and property markets. I believe these measures will bear fruit. As the huge hinterland to Hong Kong, the Mainland will continue to provide strong support to our economy.

With respect to the economic performance of Hong Kong in the coming year, estimating that the global economic downturn will persist for a period of time, the global as well as Hong Kong economic environment will remain very difficult for the best part of next year and the chances of recession happening in Hong Kong will increase. As to whether the global economy can fare better in the latter part of next year, it depends on how the financial crisis unfolds and whether major economies will roll out large-scale bail-out packages to stimulate their economies. We will keep a watch on the external and local economic situations in the coming few months before making further judgment.

On the inflation front, in the past year, inflation in Hong Kong was largely brought about by rising food prices. The reason is the loss of balance in global food supply and demand, which has pushed up the world food prices. In recent months, world food and commodity prices have dropped and Hong Kong's food prices also began to stabilize. In addition, in the past months, the US dollar has rebounded from its trough, which has helped alleviate the pressure of imported inflation; and the continuous rise in domestic productivity will also moderate internal inflationary pressure.

With the continuous rolling out of relief measures by the Government, the Composite Consumer Price Index has quickly dropped from 4.6% in August to 3% in September; and the headline inflation rate, after discounting the influence of the relief measures, has also slightly dropped from the peak of 6.3% in July to 6.1% in September. In brief, despite the volatility seen in food prices and exchange rates, recent development indicates that the short-term risk of escalating inflation has decreased compared to some time earlier. These figures also prove that various relief measures implemented by the Government have genuinely and directly benefited the public and lessened their burden.

Regarding the job market, with the slowing down of economic growth, enterprises will be more prudent in recruiting staff, and individual industries such as finance, property, trading, retail, catering, and so on, may have pressure to cut staff. Although the unemployment rate remains relatively low, it has started to pick up its rising trend again. The Government will keep a close watch on the impacts of the changing economic situation on the labour market, and continue to proactively promote employment through multi-pronged measures, including the commencement of various infrastructure projects. We will also assist different types of unemployed people and job seekers on all fronts through education, training, retraining and placement services, and step up relevant support services,

in a bid to enable employers and employees to tide over the difficult times through mutual understanding and co-operation.

In face of the enormous impact of the financial tsunami, we must remain confident and stand united to devise all possible contingency measures properly. Since the outbreak of the United States sub-prime crisis in August last year, we have kept a close watch on and remained on the alert about the evolution of this financial crisis. At the same motion debate in October last year, I already pointed out that we could not underestimate the risk of this financial crisis proliferating. I said at that time, "..... the global credit markets have yet to return to normal and the impacts of the turbulence on the external economic environment have yet to fully emerge. We will have to pay attention to the second, or even the third round effect on the Hong Kong market."

Thus, I announced in the Budget early this year a series of measures to alleviate inflation and leave wealth with the community. In July, the Chief Executive announced a further series of relief measures. Apart from alleviating the impact of inflation on the public, these measures, having regard to the greatly increased risks of a sliding economy, also seek to make necessary preparations to stimulate demand.

By end September, the measures concerned have incurred a funding of \$18.5 billion, and the sum involved for the latter half of this financial year reaches about \$39.6 billion. The impact of some one-off measures, such as the electricity bill subsidy, will last until 2009-2010 and the next few years.

Moreover, the Budget this year also has a stimulus package to propel economic growth and enhance external competitiveness. These measures include lowering salaries tax and profits tax, widening the tax bands, exempting wine duty and waiving hotel accommodation tax, which involve an annual total cost of about \$8.7 billion. I hope these timely measures can bolster the support against the increasing risk of a sliding economy.

Moreover, I understand that increasing public works expenditure without violating the principle of financial prudence and market efficiency is an effective means to stimulate domestic demand, support the economy and create jobs. The Chief Executive announced in the policy address last year the 10 major infrastructure projects. Upon completion, the projects can boost Hong Kong's competitiveness and bring about enormous economic benefits. A rough estimate of the added value to the Gross Domestic Product brought about by these

projects, from commissioning to the mature stage, would be about \$100 billion per annum. In addition, some 250 000 additional jobs would be created, which is equivalent to 7% of the working population in 2007. While the economy of Hong Kong is menaced by the financial tsunami, I hope Members can work with the Government to take forward the early commencement of the 10 major infrastructure projects and other public works projects, so as to provide new impetus to our economy.

As manifested in his policy address, the Chief Executive will set up a Task Force on Economic Challenges, to be chaired by the Chief Executive himself, to keep a close watch on the impacts of the financial tsunami and the slowing down of global economy on Hong Kong, and to put forth responding measures to turn crisis into opportunity. The Chief Executive announced the day before yesterday the members of the Task Force, and its first meeting will be convened on 3 November, that is, the coming Monday. As Deputy Chairman of the Task Force, I will make all-out efforts to assist the Chief Executive to seize every opportunity and overcome the challenges. I believe the concrete measures proposed by the Task Force will bring new ideas on Hong Kong's industrial structure and give a new direction to the development of our economy. These measures will have positive impacts on economic growth, the employment market and the development of different industries.

A series of government measures to facilitate trade and economic development was announced in the policy address this year. To assist the SMEs in weathering the financial turmoil and resolving financing difficulties, we have proposed to enhance the SMEs Funding Schemes. Such enhancement measures include relaxing the loan ceiling of the SME Loan Guarantee Scheme and extending the repayment period of loans used as operation funds. Moreover, we will increase the grant ceiling of the Export Marketing Fund and the reimbursable items, in a bid to facilitate SMEs in developing new markets and stepping up promotion.

In addition, the Hong Kong Export Credit Insurance Corporation will also enhance the support for exporters, such as freezing premiums for its insurance facilities, continuing to provide cover for payment risks arising from the buyers' failure to take delivery of goods which are usually not covered by other insurance companies in the market, providing a certain number of free buyer credit assessment service for exporters, and so on.

The Secretary for Commerce and Economic Development convened an SME Summit with the industries last Thursday, at which many valuable views were presented. We have maintained close liaison with major chambers of commerce and SME associations to seek their comments and suggestions. All relevant Policy Bureaux and departments are now actively considering these suggestions to examine whether more appropriate measures can be launched to assist SMEs.

Riding on the positive momentum fostered since the exemption of wine duty in February, we have rolled out a series of support measures, including streamlining clearance procedures, stepping up promotion and co-operating with wine-producing trade partners, strengthening staff training, and so on, to strengthen Hong Kong's position as the wine trading and distribution centre in the region and facilitate the drawing of more business operators to set up their business in Hong Kong, which in turn will stimulate the economy and create job opportunities.

In addition, we have also highlighted the need to further strengthen the regional economy, in particular our co-operation with Guangdong, and proposed relevant initiatives to facilitate trading ties between Hong Kong and Taiwan, maintain our position as a convention and exhibition capital, upgrade technological development and creative industries, optimizing human capital, and so on. We will step up the effort in pushing economic development to meet the challenge of the financial tsunami.

Members have earlier mentioned matters relating to broadcasting and information technology. As the arrangement for giving speeches has been set beforehand, the Secretary for Commerce and Economic Development will respond to their remarks in the second session.

Members, the market of Hong Kong has been operating smoothly. It is versatile and responsive to changes. In the past, our market has weathered many external crises and recuperated quickly every time. We cannot underestimate the capacity of Hong Kong enterprises and people in tackling this financial crisis. Despite the risk of a short-term sliding market being increased by the present deteriorating external environment, the volatile stock market and feeble confidence in the financial market, the economic prospect of Hong Kong remains positive in the long term. I am confident that with the advantage of leveraging on the Motherland and positioning ourselves globally, coupled with the

unremitting confidence of Hong Kong people in relentless self-enhancement, I am confident that our economy will continue to progress.

With these remarks, President, I implore Members to support this policy address.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, Members who spoke in this session have all proposed and agreed that infrastructure projects should be expedited in order to promote development. The SAR Government fully agrees to this. In fact, it was proposed in last year's policy address that economic development and community development should be promoted through infrastructure projects and revitalization respectively.

In last year's policy address, the Chief Executive proposed the promotion of economic development through infrastructure projects. Meanwhile, he also recommended that revitalization should be employed to bring forth community development. I will focus on infrastructure projects in this session, hoping that I can talk about the promotion of community development through revitalization, including the enhancement of harbour-front mentioned by Members, in the discussion on heritage conservation in the next session.

Infrastructure development is precisely the economic opportunity which we have to grasp presently. A few months ago, my colleagues in the Works Division and I were still very much worried about some enormous challenges we might face in promoting infrastructure construction, such as the surging price of construction materials and the possible short supply in both professionals and workers. Under the impact of the financial tsunami, we have observed some signs indicating that these two problems could be mitigated. So, the SAR Government will grasp the economic opportunity to vigorously promote infrastructure development.

Regarding infrastructure development, we have adopted a "three-pronged" approach. Members have time and again mentioned the 10 major infrastructure projects, which are of course very important to the long-term development of Hong Kong. And we are also duty-bound to ensure the expeditious implementation of these projects under our leadership. Take the three projects among the 10 major infrastructure projects led by the Development Bureau as an example. In fact, the Kai Tak Development is the first project which has entered the construction stage. The site clearance, which was commenced in April this

year, will be completed in 2010. Take the Public Works Subcommittee of the Legislative Council this year as an example. We have planned to submit five projects to the Subcommittee in the hope that fundings will be approved and the projects can enter the tendering and works stages.

The population intake of the first public housing estate in Kai Tak Development Area will begin in 2013 and government buildings will also be completed stage by stage between 2013 and 2014. So, I hope Members will understand that the Kai Tak Development includes many other important infrastructure facilities apart from the cruise terminal, which is the concern of Mr TSE.

Another project is certainly the development of the Loop. I am grateful to Mrs Regina IP and Mrs Sophie LEUNG for their strong support and encouragement. Regarding the development of the Loop, we have been working closely with the Shenzhen Municipal Government with a view to developing the area jointly. We hope that by the end of the year, we will work according to the three major points which have been explained to Members and confirmed by the Chief Executive after consulting both sides. Perhaps, let me respond to Mr Alan LEONG's comments. In fact, creative industries have become the common concern of various Policy Bureaux and departments of the SAR Government. Take the two short paragraphs on the development of the Loop and the former Police Married Quarters at Hollywood Road in this year's policy address as an example. The Chief Executive has stated that one of the important purposes of the development is to serve the cultural and creative industries.

The third one is the development of new development areas, which in fact came up in our mind at the later stage of the conception of the 10 major infrastructure projects for meeting the housing and other needs arising from population growth in the next decade. I therefore have reservations if projects without quality planning are pushed ahead with a short-sighted purpose of increasing expenditure on infrastructure. I fully agree with the six major principles raised by Mr CHEUNG Hok-ming. We have pinned high hopes on this "three-in-one" project and the Hung Shui Kiu New Development Area. We hope that they can become eco-towns in which we can take pride of in the future. We will continue to act in a prudent and pragmatic manner in this aspect.

The Liantang/Heung Yuen Wai Boundary Control Point is very important although it is not one of the 10 major infrastructure projects. So we have first of all announced that the Governments of both sides have agreed to establish this control point in the eastern part of the territory expeditiously so as to tie in with the "East in-East out, West in-West out" strategic development, which is the major concern of the industry. I am grateful to the Panel on Development for joining us in the site visit of the new control point on 15 November. When designing the new control point, we are certainly very concerned about the connecting roads and Mr CHEUNG can rest assured. We will embark on the building of the control point if it can be speeded up because, as Mr LAU Kong-wah has mentioned, the progress of Shenzhen is faster than ours. The Shenzhen Municipal Government told us that the construction of the highway of the Eastern Crossing connecting the new Liantang Control Point will commence next year. So, the project will certainly be launched if we succeed in speeding it up.

However, as I said in my reply to Mr Frederick FUNG's question on infrastructure projects yesterday, the advance work for major infrastructure projects in Hong Kong is very complicated and many statutory procedures, such as procedures for environmental assessment, assessment on transport impact and assessment on heritage conservation which has been attached great importance nowadays, cannot be taken lightly. Another complicated issue concerning the Liantang Control Point is the relocation of the entire indigenous village. I hope that the implementation of the project will win the support of the District Council members of the New Territories, in particular.

The second prong of expediting infrastructure is to implement more effectively other urban infrastructural works which are equally important but not covered in the 10 major infrastructure projects. These include the restoration and renewal of water mains, sewage works, beautification and decking of nullahs, slope safety works, greening works and the setting up of cycling tracks. Each category of projects is based on the views of Legislative Council Members and District Council members. The total number of these projects is so great that job opportunities can be created instantly.

The third prong of expediting infrastructure projects is the launch of more district minor works. The approval of the Legislative Council to raise the financial ceiling of Category D minor projects from \$15 million to \$21 million in November last year has led to an instant result. In a short span of six months or

so, 85 projects have been benefited by the upgraded ceiling. In other words, the budgets of all these 85 projects are more than \$15 million but below \$21 million. As a result, various departments can start launching these projects, which include the one in Area 112 of Tin Shui Wai, the concern of all Members. Site clearance of the area is precisely conducted through a \$16-million minor works project. Upon the completion of the site clearance before the coming Lunar New Year, the first training centre in Northwest New Territories or the fifth training centre under the Construction Industry Council can be built there so as to provide training and job opportunities to construction workers.

As a result of the upgraded financial ceiling, the fundings for minor works projects have surged to \$6.8 billion, accounting for one third of the total works expenditure this year. So, if the 10 major infrastructure projects are described as "distant water that cannot put out a fire nearly", these minor works projects are timely rain. More minor works projects of such kind will certainly be launched in the future.

The effectiveness of expediting the infrastructure projects as mentioned above can in fact be seen. Here I would like to compare the figures cited by Mr WONG Kwok-hing. He said that the Government's pledge of spending \$29 billion on works projects had not been honoured. In fact, this \$29 billion is our financial commitment which has never been cut by the Financial Secretary. Should there be any feasible project in a year which will cost \$29 billion, the SAR Government will be more than happy to make the investment.

The annual expenditure for 2003-2004 and 2004-2005 is more than \$29 billion. But as I have said time and again, many major works projects could not be launched immediately due to various difficulties and delays in the past few years. The expenditure for 2007-2008 is \$20.5 billion, which is a very low level. And in 2008-2009, the current year, the original estimate announced by the Financial Secretary in his Budget in February was \$21.8 billion. However, according to our estimation in the middle of the year, it can be increased to \$23 billion. Insofar as the expenditure on public infrastructure projects for 2009-2010 is concerned, it will certainly depend on the Budget to be announced by the Financial Secretary. But I can tell Members that it will surely exceed \$25 billion.

So, as 81 works projects totalling \$47.1 billion had been approved by the Public Works Subcommittee in 2007-2008 apart from the one-off grant for the

West Kowloon Cultural District project, I believe such expenditure will keep rising. Mr WONG, you will soon see the figure of \$29 billion. In this legislative session, I hope the Public Works Subcommittee will call more meetings because papers on more than 100 public works projects are waiting for submission to the Legislative Council. If approved, these 100-odd works projects will cost more than \$70 billion. I hope these figures can boost Members' confidence.

However, the works and building construction of the public sector accounts for a very small percentage of the Gross Domestic Product after all. In respect of the gross domestic fixed capital formation, the public sector only accounted for 20% in the past decade, meaning that it accounted for only 20% in the trough and 30% in the peak in 2001-2002.

In other words, if we really hope that Hong Kong's economic development can be promoted through infrastructure construction, we should facilitate investment in building and construction by the private sector. Of course, I understand that investment sentiment will be dampened in the current economic environment. However, in the past week or more, I, on various occasions, have asked some developers whether or not they have any funds for investment and whether or not they have any desire to make investments. They all told me that they were most willing to make investments if good projects were available because Hong Kong was their home after all. In our exchanges, however, they also complained about our procedures for being too complicated and cited the example that they had consulted 10 departments on the development of one single project without knowing what to do. This reflects that there is room for government departments to change from their conventional role as a regulator to a facilitator in respect of investment and business. I will, together with departments relating to planning, land administration, buildings and public works, continue to work hard in the streamlining of procedures.

Here, however, I hope Members can place trust in us and give us more room for facilitating private investment projects. Please do not frighten our colleagues with the accusation of collusion between business and the Government, which may be one of the factors leading to the recent criticism by Mr LEE Cheuk-yan, that civil servants are too timid to break away from the ruts.

Many Members are concerned about how our development projects are launched. Apart from that, they also care about issues such as how to guarantee

a quality environment, how to prevent screen-like buildings and how to ensure more open space for the public. In this regard, we have done a lot of work in the past year upon the Chief Executive's request in his 2007 policy address for a review of the Outline Zoning Plans (OZPs) and the injection of development restrictions in a suitable manner.

As of today, we have completed 11 OZPs. Earlier, Miss Tanya CHAN asked whether there was any timetable. We hope that the remaining 29 OZPs can be completed by the end of 2010. There are a total of 108 OZPs in Hong Kong, many of which have been injected with development parameters at an earlier stage and no revision is required. Why were these 11 OZPs given first priority? Because according to Members' opinions, these districts are subject to a greater pressure of development. Or because districts along both sides of the Victoria Harbour, including Hung Hom, Tsim Sha Tsui, Cha Kwo Ling, Yau Tong, Tseung Kwan O and Quarry Bay are currently under review. However, as Members have also observed, it is highly controversial whenever height restrictions are injected into the OZPs upon review. The Friday meetings of the Town Planning Board (TPB), which last from 9 am to 7 or 8 pm, are as laborious as ours in this Chamber because its procedures are very transparent and broadcast live in order to gather different views before a decision based mainly on public interest can be reached. So, I hope the Council will appreciate the gatekeeping job of these 30-odd TPB members.

Some Members mentioned the requirement of conducting air ventilation assessment, which has in fact become mandatory since 2006 when development projects were conducted by the Government itself. At present, we have conducted air ventilation assessment and development parameters have been injected when lands are included in the Application List. The TPB will often make such a request whenever applications by developers under section 16 are examined.

Lastly, let me talk about land supply briefly. The Chief Executive reiterated in the policy address that the SAR Government would adhere to the market-driven Application List policy in respect of real estate. This is most important when people's confidence is shaky today. The fundamentals of our property market currently are even better than that during the outbreak of the financial turmoil after the repositioning of our housing policy and the adoption of the market-driven Application List for determining land supply over the past six years. There has never been over supply so far. As I said, however, in view of the people's shaky confidence, the Government has to uphold and reiterate its

position. The supply of land will not be arbitrary and land will not be sold cheaply. I am glad that both Mrs Regina IP and Mr Paul CHAN support such assertion by the Government.

Meanwhile, the Financial Secretary mentioned in his Budget in February that the Government should adopt a more flexible approach in the use of land resources so as to meet various needs of society, not only for the creation of workers' income. In respect of infrastructure construction, for instance, we will sell lands which are only for hotel purpose to cope with tourism development. In respect of social facilities, two lots with a size of 14 hectares in Tin Shui Wai will be used to boost the economic impetus and create job opportunities for the Tin Shui Wai community. Regarding infrastructure relating to people's livelihood, we are prepared to help the development of elderly housing and private hospitals with land resources. Even in respect of educational infrastructure, we will also provide suitable land to the Education Bureau for the development of international schools.

Even in respect of short-term land use, Mr LI Kwok-nang very much hopes that there will be more community gardens. In fact, when people have lost their confidence and are unhappy, the promotion of community gardens can help cleanse their minds. As the former Director of Social Welfare, I consider this very important. We have in fact requested the Lands Department to notify the 18 District Councils that land not designated for immediate use can be allocated for the use of local organizations.

MR ALBERT HO (in Cantonese): President, I would like to seek clarification. Just now the Secretary mentioned Mr LI Kwok-nang. But it seems that LI Kwok-nang is not a Legislative Council Member.

PRESIDENT (in Cantonese): Secretary, I believe you meant Dr Joseph LEE Kok-long.

SECRETARY FOR DEVELOPMENT (in Cantonese): Yes, I meant Dr Joseph LEE Kok-long. Sorry. Maybe due to the time constraint, I have spoken a bit too fast. I am really sorry.

Finally, the Development Bureau, together with the planning, land administration and works departments, will exert our best to promote construction works in both public and private sectors so as to grasp the economic opportunities and continue to boost the development of Hong Kong. Thank you.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first of all, I must thank Members for putting forward their views on the transport and housing policies mentioned in the policy address. I shall give a consolidated reply to their views on several topics.

During the debate, some Members, such as Mr CHEUNG Hok-ming, Mr Albert HO, Mr Jeffrey LAM and Dr Raymond HO, expressed the hope that the various large-scale infrastructure projects can be launched expeditiously to promote employment and tie in with social development. This is also the object which my colleagues and I have been striving to achieve. We believe that the launching of infrastructure projects will bring economic benefits to Hong Kong and create more employment opportunities locally. Besides, the construction of new cross-boundary infrastructure facilities will facilitate Hong Kong's economic integration with the Pearl River Delta and other regions, thus further enhancing Hong Kong's status as an aviation, shipping and logistics hub in the region.

Over the past one year, we have achieved very good progress in the launching of major infrastructure projects. In this connection, thanks are due to the Legislative Council and the communities for their support. The design of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge, the Shatin to Central Link, the West Island Line, the South Island, the Tuen Mun to Chek Lap Kok Link and the Tuen Mun Western Bypass is already underway. In regard to the co-operation between the airports in Hong Kong and Shenzhen, we are at present pressing ahead with the advance studies on the Hong Kong-Shenzhen Airport Rail Link. It is expected that the study can be completed within this year. Some Members have queried why the project is still at the stage of study. Actually, this is a very important project, for it requires the operational co-operation of the two airports. It involves much more than simply constructing a rail link. For this reason, we have always expected that this project can only be completed at a relatively later date.

Members have talked a lot about "immediate and distant sources of water". On our part, we always hope that water will simply keep coming. In the next few years, several major transport infrastructure projects will be launched: the improvement and reconstruction project of Tuen Mun Road will commence in the next two months; works on the West Island Line and the Guangzhou-Shenzhen-Hong Kong Express Rail Link will begin in 2009; the construction of the Shatin to Central Link and the Hong Kong-Zhuhai-Macao Bridge will commence in 2010; and, in 2011, the construction works of the South Island Line, the Tuen Mun to Chek Lap Kok Link and the Tuen Mun Western Bypass will also start. With the exception of procedures that must be completed as required by the law, we will compress the work process as far as possible. But we will also conduct proper consultations, so as to balance people's different needs regarding all these projects.

Mr LAU Kong-wah mentioned the feeder transport services at the MTR/Guangzhou-Shenzhen-Hong Kong Express Rail Link stations in West Kowloon. The demand concerned was already taken into account during the design stage. As for Hin Keng Station, in principle, we agree that the addition of this station is justified both in terms of design and demand. We will formulate planning in this direction.

We will also continue with the implementation of pedestrian schemes. I note that Prof Patrick LAU and Dr Priscilla LEUNG are very supportive, and they both request us to make more efforts to reduce vehicle-pedestrian conflicts and improve roadside air quality. In our studies, we will focus on how to improve pedestrian flows in busy areas. We will also consider the adoption of various means, such as footbridges, pedestrian subways and the widening of pavements, so as to improve the pedestrian environment and facilitate pedestrian's journeys to and from busy districts. As pointed out in the policy address, our studies will focus on Causeway Bay, Mong Kok and Yuen Long town centre, and will put forward concrete proposals as soon as possible. I am very glad to hear of Members' support for the Housing Authority's proposal to construct escalators or elevators in hillside housing estates and replace old escalators. I know that Members from the Kowloon East constituency are especially conscientious, frequently making suggestions. The Housing Authority plans to spend \$950 million on these projects, with a view to enabling residents to live a quality life.

Quite a number of Members have mentioned the issue of harbour crossings. The Government will start a study on improving the traffic distribution among the three harbour crossings. All relevant factors will be analysed, so as to identify the best solution.

On the question of whether or not we should buy back the Eastern Harbour Tunnel and the Western Harbour Crossing, as I already explained in the Panel on Transport last week, we must not underestimate the complexity of this issue. I notice that many experts and academics share our view. We hold that we cannot tackle the problems of uneven traffic distribution and congestion simply by buying back the stakes in the two tunnels held by CITIC Pacific. The Government must conduct a comprehensive analysis, covering all related issues, such as traffic flow diversion, adjustments of fares, capacity of feeder road networks, estimated values of the tunnels, financial commitments, future organizational and management frameworks and other legal issues. All these issues must be tackled. In the future, when we decide to spend any public money, all these issues must be tackled. The Central-Wan Chai Bypass under construction, in particular, is a key factor determining the reasonable distribution of traffic among the three harbour crossings. On the one hand, we will carefully examine various schemes. On the other hand, we will simultaneously — I repeat, simultaneously — grasp the opportunity to maintain contact with the tunnel companies.

Let me now turn to aviation, shipping, port development and the logistics industry.

In regard to aviation and air transport, we have been seeking to consolidate Hong Kong's status as an international and regional aviation hub. The emphasis is on expanding our civil aviation arrangements, upgrading the runway capacity, improving the airport infrastructure facilities and enhancing the links between our airport and the Pearl River Delta.

I wish to emphasize that we have been taking active measures to improve our air traffic management. We have also been upgrading the infrastructure facilities of the Hong Kong International Airport, with a view to increasing the handling capacity of its runways. With the concerted efforts of the Airport Authority and the industry, the Government is confident that the handling capacity of the runways can be increased gradually to 68 planes per hour in 2015.

In the long run, the capacity of the Hong Kong International Airport must be upgraded, so as to cope with the expected growth of air transport. For this reason, we must explore the feasibility of constructing a third runway. The Airport Authority is currently conducting a study, and it is expected that it can be completed within two years.

As for port development, we agree that with the continuous development of ports in South China, it is necessary for Hong Kong to make active efforts to enhance its advantages and upgrade its competitiveness.

According to the Study on Hong Kong Port Cargo Forecasts completed early this year, new container terminal berths must be available in Hong Kong in 2015 at the latest. I note that Mr Fred LI is worried about whether our forecast has taken account of regional competition. Actually, the forecast has already taken account of the cost difference between Hong Kong and South China, the future supply of berths and the impacts of a possible shift of the industry on us. To tie in with the long-term development strategy of the Hong Kong port and maintain its competitiveness, we will actively explore the construction of Container Terminal No. 10 at Southwest Tsing Yi.

I am grateful to Ms Miriam LAU for her valuable advice on the logistics industry. When it comes to supporting the development of the logistics industry, we will continue to do our utmost to assist the industry in enhancing its day-to-day efficiency and upgrading its competitiveness. In this connection, we have been working with the Hong Kong Productivity Council to develop the On-Board Trucker Information System, a system based on the Global Positioning System. In regard to the manpower development for the logistics industry, we are working with the trade association of freight forwarding agents to formulate a training programme for upgrading professional skills and catering for demands of the advancing logistics industry.

Many Members have expressed many views on the housing policy. Mr LEE Wing-tat has given us lots of precious advice. And, Mr WONG Kwok-kin and Ms Cyd HO have questioned whether the supply of public housing is adequate. I wish to reiterate that our policy objective is to provide public housing to low-income families which cannot afford the rents in the private housing market after a waiting period of three years. In the next five years, our supply will be sufficient to maintain this policy objective. Mr LEUNG Yiu-chung once queried whether we would reduce the construction of public

housing. His query is not justified. He also asked whether we would stop constructing new public housing estates in the urban areas. Maybe, Members representing Kowloon East should know the situation better. We have recently made an inspection visit to Jordan Valley, and there we could see that there will be a large supply of public housing units in the urban areas. To achieve the objective of building a caring society, the Housing Authority will continue to adopt a number of public housing allocation and management policies next year, with a view to establishing family-based support networks in public housing communities next year. Last week, at a meeting of the Panel on Housing, I already introduced the various measures to perfect the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons. All these measures can enhance the bond among family members and encourage young people living in public housing estates to look after their elderly parents.

Since the external economic environment is in very poor shape, the livelihood of many grass-roots public housing residents may be affected by fluctuations in the employment market. The Housing Authority has in place an appropriate mechanism for helping tenants in financial difficulties. In cases where the rent-to-income ratio exceeds 18.5% or the household income falls below 70% of the Waiting List Income Limit, the tenant may apply for rent relief of 25% to 50% under the Rent Assistance Scheme to relieve their pressure of living.

During the debate, many Members asked whether we should adjust the existing housing policy, and they also gave lots of advice on the Tenants Purchase Scheme and resuming the construction of Home Ownership Scheme units. As I have mentioned on many occasions in the Legislative Council, this is a policy issue with far-reaching effects. We must consider the whole matter fully and prudently. We must also listen to the views of different social sectors and accord priority to the long-term and overall interests of society. I wish to reiterate here that the Housing Authority will focus its limited housing resources on looking after low-income families which cannot afford the rents of private residential buildings. Therefore, at this stage, we do not intend to resume the several schemes mentioned above.

President, for the purpose of promoting economic development and a caring social culture, the Transport and Housing Bureau will continue to co-operate closely with Members on all these important issues. Thank you, President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I have to thank Members for their valuable opinions on the development of the financial markets.

Over the past few months, the bad debts problem of banks and the credit market crunch arising from the sub-prime crisis have triggered a very serious confidence problem. As the Chief Executive has pointed out in the policy address, the present financial crisis is very devastating. Therefore, it should not be overlooked and we have to tide over this predicament with collaborative efforts. In the face of the prevailing crisis, the regulators are highly vigilant and have been paying close attention to the risks to be borne by the regulated institutions to ensure the stability of the financial system. In the light of the various risks with undermining effect on market stability arising from the financial crisis, we will launch a number of new initiatives next year to improve Hong Kong's regulatory system and strengthen depositor and investor protection.

In the present debate, Members are very concerned about the issue of widespread social concern, that is, the Lehman Brothers Minibonds incident. Since the relevant motion debate on the 22nd of this month, there has been a new development in the incident. Pursuant to the Hong Kong Association of Banks (HKAB)'s taking on board of the Government's buyback proposal, the independent financial advisor of the HKAB has completed the first stage of the initial analysis. It is hoped that the relevant banks can proceed with the buying back of the first batch of minibonds at the beginning of December 2008. Recently, some banks have also taken the initiative to approach the affected clients to discuss conciliation, and cases of elderly clients without investment experience will receive priority treatment. The Government welcomes such moves.

Members are also very concerned about the complaint handling and investigation of the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC). The SFC has gradually referred many completed investigation cases to the HKMA in the first instance and actively informed the banks of the situations to enable banks to actively approach clients for conciliation. The HKMA has also commenced the investigations of banks. Mr James TO has put it right that the SFC actually has a considerably extensive investigatory power and it will adopt a systematic and top-down approach in investigating into the sales practices adopted by banks. At the same time, the SFC also encourages banks to conduct self-evaluation to find out if any improper sales practice is involved. If so, the SFC will encourage banks to actively

conciliate with and provide compensation to clients. When the SFC has completed its investigation of banks, it will consider whether banks have made improvement to their own system and in initiating conciliation with clients when setting the penalties and fines to be imposed. These are the considerations to be made by the SFC when imposing penalties and fines on banks. At the same time, the SFC has instructed banks to endeavour to conduct self-evaluation and conciliate with clients.

Looking ahead, the Financial Secretary has requested the SFC and the HKMA to submit a report by the end of this year setting out the problems identified and the lessons learnt in the process of handling the complaints and making improvement recommendations. The Government will conduct a comprehensive review and consider how best the financial regulatory framework can be further improved at the policy level. I have already shared with Members my initial views on the potential issues for examination during the motion debate on the 22nd of this month, and I hope that I will have more chances to listen to Members' views.

The present financial crisis has given rise to many problems. Actually, regulators all over the world have conducted plenty of reviews on the subject of financial innovation. No one is ready to deny the function of financial innovation because it facilitates economic development. However, financial innovation has to be brought under an effective regulatory framework, and Hong Kong will definitely conduct a review in the same direction.

Similarly, the emergence of the financial turmoil should not make us overcautious about the development of the financial markets in Hong Kong. Hong Kong has its unique edges as a financial centre. Our legal systems, the freedom of our capital flow and our expertise suffice to enable Hong Kong to become an international financial centre. We will fail Hong Kong's unique edges if we do not establish an international financial centre in Asia when the economy begins to pick up after the financial turmoil. Of course, to develop a financial centre does not mean focusing solely on the financial industry while ignoring the other industries. I believe the Chief Executive will not agree with this viewpoint either. We will develop the Hong Kong economy on all fronts. The financial industry is an important industry. When we develop a knowledge-based economy, including examining how to make use of intellectual property rights to develop the economy or expanding our knowledge capacity in the new economic environment, financial innovation and the development of the financial industry will enable emerging industries to obtain financing. Therefore, Hong Kong should continue to develop the financial industry so that

we can provide financing for enterprises and effective asset management services to investors both locally and in the region, which is conducive to the development of our economy as a whole. I hope that with our present regulatory improvements, we can make use of this opportunity to improve and deepen the development of our financial industry, thereby enabling Hong Kong to climb up the pedestal once again after the financial turmoil and continue to expand our scope of economic development.

To further strengthen financial institutions' ability to withstand impacts, the HKMA will, in line with the recommendations made by the Financial Stability Forum, the Basel Committee on Banking Supervision and other international organizations, review and strengthen the supervisory framework for authorized institutions (AIs) in Hong Kong, including the management and enhancement of capital treatment for structured credit and securitization activities, improvement to liquidity risk management and enhancement of risk management capabilities of AIs.

In order to enhance depositor confidence and protection and maintain the stability of the Hong Kong banking system, the Financial Secretary has announced earlier on the use of the Foreign Exchange Fund to guarantee the repayment of all customer deposits held with all AIs in Hong Kong and the use of the Contingent Bank Capital Facility to provide additional capital to banks when necessary. These two arrangements will be in force until the end of 2010. The HKMA has issued guidelines on the above arrangements to prevent any moral hazard arising from the abuse of such arrangements by banks, and severe penalties will be imposed for breaches.

A review of the coverage and protection limit of the Deposit Protection Scheme is underway with a view to further strengthening the long-term protection to bank clients.

To enhance the flexibility of the Insurance Authority (IA) to cope with new supervisory needs and challenges, we propose setting up an IA independent of the Government. The relevant consultancy study will be completed in this year. After carefully considering the consultancy recommendations, we will formulate a plan for consultation, including consultations with Members representing the insurance industry and members of the industry. Besides, the Office of the Commissioner of Insurance is actively exploring with the industry the feasible options of setting up a policyholders' protection fund in order to provide better protection to the insured in the event of insolvency of the insurer.

I have just mentioned the promotion of market development. While improving market quality and bolstering investor confidence, we also have to promote market development on different fronts. The primary task is to continue to promote financial co-operation with the Mainland to develop a mutually-assisting, complementary and interactive relationship between the financial systems of the two places and facilitate a speedy recovery from the aftermath of this financial tsunami. Efforts in this respect are particularly important. A number of Members have asked what follow-up actions we can take in this respect. We will definitely follow up these aspects, especially the financial co-operation with Guangdong. We believe that this is an opportunity and we will continue with the follow-up efforts.

With regard to the expansion of the Renminbi (RMB) business, we are currently discussing with the relevant mainland authorities the possibility of settling in RMB the accounts of imports from the Mainland. The China Securities Regulatory Commission announced a new measure in May this year to allow qualified mainland fund management companies to set up subsidiaries in Hong Kong under CEPA. This will attract more mainland fund management companies to set up businesses in Hong Kong and further promote the development of the asset management industry here.

President, Honourable Members, the Chief Executive has put forward a number of proposals on consolidating Hong Kong's status as an international financial centre and exploring new opportunities of development. In the midst of the present financial crisis, the Government will constantly review the financial structure to ensure that the financial system, especially the regulatory system, can stay close to market development and maintain investor and public confidence. Despite the uncertain economic outlook, we strongly believe that with our perseverance, Hong Kong people can surely achieve a more robust development in the future, in the same way as we have tided over many a crisis in the past. Thank you.

PRESIDENT (in Cantonese): The first debate session ends. We now proceed to the second debate session. This session covers the following six policy areas: Economic Development (energy); Environmental Affairs; Food Safety and Environmental Hygiene; Home Affairs (other than district administration and civic education); Information Technology and Broadcasting (creative industry); and Development (heritage conservation).

Members who wish to speak will please press the "Request to speak" button to indicate their wish. If you have previously pressed the button but find that the red light has gone off, it is because our electronic system has been restarted after you have pressed the button. Therefore, you have to press the button again.

DR MARGARET NG: Mr President, the transfer of the Legal Aid Department to the Home Affairs Bureau had excited great anxiety last term. We were assured that this would not affect the independence and adequacy of legal aid, and even improve legal aid services by giving it the attention of a Policy Bureau.

I am afraid the results have not justified the optimism. Legal aid is rapidly becoming a poor relative in a big family whose attention is focused on other things. The Chief Executive spoke at length on national education. Not a word is said about expanding and reforming legal aid to meet the growing needs of the public.

This is shown up in the great present concern over minibonds. If, ultimately, aggrieved investors have to take legal action in order to get compensation, what resources are available to them? Not legal aid, because they are barred by the means test from the word "go". Is there a mediation channel? The Secretary for Justice has to put something together in a rush like a short order cook faced by a hungry crowd. And who will pay for the cost of mediation, if it is to come about? The Secretary for Justice cannot tell us. So far, no one can.

So it falls back on the litigation fund of the Consumer Council. The Consumer Council tries to rise to the occasion, but the protection of investors from misbehaving banks is supposed to be the Hong Kong Monetary Authority, not the Consumer Council's duty. All these ad hoc reactions show up the inadequacy of the present system. It is little comfort telling people they have a right, unless they have access to an effective remedy.

We have urged the Government to expand the Supplemental Legal Aid Scheme for at least the last eight years, to no avail. Last year, the Law Reform Commission in its report on Conditional Fees has recommended that a fund be set up under the Supplemental Scheme to provide the necessary insurance for default in costs. The report made clear that without such a fund, conditional fees are

just not practicable. So far, the Government has made no move to do so. Perhaps, the Secretary for Home Affairs will tell us what he intends to do.

I know that he is likely to reply to me, if at all, by saying that a review of legal aid policy is scheduled for discussion in the Panel of Administration of Justice and Legal Services in January. Details of the means test and level of means above which a person is barred from legal aid will be among the topics for discussion.

I regret to say that in the last review exercises the public had been bitterly disappointed, because the changes the Government was prepared to make were minimal, and the crucial features remain unchanged. I believe that a single means test level applicable to all cases is wrong: Someone who can afford a short District Court action cannot afford legal representation in a long and complex High Court case against a large commercial enterprise. The means test should be adjustable according to the nature of the legal action.

The means test is, in any event, far too stringent. For example, property in the Mainland which cannot be realized should not be counted as financial resources of the applicant. The way tests are carried out has driven applicants away and into the arms of recovery agents, some of whose practices challenges the law.

The Government must address the need for an adequate free or legally aided legal advice system which is long overdue. The only scheme — Duty Lawyers' free legal advice scheme — is really mean at a funding level of less than \$1 million a year, and has never been properly reviewed or reformed since it was established in 1978. I hope the Secretary will tell us that he has good news for us.

I cannot leave legal aid services without expressing the profession's dismay that the review of criminal legal aid fees is still being stalled. The problem is the level of solicitors' fees. I can only urge the Secretary to use his best endeavour. I ask him to bear in mind that the present fee level of \$425 per hour for the High Court works out to be lower than Duty Lawyers' magistrates court fees, which is \$670. Solicitors' fees have not been raised since the rules governing them were passed a quarter of a century ago. Lawyers who are willing to serve the public at less than their usual fees should not be taken advantage of so ruthlessly. Thank you, Mr President.

MS STARRY LEE (in Cantonese): I recall when the DAB got an invitation from the Chief Executive to express our views on the policy address, apart from talking about our expectations for the policy address, I also raised two points. The first is my hope that the policy address can show concern for the hardship faced by the residents of old urban areas, especially the methods of improving building management and expediting the revitalization of old urban areas. However and unfortunately, such suggestions are not found in the policy address.

Recently I have written some articles and because of the advent of the financial tsunami, I agree that priority should be given to handling some urgent matters such as helping the SMEs to tide over their difficulties. Another big bone of contention in the community is the amount of Old Age Allowance (OAA). I also agree that these matters should be dealt with, but I hope that the SAR Government and the Secretary who is present here will not forget the hardship faced by residents in the old urban areas which I mentioned on that day. The hardship and in particular the problems caused by building management have reached such a state that they can no longer afford any more delay and these must be addressed by the Government.

I would like to tell a few stories here. Yesterday I left early in order to attend a meeting of an owners' corporation (OC). This is because in the course of removing illegal structures, something fell and wounded some pedestrians and the OC, that is, a group of innocent owners, might have to pay a huge amount of compensation. For some cases in the past, such as the Albert House and the Kwok Wing House, they have caused many innocent small owners to bear the legal consequences. But Secretary, these owners are really innocent.

The OCs had in fact done a lot of things that they could possibly do, including lodging complaints with the Buildings Department (BD) once illegal structures were discovered. But the reply from the BD was often that since these illegal structures did not pose any immediate danger, so no assistance was given. Then the OCs went to the Home Affairs Department (HAD) for help. The HAD would on many occasions send their staff to attend the meetings of the OCs. However, as the residents said, they asked that a removal order be issued by the BD so that they could have the justification to demand that the owner of the illegal structure concerned remove them. But nothing could be done despite the hard work done by the departments and members of the District Council. Now some parts of the illegal structure fell on some pedestrians and owners of the building will have to suffer losses for which they should not be blamed. They

are really innocent. But because of the law, they have to get together and discuss the compensation amount. The incidents have exposed problems in building management.

The policy address says that escalators will be built in some old housing estates. I agree with this idea. However, the policy address does not give regard to the needs of residents living in old urban areas. I recall some remarks made by a resident and they have left a lasting impression on me. He said that the gravest mistake that he had made in his lifetime was to buy a dilapidated flat and that prevented him from getting a public rental housing flat. I think Members know and I agree very much that residents living in public rental housing estates, especially those living in the old urban areas, badly need improvement to their living environment, but those who have to bear with a worse environment are those living in the old urban areas in buildings with an age of some 30 to 40 years. If the Secretary has the time, he may go to those areas to look at the actual conditions of these buildings out of repair. The problems facing owners of buildings in old urban areas include difficulties in financing and the inability to set up an OC, or even if an OC is set up, it is only a toothless tiger that may have to bear huge liabilities, and so on.

The Government is actually aware of such matters and a number of methods have been proposed to assist the people concerned. The HAD sends some staff to hold meetings with the residents. The Urban Renewal Authority (URA) offers some help to residents in repair and maintenance and gives them subsidies according to a prescribed scope. The most proactive organization is the Housing Society. Given the large number of organizations around, even a Member of this Council may not be able to tell what kind of organizations the people should go to for assistance. Therefore, why can existing resources not be used to finance a bold measure to provide one-stop service to the residents?

I know that this is very difficult, for it may involve a restructuring of the organizations involved. But my view is that if no review of the mode of service delivery in building management is undertaken, there are bound to be more buildings in the old urban areas which will fall out of repair. It would be too late if losses are incurred to the small owners for no justifiable reason. As we know, there are many private residential buildings in Hong Kong and this problem will recur. Why do huge blazes always break out in the old urban areas like Yau Ma Tei, Tsim Sha Tsui and Mong Kok? Why incidents of the falling of illegal structures always happen in these old urban areas? This shows that the

management of buildings in these areas is not sound and it cannot help owners handle their problems. I hope that the Secretary can undertake a serious review of the delivery of building management services to residents of the old urban areas. This will enable these residents to get some timely assistance.

The other proposal I made when I met with the Chief Executive is my hope that the SAR Government can consider the plan to revitalize the old urban areas, especially those in Kowloon West. This is now a very good opportunity indeed. Kowloon West, including Kowloon City, Yau Ma Tei, Tsim Sha Tsui, Mong Kok and Sham Shui Po, is special because it may have the last remaining two pieces of land in the urban areas which are most valuable. They are the old Kai Tak Airport and the West Kowloon Cultural District. I hope that by developing these two large areas, the Bureau can also consider how to give full play to the inherent character of the old urban areas in Kowloon so that they can be developed into spots for cultural tourism.

Officials in the past spent most of their time on planning new towns to meet the needs of population growth. This I can understand. As the old urban areas are all developed, so there is not much development there. I think the opportunity of developing new lands should be seized. This is really a good opportunity to integrate the old and new areas. This integration is much more than just building a road, though it is important and the first step to take. How is the cultural district going to be expanded further? There are many historical relics in Mong Kok and Kowloon City. In Mong Kok there are many bazaars which have a unique Hong Kong style, but the URA has not fulfilled its mission of revitalizing the old urban areas, failing to do anything concrete to make them better.

I hope that when the URA undertakes a review of its working objectives in the near future, it can seriously examine the hardship faced by the residents of old urban areas. Now many people in these areas all hope that the URA can speed up the redevelopment of the old urban areas. But figures tell us objectively that if we are to catch up with the pace of ageing buildings, it would be hard to meet public expectations if we just rely on the redevelopment work of the URA. So how should a balance be struck between the revitalization of old urban areas and urban redevelopment? I hope the question can be addressed as quickly as possible when the URA undertakes a review of its functions.

Besides, I would also like to talk about work in environmental protection. Recently, it should be the summer of this year, temperatures in Hong Kong were

very high. Some discussions were held among the public on the heat island effect. The topic of how to reduce the temperature in the urban areas has become a hot topic. I would like to turn to the old urban areas again. There are some inherent inadequacies in these areas because it would not be easy to do something such as planting trees next to buildings which have already undergone design and planning. Many people have made many suggestions to us, asking us to plant trees in certain places, but even this cannot be done because of the underground facilities or various other reasons. Apart from formulating the green master plan, the Government should also set up a greening fund for application by some private-sector corporations and organizations because the greening of private space is also beneficial to greening as a whole.

So I hope that apart from speeding up the greening work on government land or in other places, the Government can also join hands with private organizations to carry out greening work together. I also hope that the Government can expedite rooftop greening and vertical greening work so that the Hong Kong people can see a greener Hong Kong.

I am very glad to see Mrs Carrie LAM having returned to the Chamber. After the delivery of the policy address, the Secretary said in a radio interview that a map of Hong Kong was hung on the wall of her office. She also wants to return to Hong Kong people the coastline. I know that the Secretary works very hard and so the public and I have great expectations for her and we hope that her determination and industry can give us back the harbour front. In the past, developments along the harbour front used to focus on Central and Wan Chai. I also joined in the relevant planning. I think this is the best time to take a look at the harbour front in Kowloon.

At the harbour front in Kowloon, residents of the old urban areas have always been hoping that there can be a harbour front promenade. The promenade I have in mind is one that will link up Yau Ma Tei, Tsim Sha Tsui, Mong Kok, Sham Shui Po and Kowloon City, cutting through the Kai Tak Airport site and finally reaches Lei Yue Mun. In other words, it should link up half of the Kowloon Peninsula. I know that this is a long-term target that can hardly be realized within a short period of time. However, I am glad to see in the policy address that concern for this aspect is brought up. With the funding that is likely to be approved, the Government can really study the issue of a new harbour front for Kowloon. If the population of all the old urban areas in Kowloon is added up, it would be more than 2 million, hence it is definitely not less than the

population of Hong Kong Island. Furthermore, if the construction of the harbour fronts in Kowloon and Hong Kong Island is complete, I am sure they together will become a scenic spot for Hong Kong.

These points mentioned by me are in fact the heartfelt wishes of the people living in the old urban areas. I hope the Directors of Bureaux can give me some feedback. I so submit. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, as I do not have much speaking time left, I can only talk about two issues briefly in this session.

First, about monitoring fuel prices, the entire policy address only devotes one paragraph, that is, paragraph 62, to responding to the issue of fuel prices. But no remedy is suggested to introduce measures to address high fuel prices at the retail level. The transport sector is very disappointed with that. Even as recently as last week when Secretary Edward YAU attended a briefing session on the policy address held in this Council, he was still unable to come up with any specific plans that are practicable. Since the Government agrees that land premium takes up about 10% of the fuel costs and it is a reason accounting for high fuel prices, why are the authorities unwilling to approach the problem by lowering the bidding price of the land for petrol filling stations in order to lower the retail prices of fuels? Moreover, the policy address states that the oil companies will be asked to promptly adjust prices in tandem with international oil price movements, but how are prompt price adjustments to be made? What will the Government do if the oil companies do not comply? It would be useless if we just rely on the Consumer Council to make fuel prices public on the Internet or the cash concessions or rebates offered by the oil companies. The problem of fuel prices being quick in going up and slow in coming down remains unsolved. So I hope Secretary Edward YAU can give a response that will pinpoint the problem.

Apart from fuels for vehicles, many taxis and minibuses in Hong Kong use liquefied petroleum gas (LPG) as fuel. But with the rise in oil prices, the prices of LPG for vehicles and domestic use have increased substantially. Then there is the problem of the insufficient number and uneven distribution of gas filling stations for use by taxis and minibuses. In the station in Wan Chai especially, taxis have to wait a long time for refilling. This causes hardship and an extra burden to professional drivers. I hope that the Administration can pay attention to this problem and will not make any delays in solving it.

Also, I would like to express my views on the policies on streetside food stalls and hawkers. Ever since the Government had stopped issuing hawker licences in 1973, I have been striving for a review of the policy and issuing hawker licences again. Some breakthrough has finally been made this year. The SAR Government is now willing to undertake a fresh review of the hawker licensing and control policy and it has said that the paper on the policy review will be introduced to this Council for discussion at the beginning of next year. I welcome this move by the Government to accede to public demand and review again the policy on hawker licensing and control. I hope that the Secretary can submit this paper to the Council for deliberation as soon as possible.

Hawkers carry on businesses with a small capital and they make positive contributions to society. These small businesses have enabled some members of the public to be self-reliant and find a way to earn a living. I hope the Government can think positively of them and offer them assistance. The case is like the initial success of China's opening up and reform during the past 30 years being owed a lot to the individual businesses. They served to vitalize the economy and improve people's life and they contributed towards improving the employment situation on the Mainland at that time and enabled people to start businesses. Now in Hong Kong, 90% of our manufacturing industries have left and the prospects of labour-intensive manufacturing industries are bleak indeed. If the Government is still talking about hi-tech and high value-added modes of production, then what will be the prospects for these middle-aged workers with low educational attainment and low skills? Hawking therefore can create job opportunities and solve the unemployment problem. Moreover, hawkers can also give a good place for the grassroots to spend and it is helpful to easing the pressure of living at a time of soaring prices. I therefore hope that the Government can recognize the contribution made by hawkers and offer them assistance. I hope to hear a positive feedback from the Secretary on that.

Thank you, President.

MR FRED LI (in Cantonese): The tainted milk incident is a terrible lesson for the mainland authorities and companies. Not only is business reputation ruined but also the health of many children, for some of them even died. The people of Hong Kong have suffered as well.

A government which promotes food safety will never want to see the health of its people often being jeopardized. The Hong Kong Government should not take a passive stand and do something only when incidents happen. It should formulate some measures to respond to the situation. It is unfortunate that the work done by the Government in food safety is most disappointing. Before the occurrence of the melamine affair, the people have suffered a lot because of Malachite Green and Sudan Red. But the Government is still very slow in response.

From the time of the Urban Council, that is, from 1991 all through the 10-year period when I was a member of the Urban Council, the Democratic Party had been urging the Government to formulate a mandatory food recall system. In 2003, we began to follow up the matter in this Council and soon it has been five years since. Had it not been for the wide scope of the tainted milk incident and the large number of people affected, I do not think the Government will take out the law on food recall and introduce it to the Legislative Council for deliberation now.

Last week, there was another incident of asthmatic drugs in chilled pork from Thailand, and this makes us see once again that government response is very disappointing. We must condemn it. In that incident, some chilled pork was tested and found to contain asthmatic drugs. But findings were only available two weeks later and details were only released four months later. And the official in charge even said that there was a mechanism of regular reviews in place. We cannot therefore see any care shown on the part of the Government for public health.

The people entrusted their health to Secretary Dr York CHOW. Since the outbreak of the melamine incident, I have received many e-mails asking me whether or not ice-cream from brands like Haagen-Dazs and Dreyer's is safe for consumption, which brands of infant formula are safe and which brands of milk broth are safe, and so on. The people seem to have more confidence than me in Dr CHOW. Actually, I do not know the answers to these questions and Dr CHOW should be the gatekeeper in such matters. I hope that the Government will stop reacting so slowly as it repeatedly shown.

Recently, the eggs are found to have problems again. Now eggs from various provinces are found to contain melamine after being imported into Hong Kong. This makes us feel that eating steamed buns with liquid egg yolk fillings,

steamed buns with egg yolk fillings and steamed sponge cakes will all cause hazards. This is because something is wrong with the eggs. Will the Government impound eggs imported from the Mainland to Hong Kong and inspect them at once? Will it talk with the mainland authorities about testing the eggs before export? The inspection can be completed within 24 hours and the time taken is very short. The eggs can be stored for a very long time, unlike chilled pork. Why should tests not be done? We cannot see any work carried out by the Government on that.

I would like to point out that some 2 000 samples are found by the Government in its tests to be related to melamine. This means that many samples have to be tested every day. These tests have to jump the queue in the Government Laboratory and this will certainly affect the routine tests. I therefore hope that the Government can allocate resources to the Centre for Food Safety (CFS) so that it can set up its own laboratory and hence does not have to rely on the Government Laboratory. Although the Government Laboratory has already set up a department specifically tasked with food testing, I would think that the CFS should have a fully-fledged laboratory of its own. This will facilitate its swift response to food safety incidents which is imperative. I wish to remind Dr CHOW in particular that during a revamp of the organizational structure of the food safety framework two years ago, the CFS and the Commissioner were established. In other words, the manpower was increased and someone was promoted to the directorate grade. At that time the Legislative Council approved of the Secretary's request to hire more staff. Should there be any review of the entire system after the manpower boost? It has been more than two years since then. Is the operation there smooth enough? I think what the Government should do now is to examine the relationship between the CFS, the Food and Environmental Hygiene Department (FEHD) and the Agriculture, Fisheries and Conservation Department.

After our study trip to foreign countries, members have a strong impression that in Hong Kong, medical doctors dominate all the efforts in food safety. This is because the Commissioner is a medical doctor, the principal officers are medical doctors and the consultants are also medical doctors. Then what is the role played by veterinary surgeons? As we have to face problems with animals, poultry, live chickens, live pigs, live cattle and eggs, I think veterinary surgeons should play a more professional role than ordinary medical doctors. I am not holding any condescending view towards medical doctors, but we find in the

foreign countries we visited in our study tour that the veterinary surgeons play a very important role in gatekeeping work in food safety. But we cannot see such an arrangement by the Hong Kong Government. Is it because there is no such a subject in our universities? Indeed there is no such a subject as veterinary science in our universities. Is it because of this reason that their influence is far less than the medical doctors?

Another point is that some media organizations have recently tested the water in the fish tanks and found that it contains *Vibrio parahaemolyticus* and this is the main cause of food poisoning and diarrhoea in the people who consume the contaminated food. Dr CHOW knows much better than me in this. Although many fish tanks are found to contain this bacteria, in the routine tests, the FEHD does not conduct any test for this bacteria and only *e coli* is tested and *Vibrio cholerae* is tested in certain seasons. I hope Dr CHOW can examine whether or not *Vibrio parahaemolyticus* is also prevalent in fish tank water, for this will also affect public health.

Another policy is about the amendment legislation on the fisheries industry. I am a member of the relevant committee and a report is to be handed to the Secretary. As the spokesman for the Democratic Party for this policy area, I can say that the Democratic Party is supportive of the idea to draw up fishery sanctuaries and no-fishing zones in Hong Kong, I will not go into the details of that. Although some green groups demand a total ban on fishing, the Democratic Party thinks that this move will affect the livelihood of many people. We consider that at least the several thousands of fishing vessels in Hong Kong must be registered and licensed. The Government should also ask some fishing vessels to surrender their licences so as to reduce over-fishing. I hope these moves can give the fisheries industry some breathing space.

The following topic is related to Secretary for the Environment Edward YAU and that is, the issue of petrol prices and LPG prices. Last Wednesday he gave a reply to my question. Incidentally, the oil companies reduced their prices before that time, then a reduction and a further reduction were made. To us he is a good partner, for prices will be cut after we have asked many questions in that area. I am sure the transport sector and Members will monitor the oil prices. But I wish to raise a question on the prices of bottled LPG and LPG for domestic use. In the document submitted to this Council by the Government on LPG prices, it is found that during the period from February 2007 to June 2008, the import prices of LPG fell during a two-month period, but we can see that retail

prices were rising all the time. Now some of the oil companies are reviewing the prices every quarter, that is, a review will be made in January, April, July and October. We consider that this practice cannot keep abreast of the fluctuations in oil prices closely enough. The number of LPG-using households affected does not increase and it remains steady. This applies to those using centralized LPG, for they have no other choice. They will not use kerosene stoves or it is because there is no supply of town gas in housing estates such as the South Horizons, Mei Foo Sun Chuen, the government-built Garden Estate, and buildings of the Housing Society, and so on. I wish to make special mention of users of bottled LPG. I think they are people living in remote areas and the disadvantaged. They do not have access to centralized town gas and it is hard for them to fight with the oil companies for better transparency in prices. The pricing of LPG for domestic use has never been transparent. Moreover, there is a difference between the pricing units for centralized LPG and bottled LPG and they are cubic metre and kilogram respectively. It is hard for ordinary people to work out the conversion between the two units. As I have just mentioned, housing estates using centralized LPG are actually being monopolized. People living there do not have any choice and so they can only rely on the Government to monitor the oil companies to see if the prices are in line with international movements in oil prices.

There is also another point. Is the Secretary aware of the fact that air tickets are very cheap these days? The air tickets to Shanghai and Thailand during Christmas only cost \$999. But the fuel surcharge is \$600 to \$700 and this is almost 70% to 80% of the price of the air ticket. Although the Secretary does not supervise the Civil Aviation Department, the Department is in charge of fuel surcharge matters, so I hope that the Government can monitor this situation for us. This is also related to the tourism industry, too. If the air tickets are cheap but the surcharge is expensive, this would deal a blow to the tourism industry. Now the tourism industry is really having a rough time, and the use of credit cards to pay for tour package fees also accounts for this bad situation.

Lastly, I wish to talk about the electricity market. I support and appreciate government efforts in reaching an agreement with the Mainland to ensure a steady supply of natural gas to Hong Kong for a 20-year period. This makes the CLP Power Hong Kong Limited abandon its LPG terminal in Tai A Chau, hence easing the pressure on power tariff as a result of this project constituting huge assets for the company. I commend government efforts on that. We will praise

the Government for whatever it has done that deserves our praise. The Democratic Party is fair and we will not just snap at the Government all the time.

The last thing I wish to mention is that the electricity market should be liberalized in the long run. If the market is to be liberalized, have we made enough preparations? Are we going to spend 10 years in preparation? I do not know if the Secretary is still in office 10 years from now, but I know for sure I will not be in this Chamber by then. So I hope the Secretary can let us see that he is always putting making efforts about liberalizing the electricity market and exerting pressure on the two power companies. We often say that the grids of the two power companies should be inter-connected, but that seems not possible. The two power companies are each expanding their assets in the hope of maximizing profits.

I would like to mention one point in passing. The Secretary is in charge of the handling of waste matters. Earlier on Ms Starry LEE mentioned the use of harbour front land. As a matter of fact, the harbour front in Kwun Tong is laid to waste. The harbour from Kowloon Bay to Cha Kwo Ling is not used effectively and the land is all taken up by wastes, by the waste recovery industry, the transshipment industry and the barges. I hope that when planning is to be undertaken, the waste materials transshipment depot should not be located in the vicinity of Laguna City and Cha Kwo Ling anymore, but the land use there should match developments in Kai Tak. We should make good use of the waterfront in Kwun Tong, Cha Kwo Ling and Kowloon Bay so that the entire stretch of land in Kowloon East and Kai Tak can be linked up for the better development of Kowloon East. I so submit.

MR WONG YUNG-KAN (in Cantonese): President, I speak on behalf of the DAB on food safety, agriculture and fisheries policies and related matters.

As we all know, everybody is very worried whenever milk and milk powder are mentioned as there is melamine in food products from the Mainland. This has dealt another blow to our food safety monitoring mechanism. The publication of laboratory test reports on food made us realize that there are problems with some milk products and eggs, but we are not sure if there will be problems with certain cakes and biscuits. People have complained that the Government has not immediately pulled all suspected problem foods off shelves.

The Government is only playing its old trick and repeating what it did with malachite green by making urgent legislation to bring melamine under regulation. This is not a permanent cure after all.

The Government only passively responded when similar incidents took place. The problem of insufficient government authority does not only emerge today, and the Government should have been aware of the demands of the community long ago. All of us would like to know why the Government has been procrastinating in spite of the fact that people have already asked for the relevant legislation to be amended and for the Government to grant authority to the Food and Environmental Hygiene Department long ago.

The Government has lately made up its mind to propose legislative amendments in relation to mainland food products. We all know that the Mainland has attached increasing importance to food supply and health standards. LI Changjiang stepped down after the melamine incident and a lot of mainland officials were implicated. This reflected that there are problems related to products exempted from inspection. In the past, the Government was very confident and considered further inspection unnecessary. For sure, the Government no longer thinks so but I hope it would reconsider the need for quarantine inspection.

There is another problem concerning egg products. Insofar as green food is concerned, we seem to have done farmers injustice because the problems are very often caused by some enterprises. I hope the Government we have discussed time and again the problem of egg products — the melamine problem has not yet emerged then — such as salmonella, I hope the Government can reconsider the proposals made by us.

The community agrees in principle to the food recall legislation proposed by the Government, and the DAB already made similar proposals at meetings of the Panel on Food Safety and Environmental Hygiene a few years ago. We asked the Government to expeditiously make legislation and introduce legislative amendments to authorize food recall. However, the food trade is worried that the Government may be given excessive power such that it may, without adequate reasons, pull food products off shelves all of a sudden for handling at leisure afterwards, causing adverse effects on the whole trade. The DAB understands the trade worries but we hope they would understand that, if the Government passively maintains food safety and allows the destructiveness of the crisis to expand and deteriorate, industry players and consumers will ultimately be

victimized. Thus, the DAB wishes that the Government would listen more to the views of the trade, especially the views of small and medium enterprises (SMEs), and give explicit enforcement guidelines.

Mr Fred LI has just mentioned our overseas visits. We have strong views on this. We have seen in overseas countries that many food products are manufactured on the basis of joint studies by the Government, industry players and the marketers. But here in Hong Kong we face enormous difficulties for most of our food products are imported from foreign places. Nevertheless, I wonder if the Government would enhance communication with industry players manufacturing food products on the Mainland, and some relevant parties and departments.

President, I am also concerned about laboratory tests on food. The expert team appointed by the Government suggested earlier that samples of food products for inspection (such as food containing melamine) should be reduced from 100 a day to 100 a week. The DAB already pointed out that there was still a melamine crisis and many food products had yet to be tested. If the sample checking process becomes less effective, we wonder if other problems would arise. The words were still ringing in our ears before four more egg products were confirmed to be tainted two days ago.

As I have just said, the problem comes from some practices on the Mainland. The Government should find out the reasons. I would like to ask the Secretary if the Government would reduce the number of sampling inspections to 100 a week. I am really worried because the Secretary told us before that sample checks would be conducted on a variety of food products such as fish and chickens. I would like to know if the Government sometimes, the so-called experts may not be experts in respect of various food producing procedures and the problems found in the production process. The Government must conduct comprehensive studies. It is the hope of the DAB that the Government would continue to examine the risks of food products rather than relaxing inspection efforts at the very beginning lest the public should complain that these sorts of incidents have caused them sufferings and headaches, and they are at a loss as to what to do.

Moreover, the risk assessment capacity of the Government is still inadequate. The Centre for Food Safety announced several days ago that some chilled pork had asthma drug residue. When the laboratory test report was published, the chilled pork concerned had already been sold for two weeks and eaten by many. We hope the delay in publishing the report is not a result of the work progress of the Government Laboratory. The Government Laboratory has

to handle too many melamine incidents these days, and this has slowed down the efficiency of other laboratory tests. Should the Government pace up laboratory tests?

I have strong views on the government announcements concerned. When I joined this Council in 1998, there was an inspection report on tainted fresh pork and I asked the Government to impound the pork for examination. It has been 10 years since I asked the Government to do so, but it has just told me that it cannot do so for there is no storage premises for the examination of impounded food products. Certain types of food products can be impounded for examination, for instance, the examination of chilled food products can be completed within five to seven days, and the same applies to egg products. Besides, some industry players have called on me to express their hope that the Government would really impound food products for examination and release such products upon completion of inspection, rather than telling them that things have gone wrong after the products have already been sold for they will then suffer greater losses and feel much worse.

The Government should consider impounding some food products that can be stored longer for examination rather than releasing them to the market at once. Food products released to the market cannot be recalled because they would have been eaten. But the Government would often assure us that there would not be any problem if only small amounts are eaten. For example, there would not be any problem if an adult eats 24 eggs a day and it is all right for children as well. Why do we need the relevant law if all food products do not have problems? What is the use of Legislation? The Government should not just tell us there is no problem or it is not a problem if only small amounts are eaten, for this is really the big problem.

The DAB always expects the Government not to adopt a doctor's perspective but a veterinary surgeon's perspective in dealing with these matters. I am not sure if the Centre for Food Safety (CFS) cannot employ veterinary surgeons or the latter are not interested in jobs with the CFS. The DAB already asked the Government to focus on veterinary when the CFS was initially established, and yet, the Government is still focusing on doctors now. We are not prejudiced against doctors but we need more professional veterinary surgeons to handle certain matters for veterinary training covers subjects such as poultry, plants and other subjects. The Government should consider this again and I am sure there will not be any problem so long as it has the resources. Regarding food safety, all of us in Hong Kong would like the Government to conduct a review on the CFS which has been in operation for two years; it should review its positioning and explore if more can be done.

Now, President, coming to the question of pork, I would like to talk about pork prices. From last year to early this year, pork supply to Hong Kong substantially decreased because of the snow disaster and other epidemic outbreaks. Sufficient supply has already resumed and more than 4 000 and sometimes 5 000 pigs are imported into Hong Kong every day. Why does the retail price remain high now that the wholesale price has fallen? I asked the Secretary for an explanation at the last briefing session and he told me very explicitly that a price reduction would not be easy for pork prices were stronger than oil prices. Why did the Government not do anything though it knew there were problems? The Government has now referred the matter to the Consumer Council which has launched a price survey project.

Some industry players remarked that the Government did not understand them; anyway, the price of some pigs has now risen to over \$700 per picul and even \$1,120 per picul, which is a peak price, unlike the price range of \$1,800 per picul to even \$2,000 per picul in the middle of the year. I hope the Government would not help unscrupulous businessmen push up food prices for it will give rise to inflation. Now, some have told me that they could buy plenty of food from the market for \$100 before but they cannot buy as much today. Life has become harder, especially when there is an economic downturn. The Government should work more for the people's livelihood.

I would like to thank Secretary Dr York CHOW for meeting with me twice to discuss the live chicken problem. The DAB supports daily chicken cull but the Government should consider doing so in the most satisfactory manner. I am also grateful to the Administration for agreeing to amend the ordinance. Concerning the daily chicken cull, in special circumstances such as the hoisting of Typhoon Signal No. 8, No. 9 or above, and the issue of black rainstorm warning, it should not require same day culling of crow-pheasants already shipped to the retail points. This is also the request of many industry players. Six live chicken vendors in the Tai Po Market have asked me to discuss with the Government the feasibility of the policy, because they have difficulties with the storage of all slaughtered chickens.

The Government has promised the trade to suitably increase the supply of crow-pheasants. Increasing the supply of day-old chickens is also necessary and the Secretary has already promised to do so. Has there been any progress with the promise? The price of crow-pheasants today is a few dollars cheaper than that when local farms produced crow-pheasants. In the past, the wholesale price of crow-pheasants was around \$30 per catty but it was \$23 yesterday. Have there been any changes in the supply of crow-pheasants? Has the supply

somewhat increased? It is thus evident that the Government can deliver on its promise.

I am a bit worried and I would like to draw the Secretary's attention to the point that leaving crow-pheasants in the wholesale markets overnight will constitute risks. The Government should either refrain from leaving crow-pheasants in the wholesale markets overnight or impose a cap on the quantities. There should also be suitable facilities in place. There will be problems if chickens are simply left at the Cheung Sha Wan Wholesale Market because chicken cages are only partially sealed and there are lots of crows flying around. We all know that a dead crow was found in Sham Shui Po two weeks ago, and dead birds would transmit avian flu. For this reason, I hope Government will make more efforts in respect of live chicken supply and conduct a review.

The Government has launched two voluntary surrender schemes respectively for the licences of pig and poultry retailers. These two schemes have cost quite a lot of taxpayers' money and made some farmers jobless. The Government has another policy to assist farmers in engaging in organic farming. I would like to extend my thanks to Secretary Carrie LAM for sparing time to visit some places such as Tak Ku Ling with me. Certain problems have yet to be solved. The land concerned cannot be entirely used for the purpose and the Government has to order the demolition of a few septic tanks. Would that be feasible? As water has to be stored for growing organic vegetables and other crops, the Government should not always implement measures across the board. We certainly know that some local residents oppose the retention of land this way but I hope the Government would strike a balance between the two to enable these farmers to continue their operations such that they will not lose their means of living.

About fine wines and cuisines, Hong Kong will soon become a grape wine and red wine centre. How can people enjoy their food if there are no quality ingredients? Of course, some may say that this is unnecessary and even fried small fishes go very well with wine. We still need a lot of complementary work to do a good job of this.

After the release of the latest policy address, a person has expressed his views on a radio phone-in programme and I have not heard such views before. He is not an industry player, just an ordinary citizen. He said the Government intended to destruct all industries and he wondered what we were going to do during an economic downturn and when our position as a financial centre was

jeopardized. The Government should not destruct the most basic primary industries so that industry players could make a living.

I would like to talk about another point. In the face of the recent attack of the financial tsunami, some construction workers have recently made some small boats and run small businesses near the sea to erk out a living instead of asking the Government for assistance. Industry players wish to support themselves through self-reliance. What has the Government done? Last year, we proposed that the Government should grant a licence fee remission to fishing vessels for a year but we found that there was little leeway for further discussion. At that time, President (who was a DAB member in the Executive Council) had helped convey my request to the Government and I hoped he would be able to help. So far, the Government has not yet considered this measure and I hope it would consider it.

Actually, Secretary Dr York CHOW, the oil prices have dropped, but I still do not understand why the oil prices at petrol filling stations can be announced and the rate of price reductions can be shown on television while the prices of oil for fishing vessels cannot be announced. I have asked the Government whether such prices would be monitored though they are not announced. The Government advises that it cannot monitor marine oil prices. That is, they can have it their way. In the absence of control, some fishermen find that the reduced oil prices are still quite high compared with the announced prices. This shows that the Government has not comprehensively monitored oil prices. Should the Government not look for a suitable solution? The Government should be more concerned about the people's livelihood. Fishermen returning to Hong Kong can never be sure about the levels of oil prices. Although oil prices have dropped, smuggling activities have become rampant again and oil-selling barges sell petrol to those paying lots of cash at reduced prices but offer almost fixed prices to local fishermen. We asked them for the reason. They told us that it was because fishermen would buy from them 20 tonnes of oil at the most but other people would buy 200 tonnes, so they sold oil to other people first. The Government should consider why it cannot monitor marine oil prices and clarify the situation to fishermen.

President, I am grateful to Secretary TSANG Tak-sing for offering me assistance these past few days. I mentioned at the last briefing session that a tree was going to fall down. The Secretary contacted the relevant departments after the session and four departments then gave me a call. But before that, no department and nobody bothered about us and the affected resident. Yet four departments have given me a call asking for the location of the tree. It seems to

me that solutions would only be found after matters have been discussed in this Chamber. If that is the case, what are the departments doing in terms of co-ordination? I am grateful to the Secretary, but I think there are deficiencies. If efforts are made to address problems only after Members have raised certain matters in this Chamber, what are the Highways Department, Leisure and Cultural Services Department and Environmental Protection Department doing? I am really puzzled. Should the Government review its internal operation? Nobody from four to five departments bothered about the tree in question before, but they have asked for more details when things have gone wrong. I do not think these practices are feasible.

We support the 10 major infrastructure projects to be carried out, but we know that some projects such as the construction of Container Terminal 10 involves marine activities. We only talk about the sky and the air in connection with environmental protection, who cares about the sea? Nobody does. I have asked Secretary Edward YAU to pay attention to marine activities in the course of consultations by consultancy. Local people engaging in production activities or fishermen engaging in fishing activities or fish farming should be consulted because they are well-versed in matters of the sea. I have discussed certain issues with the Chairman and asked the Secretary for a reply at the last meeting of the Panel on Environmental Affairs. The Mainland has dumped sludge at places near Hong Kong, but the locations are not announced and we are not sure where sludge is dumped. Since it has not notified our fishermen, their fishing nets and other equipment are often damaged during fishing activities, resulting in heavy losses. They only learnt then that there are designated places for dumping on the Mainland and in Hong Kong. Fishermen are not aware of these designated places and the places where sludge is dumped, and they have told us that there is sludge everywhere. How can it be? How can the ocean be made such a mess? What can be done?

Although 10 major infrastructure projects including the construction of Container Terminal 10 will be launched soon, the Government has not consulted local fishermen or industry players. According to industry players, the Government has only talked about but not discussed in detail the Hong Kong-Zhuhai-Macao Bridge to be constructed because each and every organization if a briefing session is held to consult the organizations concerned, discussions would not be properly conducted when everybody is eager to voice opinions. We have asked the responsible officials to visit fishermen and explain everything to them with a view to solving the problems properly. We

have no objections to the Government's carrying out infrastructure projects but if these projects will bring losses to the trade, the Government should make suitable compensations instead of doing nothing. Industry players have frequently asked me to convey to the Government this request of theirs.

I am grateful to Secretary Dr York CHOW for forming the Committee on Sustainable Fisheries. There is an Advisory Committee on Agriculture and Fisheries under the Agriculture, Fisheries and Conservation Department (AFCD), I must add, but it does not have any authority and it is only a forum for empty talks by farmers and academics. It has been 20 years since its establishment but the Committee has not made any achievements so far.

Actually, I hope the Government can consider whether the Committee should be changed into the Committee on Sustainable Agriculture and Fisheries, to really study if the industries can continue to survive or do better. We cannot just engage in empty talks without taking real actions. The report published by the Committee on Sustainable Fisheries should not be a document not mobilizing not taking actions. It is there only because the DAB advocated the formation of the Committee hoping that the Government would look into the problems of fishermen. The Committee on Sustainable Fisheries has been formed but the Government has not taken any actions. It all depends on the mood of the Secretary or the Government. Three Members, Mr Fred LI, Mr Vincent FANG and I, have joined the Committee. Since, the Administration emphasizes the importance of the Committee, we hope it can examine the whole framework comprising the agriculture and fishery industries. If the Administration would like to promote organic farming, it has to think of ways to boost the organic farming industry. I wish the Secretary would really consider my sincere suggestions.

I would also like to discuss the Emergency Relief Fund for the agriculture and fishery industries. I have discussed the matter with the Secretary before, but I would like to share it with Honourable colleagues. The operation of the Fund has remained unchanged for dozens of years. There was flooding and some farmers were granted some \$1,000 from the Fund after the last two typhoons; some fishermen were only given \$500 despite the Government's perpetually disturbing them. These fishermen might as well earn the money by working harder rather than being troubled by trivial matters for the sake of getting \$500.

Does the operation of the Fund warrant a review? When the prices of all commodities are now affected by inflation, less than \$1,000 is granted from the Fund in each case — more is granted sometimes but the amounts vary, as the case may be, to be fair — less than \$1,000 is granted in an ordinary case. This is a disgrace for the Government and the industry. I will not dwell upon the question of whether this is humiliating or not, but I would like the Government to consider why primary industry players are treated this way if it can spend so much in various areas. The Government promotes organic farming but small organic farms having incurred losses of less than 70% are not given assistance. They only get assistance from the Emergency Relief Fund if their losses reach a higher level. I cannot help asking if that makes sense. I think the Government should do something in this connection.

I still have some speaking time left so I would like to say that there are many broken trees in the country parks after the latest typhoon. I am sure AFCD staff would handle the situation step by step, but their work has been too slow. We all know that these parks are not easily accessible and a lot of hikers called on me to say that they cannot pass through some places though they could do so before. The road surfaces are broken and there are trees lying across the road. I wish Secretary Edward YAU would sort this out. Even though the trees cannot be sawn off or disposed of as quickly as possible, I wonder if staff from his Bureau could disseminate relevant information on the Internet, for instance, to inform the public that certain road sections at Tai Long Sai Wan are broken and advise them to walk with care; I also wonder if they could remind people to pay special attention to safety at some locations. I believe the Government is duty-bound to do so for the public.

I so submit, President.

MR ANDREW LEUNG (in Cantonese): President, the Chief Executive's policy address has mentioned the need to do a proper job of waste management and earnestly promote waste recovery and recycling. However, there was a news report on Tuesday about major waste paper recyclers suspending the recovery of waste paper and cardboards. Recyclers anticipated that the suspension might be extended to various wastes, causing the whole industry to shrink by 70%.

The recycling industry in Hong Kong has all along lacked support by upstream recycling industries and people have an impression that it relies on a group of old people picking up odds and ends, cardboards and newspapers. In

fact, there are several green companies in Hong Kong which have been running very well. There is a company producing pollutant-absorbing-bricks that we have heard of since a few years ago. And there is a member of the Federation of Hong Kong Industries (FHKI) who won an international prize for the waste oil regeneration technology he developed; and he also developed an effluent recovery and recycling technology for a large resort hotel in Macao. This sufficiently proves that some people in Hong Kong have the will and the technology. Why is our recycling industry not doing well and not comprehensive?

We have drawn inspiration from recyclers suspending the collection of waste paper, and we realize that Hong Kong has always relied on low-output recovery and seldom engages in recycling; so, most recovered wastes are exported and useful wastes will pile up and become out-and-out waste materials when recovery is suspended.

President, I wonder if you can recall that, before the SAR Government proposed the establishment of an EcoPark, the South China Paper Limited, which was the last waste paper recovery and recycling factory in Hong Kong had no alternative but closed down in September 2006 owing to excessively high oil prices and the Government's failure to grant them diesel duty exemption though their diesel units met emission standards. Besides, probably because of its limited size, the only large plastics recycling factory in Hong Kong cannot handle too many waste materials and the entire recycling process cannot be completed in Hong Kong, so most of the plastic bottles in the recovery bins of three different colours are exported.

With escalating raw material prices all over the world, the SAR Government should not only impose levies to threaten people not to use too many plastic bags and discard fewer tyres. Nor should it just place recovery bins of three different colours at street corners and consider the job done. It is most imperative for the Government to help the industry find a way out. Waste management is essential but the Government also needs to help turn wastes into useful raw materials and gives new life to waste materials. The industrial sector is willing to carry out such work, but they would like the Government to give support in terms of land policies and recovery measures. If there are also financial incentives, factory owners will feel relieved and will readily develop new technologies and attain higher value-addedness for their products. Creating a good deal of job opportunities for Hong Kong workers is the most important point.

President, the Chief Executive proposes in his policy address the implementation of a district cooling system at the Kai Tak Development as a model further demonstrating the promotion of energy efficiency and conservation. The Government should be more forward looking and aim at a better system of a larger scale.

The Kai Tak Development is a new development area including a world-class cruise terminal. We should not only have a district cooling system at the Kai Tak Development for energy conservation but also further develop the area into an eco-city in Asia. I have discussed the district cooling system proposed by the Government with environmental experts from the FHKI. They think that the sea water cooling model should not be adopted but the cooling of treated effluents should be efficiently used as a complementary technology for the effluent collection systems of the Kai Tak City. Complementary thermal energy recovery systems should be used in the cooling process to supply thermal energy to large hotels or commercial/residential buildings in the area, and water that has flown through the cooling system can be used for plant watering and flushing.

With new alternative energies such as solar energy and thermal energy recovery I just mentioned, and with comprehensive waste recovery, Kai Tai will become a model eco-city in Asia.

The use of the term "creative industries" has recently been very popular. Although the SAR Government has lately been busy tackling the melamine and minibond incidents, the FHKI and I welcome the establishment of a dedicated office for the creative industries and the Internship Programme under the Innovation & Technology Fund by the Government. We think the two new measures can effectively promote the development of creative industries, and research and development in Hong Kong, both being conducive to the development of our economy into a high value-added and knowledge-based economy. The word "creative" embodies originality new ideas and new perspectives; and new ways to tackle problems, seek opportunities, develop new technologies and change the market; while "design" is a tool for putting originality into reality and the practical application of concepts. I have already discussed this during the Budget debate in April this year, but the SAR Government only puts resources for creative industries into digital entertainment, and concentrates on universities in regard to scientific research. It fails to benefit other industries and the fruits of scientific researches are not successively transformed into products of commercial value.

President, food safety is a hot topic these two months. Quite a large number of FHKI members are engaged in the manufacturing and retail sales of food and they attach great importance to assuring safety of food for consumption. In case of suspected incidents of food hazards, people will not have confidence in buying the food products concerned and they will be much less willing to buy similar products. Then, goods cannot be sold and retailers, wholesalers and food manufacturers would have to recall their products. Since producers cannot sell new products while old products are piling up and perishing, they would have suffered heavy losses before the food products are proven to be tainted or otherwise. For this reason, I hope the Government can adopt new ideas and aims at exhaustiveness when drafting the legislation. For instance, it should enhance efficiency of food inspection and expedite the handling process to resolve possible food safety incidents in the future.

President, I so submit.

PROF PATRICK LAU (in Cantonese): President, industry players (especially the Hong Kong Institute of Architects) and I agree in principle and commend the proposals in the policy address on energy and green policies. The policy address puts emphasis on co-operation with Guangdong and jointly transforming the PRD Region into a green and quality living area which is consistent with the macro planning concepts that we have all along advocated.

I particularly welcome the proposal in the policy address on increasing the proportion of natural gas for local electricity generation from the current 28% to 50%. But I hope the authorities concerned would expeditiously complete their studies so that a more specific timetable will be presented shortly in order to expeditiously improve our air quality.

Insofar as natural gas for electricity generation is concerned, I would like to say in passing that the CLP Power Hong Kong Limited (CLP) decided in September to give up the construction of a Liquefied Natural Gas Terminal Receiving Terminal on the South Soko Island. Such being the case, when is the Government going to present an implementation timetable of the marine park to fulfil the Chief Executive's undertaking to promote environmental protection? In response to a question raised by an Honourable Member in early 2007, the Secretary for Economic Development and Labour explicitly stated that the Government would present an implementation timetable upon finalizing

resources allocation for the marine park. If the Government can shortly establish a marine park while establishing a Geopark, it will be a big step forward for our ecotourism development, which will strongly promote the smooth implementation of coastline enhancement and waterfront improvement projects.

The proposed establishment of a district cooling system in the Kai Tak Development is a very creative proposal that will help promote energy conservation and efficiency. In fact, there are similar small-scale facilities in Taikoo Place and the Science and Technology Parks. The Administration can collect relevant information and consider their efficiency. This plan would hopefully complement the comprehensive energy and carbon audits conducted by building owners and the government measures to subsidize energy efficiency projects. Furthermore, the Green Building Council will soon be established as a complementary measure. Also, the scheme will be gradually implemented in all parts of the territory following the mandatory implementation of the Building Energy Codes by way of legislation. President, I stress that Hong Kong, being a densely populated city, obliges the Government to evaluate without delay the problem of energy wastage by outdoor lighting installations and the impacts of light pollution on the public.

President, we must start adopting multi-faceted strategies for the satisfactory implementation of a green policy. There is a close link between various aspects of our daily life and the quality of our environment.

Hong Kong is a modern metropolis and we also have a precious natural environment. Given that there have been increasing imports of problem food, and as the Government always advocates establishing and promoting Hong Kong brands, why does it not consider the development of quality organic farming in Hong Kong? Mr WONG Yung-kan has also raised this point just now. If the Government strongly supports the development of organic farming in Hong Kong to facilitate the production of healthy live chickens, vegetables and fresh fish, we will then be able to eat whatever we like and the community will no longer be on tenterhooks.

On the policy front, the Government should also promote and subsidize green recycling industries such as the earthworm composting, pollutant-absorbing-bricks and recycled paper manufacturing that have a lot of potential for development. Mr Andrew LEUNG has just expounded the issue in detail. There was a news report yesterday about lots of collected waste paper

held up in the harbour. Furthermore, our landfills are gradually filled up and the Government is at a loss as to where the wastes should be disposed of.

In regard to land policy, would the Government consider temporarily using some lots for the development of the recycling industry? Although many products cannot be sold at high prices, Hong Kong still needs a variety of industries. I am not sure if those engaged in the financial industry would like to switch to the recycling industry, but I hope the authorities concerned can seriously review the relevant policies and expeditiously assist the development of the related industries.

As far as creative industries are concerned, it is stated in the policy address that the Government is going to set up a dedicated Creative Industry Office. I hope this Office is really capable of co-ordinating the work of various government departments and will closely co-operate with industry players. It is particularly important to give creative young people more channels and job opportunities to give full play to their knowledge and skills. The Government should host different competitions; not only the building competitions that I have often referred to but also graphic design, production and fashion design competitions. Now that the Government's publicity materials are very often unsatisfactory, why does it not let young people apply their creativity? Insofar as the education system is concerned, students should be given more exposure to creative works and room to apply their creativity. President, I would like to draw your attention to the word "room"; I am not only talking about "space" in the eyes of architects. Creativity cannot be learnt and students who are imperceptibly influenced by what they constantly see and hear would have their potentials developed, yet, they should be given room for free creation. Creative thinking can only be fostered this way.

Industry players and I support the removal of the original site of the Central School from the List of Sites for Sale by Application as announced in the Chief Executive's policy address. As stated in the policy address, its planned use will be for creative industries and education, and the revitalization plan will take into account the history and characteristics of the area along Hollywood Road. It is my hope that the approaches and ideas of historic building revitalization can be followed through in the context of the second batch of historic buildings under the Revitalizing Historic Buildings through Partnership Scheme, and that we would shortly be informed of the progress of the revitalization of the Central Police Station (CPS) Compound.

However, I wish to reiterate the point that all revitalized historic buildings should not be turned into food establishments or shopping centres. Industry players have reservations about the plan to designate Haw Par Mansion as a wine centre. Although the place have been left vacant for a long time, even if the plan to revitalize and reuse the place is desirable, the Government should not give any industry preferential treatment as it may constitute market intervention. Furthermore, applicants under the Revitalizing Historic Buildings through Partnership Scheme can submit various proposals on the use of buildings. If the Government points out in advance that it is biased towards business operation by some industries in some buildings, it will appear contradictory and unfair, and it will put limitations on creative revitalization proposals. It is my sincere wish that the Government would review the revitalization plan under this project.

I so submit. Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): I am very glad that Secretary Carrie LAM and Secretary Dr York CHOW are still present. In fact, I would like to follow up certain issues, and the first one concerns public health.

As the Secretaries may be aware, we have recently visited different districts with District Council members. We carried out an anti-rodent operation in Mong Kok in May, and we inspected the Po On Road Market in Sham Shui Po, the Kowloon City Market, the Lok Man Sun Chuen and many other public housing estates. We found that the rodent problems for people in the neighbourhood were more serious than I had imagined, and the situation was even more serious than that in Mong Kok. For example, a trader in the Po On Road Market told me that he had been hospitalized for three months because of the rodent problem. Also, some old people in Lok Man Sun Chuen had fallen ill after they got scared by rodents.

I have exchanged views with the Secretaries on this point earlier on. I would like to know if the Government has actually considered and reviewed the core issues related to the anti-rodent and anti-mosquito schemes. Has it suited the remedy to the ill in deploying human resources for anti-rodent and anti-mosquito operations? We have met officers from the Secretaries' offices and visited Guangzhou and held meetings with experts there. We concluded that the methods adopted in Hong Kong appear not to be effective at all.

Many experts have been appointed at high salaries in terms of the salary levels in Hong Kong, but the rodent and mosquito problems remain unsolved. I hope the Secretaries will give us updated information and let us know whether the Government has drawn a lesson from the painful experience and made a radical plan. Although the District Council I am working with has carried out publicity work such as giving away leaflets, these superficial and simple tasks cannot solve the core problem. Hence, the Secretaries are expected to take follow-up actions.

Moreover, I would like Secretary Carrie LAM to follow up another issue. Yesterday, I talked a lot about the problem with the West Kowloon Waterfront Promenade. I would like to raise this with the Secretary again. Insofar as the planning of the West Kowloon Waterfront Promenade is concerned, more than 30 District Council members, having conducted specific studies, considered that it is feasible. In the light of the Secretary's response earlier this morning, it seems there is no hope and the Government is not going to make any long-term planning. Given the applications for works at a value of \$70 billion, will we and West Kowloon residents see a waterfront promenade in the future? In spite of the fact that some areas may meet difficulties in the meantime, we would still like to know if this would be possible. It appears to me that the Secretary has not made an explicit response today concerning the West Kowloon Waterfront Promenade.

Second, insofar as greening along the coast is concerned — this is actually consistent with my remarks yesterday — as small and medium enterprises are now looking for crucial business opportunities, I really hope the Government would cope with their efforts in respect of the new projects on environmental protection and greening along the coast in terms of training, employment and tenders for projects. Regarding the transformation of local workers, I believe local workers can join some new and popular industries after two to three years' training. It is my hope that the Government would conduct an inter-departmental study to better equip enterprising unemployed people and enable them to rejoin society and exert their influence two years or so later. Thank you, President.

MR KAM NAI-WAI (in Cantonese): President, I am going to express on behalf of the Democratic Party our views on the policy areas of environmental protection, heritage conservation, arts development and library services covered by the policy address.

President, the policy address has devoted great lengths to discussing measures related to air pollution and environmental improvement. The Democratic Party welcomes the Government's extensive coverage of these issues in a bid to address the issue of environmental protection squarely. The Government should step up efforts because our environment has been seriously threatened and many Hong Kong people who are hard-pressed by the financial tsunami would like the Government to do more.

First, in connection with air quality improvement, the Democratic Party welcomes the timetable proposed in the policy address on the conduct of consultations on reforming our air quality objectives and the implementation. The current air quality objectives have been adopted for more than 20 years and they practically cannot reflect the actual situation of air pollution. The Democratic Party thinks that the Government should formulate at once an explicit timetable for the gradual introduction of the air quality standards of the European Union and the World Health Organization into Hong Kong. And the Government should also propose comprehensive measures for air quality improvement.

When the Democratic Party submitted to the Chief Executive our suggestions on the policy address earlier this year, we already expressed — I discussed this not long ago — our hope that the Government would first alleviate the roadside air pollution problem. In this connection, we have made two suggestions: first, it should expeditiously phase out highly polluting vehicles; and second, it should restrict access by highly polluting vehicles to busy areas with poorer air quality.

We have discussed time and again the Government's subsidy scheme for old vehicles that encourage owners of pre-Euro and Euro I vehicles to replace their vehicles. Franchised buses should be covered by the scheme, and the Government can also purchase old buses for scrapping at their residual value through the subsidy scheme. However, even if bus companies are willing to join the scheme, the new buses bought with the subsidies should not be counted as the net assets of bus companies lest they should have an excuse for fare increase. This point is very important.

Also, after the conclusion of this subsidy scheme, the Government should mandate the retirement of all pre-Euro and Euro I vehicles by increasing licence fees for these old vehicles or rejecting the licence renewal of these vehicles to compel the vehicle owners to buy new vehicles as quickly as possible in order to improve air quality on roads.

Second, the Democratic Party requests the Government to establish "low emission zones" in areas with poorer air quality, limiting access by highly polluting vehicles. In particular, the Government can carry out pilot schemes in such districts as Yau Tsim Mong, Central, Wan Chai and Causeway Bay. We hope the Government will adopt this shorter-term policy so that the target could be achieved within three years.

The Administration generally charges licence fees according to the cylinder capacity of vehicles. Looking into the future, the Democratic Party thinks that this licence fee charging method should be revised, and the Government should charge vehicle licence fees according to the carbon dioxide, nitrogen oxide and suspended particulate emissions. The Administration should encourage people to replace their vehicles with environmentally-friendly vehicles to improve air quality on roads in Hong Kong.

Concerning the control on greenhouse gases, we welcome the gradual process for phasing out tungsten bulbs and subsidizing energy efficiency works in buildings. We all know that the principal source of pollution by greenhouse gas emissions is the power plants and the Democratic Party thinks that the Government also needs to regulate carbon dioxide emissions by power plants which account for 64% of the greenhouse gas emissions. Although the Government has not included such a provision in the agreement just concluded with a power plant, in the long run, it should include a provision on limiting carbon dioxide emissions in the agreements to be concluded with power plants, to achieve the long-term target of reducing carbon dioxide emissions.

An Honourable colleague has just mentioned the recent incident about waste recovery. The Government's practice in municipal solid waste management is totally ineffective. It has not adopted such measures as licensing or regulating the source of waste recovery in old districts that have substantial impacts on our environment. The latest news reports reveal that recyclers are at a loss as to where to dispose of recovered wastes. The Government cannot tackle the problem as it did in the past through measures that treat the symptoms but not the diseases. It should look for thorough solutions instead. The Government has recently proposed expanding the landfills and building waste incinerators, which are not thorough solutions. It is most important for the Government to tackle the source of the problem, that is, the production of waste by the public, and consider how such waste could be reduced, recycled and reused. In connection with municipal solid waste management, the Government should make greater efforts and do a better job.

Next, I would like to turn to the light pollution problem. We have received many complaints against light pollution lodged by people in many districts such as Mong Kok, Wan Chai, Causeway Bay and the Central and Western District. The Government has undertaken to make legislation and I hope it will not focus only on energy conservation for it also needs to consider the impacts of light on people's work and rest, a subject that warrants study in the context of legislation. The public should be consulted and the legislative process should commence shortly so that our environment could be really improved.

Having talked about environmental protection issues, I now turn to heritage conservation. Paragraph 106 of the policy address mentioned revitalizing the Central School, and it is stated that the revitalization plan will take into account the history and characteristics of the area along Hollywood Road. This is the Government's "first step" in monument revitalization and it has not focused on a single building only. The overall planning of the area is consistent with the proposal of "point, line and surface" on the direction of heritage conservation made by the Government in a consultation exercise sometime ago. Unfortunately, the consultation was not fruitful and the Government can only resort to measures that treat the symptoms but not the diseases. After all, it is a good start because the Government has taken into account the whole area along Hollywood Road rather than only focusing on the Central School.

The Democratic Party has suggested the establishment of a historic centre before. With Hollywood Road as a start, we wish the Government would adopt our proposal on the establishment of a historic centre. It is also applicable to other regions in the light of louder voices in the community urging for heritage conservation. If the Government still concentrates on single buildings, it would not echo people's sentiments. Also, we have suggested that the Government should consider the establishment of historic centres in drawing up Outline Zoning Plans. The Government would have to consult the public with respect to the demolition and construction of buildings, to better meet the demands of Hong Kong people for environmental protection. The Government should work more and at greater depths and in wider coverage, or it will not meet people's expectations.

Concerning the Central School mentioned just now, moreover, the Government should not only focus on the area along Hollywood Road because there are many historic buildings in the vicinity such as Kom Tong Hall, the Government Hill, the Graham Street redevelopment and the Wing Lee Street redevelopment (H19). The Government should take into account a wider area

rather than just focusing on a single street. Its review should take collective memory, different cultures, habits and customs into consideration. The Government should make greater efforts in heritage conservation.

Third, I would like to talk about library services because I used to be Chairman of the Committee on Libraries of the former Urban Council. The development of library services is not mentioned in the policy address and the Government has only touched upon cultural and recreational diversity as well as the WKCD development. The Government will spend tens of billions of dollars on the WKCD development but it has not made enough efforts in regard to library services. One of the purposes of public libraries is supporting continuing education, and libraries facilitate self-study and further studies by the public. I think continuing education is now part of the local culture and library services are in great demand. Nevertheless, our planning standard only prescribes one library for every 200 000 people, which fails to meet the public demand for library services.

When District Council members discussed the extension of library opening hours in the past, all of them would like the opening hours of local libraries to be extended. However, as we can observe now, a lot of libraries are now closed when people finish work and they are also closed in holiday evenings. Thus, the services provided are insufficient. There would not be libraries in most places if the planning standard of one library for every 200 000 people is upheld. There are district libraries and small libraries but the Government has almost put a freeze on establishing libraries. I hope the Government would not put all the resources into the WKCD development. The services provided by some district libraries are highly important to people pursuing further studies and those who wish to gain broader exposure, and in enriching the cultural lives of Hong Kong people. The Democratic Party is going to do more proactively in respect of library services and is looking forward to the Government's active response.

Lastly, I will discuss the WKCD development. Our society will become more and more concerned about cultural and arts development after the completion of the WKCD development, and it is our expectation that Hong Kong will not only be an international financial centre but also a cultural metropolis. But it is a great pity that the Government only attaches importance to hardware in promoting cultural and arts development in Hong Kong. It has spent tens of thousands of dollars on the WKCD development, for the construction of large complexes for example, but it cares much less about cultural and arts software such as the nurturing of local artists and subsidization of arts development.

The Government has only repeated throughout the policy address that it will enhance our cultural software but there are few new measures. It looks as if the Government is "frying cold rice" in respect of most measures — it is only expanding and promoting old arts subsidy schemes or allocating more funds for such schemes. The measures taken are far from enough. The Government has just concentrated on subsidizing performing arts groups that are relatively mature, but it has not sufficiently helped the independent development of arts groups. Hence, some new arts groups only have limited subsidies from the Arts Development Council. The Government should expeditiously review its current practice in subsidizing and funding these arts groups and explore other ways to subsidize these groups and facilitate their operation.

In fact, we used to discuss these issues frequently during the time of the Urban Council and it is really disappointing that there is not any thorough solution so far.

Last of all, I would like to say how the Government can give artists and street performers more opportunities of staging performances. Owing to the Government's stringent control, there is a lack of performance venues for arts creators and performers and the Government should offer help by relaxing control. These artists should be allowed to stage performances in more public places so as to encourage the integration of arts into the communities by various means.

President, I so submit and I am looking forward to the Government's active response to my remarks. Thank you, President.

MR CHAN KIN-POR (in Cantonese): I would like to express my views on the health care reform and green policies. The recent economic downturn is not going to change the fact that we have an ageing population and our health care expenditure will increase substantially in the future. The working population will go on decreasing and reduced government revenue is anticipated. The Government can brook no delay in solving the worsening health care expenditure problem which will become even harder to solve if it goes on procrastinating. For this reason, I support the Government's conducting the second-stage public consultation on health care reform and the financing options, and I hope there will be broad community consensus and feasible solutions would be formulated. Since it takes time to make legislation and it takes four to five years to establish the management system, further consultation is needed for purpose of reaching a broad community consensus. Establishing the relevant system and making legislation without delay would ensure prompt implementation.

I understand people's worries about contributions. I believe all of us know of an economic cycle; there is now a low tide but I trust that the situation would become better a few years later. If the scheme is so designed that contributions have to be made in future, we can make decisions later in light of the economic situation then and we need not put the matter aside because of the prevailing economic downturn. This proposal will only be put into effect a few years later and we can then make financing arrangements at once if necessary. These are my views about the health care reform.

Concerning green policies, I strongly agree to the Government's work on improving air quality and reducing greenhouse gas emissions. The issue has been extensively covered in the policy address, which is good progress. Power generation is the principal source of pollution in Hong Kong and the Government has made a lot of efforts. For instance, the requirement on emission reduction after 2010 and the 45% reduction in emission by some power plants are the major steps forward. However, there are presently 30 000 pre-Euro diesel commercial vehicles and 17 000 Euro I diesel commercial vehicles on the road, causing serious pollution. The Government has earmarked \$3.2 billion for the replacement of these vehicles but only less than \$300 million has been used so far. The Government should launch more attractive schemes as quickly as possible to encourage the vehicle owners concerned to replace their vehicles so as to make the air in Hong Kong cleaner. More attractive incentives should also be adopted to encourage buses, ferries and vessels entering the harbour to use ultra low sulphur diesel as well as reduce the emission of sulphur dioxide, suspended particulates and black smoke, in order that our environmental conditions can be improved early.

Why am I highly concerned about these issues? Because I had discussed them with multinational companies when I was contesting the insurance sector seat in the Legislative Council election. They said that Hong Kong had done very well in such areas as the rule of law, freedom and clean government and surpassed Singapore in many aspects, but we were lagging far behind Singapore as far as tackling air pollution was concerned. If the Government could do more in this respect, I believe it can certainly increase our competitiveness. I used to work in multinational companies and this issue was certainly discussed whenever I had meetings with other multinational companies abroad. They had the environmental problems of Hong Kong in mind when they commented that we had poor competitiveness. The Government should consider environmental protection as a desirable investment which will create a favourable environment for our future generations and let them see a blue sky with white clouds more often. Thank you, President.

MR ALBERT CHAN (in Cantonese): President, this year's policy address is titled "Embracing New Challenges". Certainly, there are lots of challenges in the wake of the financial turmoil and numerous problems in our society, but I think this policy address has overlooked and paid no attention to the most important and toughest challenge to humanity. It is because the ultimate service target of any governance, any government and any public policy must be the people. The most important point is whether people would benefit from the governance, policy objectives and initiatives of the Government.

President, I have criticized for many years in this Chamber that government policies have been biased in favour of large consortia. The Government prefers the fine-sounding description of "big market, small government", and it allows manipulation and monopolization by financially strong and powerful consortia. The Lehman Brothers Minibonds incident demonstrates clearly how the law of the jungle works in a "big market, small government" situation. Deceived and bullied ordinary people have been cheated out of their lifelong savings. The Government has undertaken to conduct an investigation, but two months have swiftly passed by and its investigation has yet to be concluded. I wonder if we have to wait taking the Tin Shui Wai problem as an example, I had been talking about the issue for eight years but nobody bothered until a family of three jumped to their death one day, which suddenly woke up the whole society. I wonder if the Government would like to wait until the Lehman incident victims have gone into a blind alley and tragedies have occurred to expedite tackling this problem. The Government has adopted this utterly inhuman approach for many years and it appears indifferent as long as nobody dies. Despite the Government's emphasis on "embracing new challenges", the policy address still lacks in humanity.

Let us look at the situation in Hong Kong. A United Nations report released sometime ago points out that Hong Kong has the most serious problem of the disparity between the rich and the poor in Asia. It is saddening and humiliating for Hong Kong to have such an unpleasant problem under the leadership of the Secretaries present. In spite of their comments about how Hong Kong would become prosperous and how the development of our economy and financial system can be promoted, they have made Hong Kong a place in Asia with the wealth gap problem at its worst. Compared with Austria and many European countries where the Gini Coefficient ranges from 0.25 to 0.3, Hong Kong has a Gini Coefficient of 0.53. However, the Government has proposed nothing in this inhuman policy address to tackle the disparity between

the rich and the poor and the poverty problem. Thus, this policy address should be presented in white characters on a black background rather than carrying a blue cover. Using white characters on a black background serves to prove that the Government making these policy objectives is evil-minded and devoid of a conscience. The Secretaries present are going to follow through this inhuman policy direction devoid of a conscience.

For many years, lots of people have asked us to point out problems with the "fruit grant" and Comprehensive Social Security Assistance (CSSA). The Government has somehow made its response to the "fruit grant" issue especially after Mr WONG Yuk-man has thrown the bananas. It seems as though the Government is suddenly roused.

President, if the Government does not tackle the poverty problem and introduce a universal retirement protection scheme early, it will continue to walk into blind alleys. Lots of people have lost money under the Mandatory Provident Fund (MPF) schemes. The latest information shows that the MPF schemes have an accumulated depreciation of \$28.9 billion in the third quarter. Calculating on the basis of 2.427 million employees and self-employed persons in Hong Kong, each person has lost \$11,947 on average. This is the evil consequence of the Government allowing MPF investments to be managed by financial institutions. When we discussed this issue a few years ago, many people asked the Government to assume the responsibility of management, and not to allow companies euphemised as management companies that tend to exploit and extort interests from investors to cheat ordinary people out of their hard-earned money. If the Government implements a health care financing scheme, I would like to warn it beforehand that the League of Social Democrats (LSD) will resolutely oppose it. At that time, we may not only hurl bananas but also even durians. The Government should not consider implementing a health care financing scheme because it is basically employing financial skills to cheat ordinary people out of their hard-earned money.

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

Deputy President, a lot of problems concerning people's livelihood have yet to be solved but the most important problem of them all is the problem concerning housing needs. Deputy President, ordinary people have been forced

to pay high rents following the Government's suspension of the Home Ownership Scheme (HOS). At present, the rents for partitioned rooms in old districts with areas below 100 sq ft have increased to \$2,000 to \$2,500. "Care for the People", "Effective Governance and Social Harmony" and "Hong Kong Our Home" are headings in the Chief Executive's policy address, but if people do not have a dwelling place, the Chief Executive would just be talking nonsense. The Government's policy objectives are biased in favour of the large consortia and compelling people to pay high rents and buy costly flats. "Effective Governance and Social Harmony" seems impossible; it would cause resistance and perhaps unrest. For this reason, I think the Government must once again produce and sell HOS flats, and pace up public housing development. Let us take a look at the production of public housing and HOS flats back in the 1980s and 1990s, when 10 000 to 40 000 public housing flats and 10 000 to 20 000 HOS flats were produced each year. A total of 30 000 to 50 000 public housing and HOS flats were produced each year. Yet, only 10 000 to 20 000 private and public housing flats were produced in the past two years. Given a housing shortage, the living conditions of the grassroots will certainly be very unstable. In the face of unemployment and other problems, ordinary people putting up with rent pressures will surely become increasingly furious.

Deputy President, taking the transport subsidy as an example, the Government has done something for workers living far away from their workplace. The LSD has suggested for two years in a row that the Government should raise the income limit to \$8,000, and make the scheme applicable to various districts because regional discrimination does not make sense. It makes no sense at all for the transport subsidy to be given to workers living in Tin Shui Wai, Yuen Long and the North District who work in the urban areas, but not to workers living in the urban areas or Tsuen Wan who work in North Lantau. Without partiality, the Administration putting emphasis on "Care for the People" should give all workers living far away from their workplace a reasonable transport subsidy irrespective of their district of residence.

About old buildings, the Government has for years talked about implementing compulsory building inspection by the public by way of legislation. In fact, Encouraging the maintenance and rehabilitation of old buildings is an important way to create employment opportunities when there are economic problems. Hence, we have proposed year after year that the Government should grant partial tax exemption for expenses on building maintenance and give residents some sort of tax concessions. This is nothing new and it has been the

practice in many other countries. Yet, the Government has obstinately stuck to a wrong course and refused to accept our proposal throughout the years.

Insofar as policy objectives are concerned, President, the LSD's proposals to the Government are about "lending a hand to the weak and enabling both the rich and the poor to live in harmony", but the Government has been indifferent. One of our proposals asks the Government to set up a \$20 billion grassroots livelihood improvement fund. It would be best for the Government to allocate money for the purpose when it had a \$100 billion surplus last year. The Government should make hay while the sun shines and put money into the fund when it is resourceful to help people improve their lot. Now that the Government may not have enough money and life has become harder, the Government may not be able to offer help to alleviate or improve the conditions of the people. This reflects its lack of foresight.

Ten major infrastructure projects were mentioned in the policy address last year, but it has been all thunder but no rain for none of the projects has been implemented. In our opinion, the Government should make reference to the Airport Core Programme in 1991 that consisted of 10 connected projects in implementing these projects. A Policy Bureau should be designated to co-ordinate these projects and a working group should be set up to ensure these projects would not be affected by the problem of co-ordination among departments or problems concerning the resources of individual departments. This would avoid partial implementation or delays caused by improper handling by technocrats. The Government often promotes public works for the creation of employment opportunities and I hope it would help Hong Kong tide over the difficulties brought by the financial turmoil. There was a political crisis when Sir David WILSON introduced the projects in 1989, but there is an even more serious confidence crisis today, so the Government must expeditiously promote the taking forward of these 10 projects. As far as I have observed, however, the Government does not have the determination or vision to do so. I believe more may be said than done as far as these projects are concerned because the Secretaries are largely technocrats. In 1989, the projects were speedily implemented after Sir David WILSON had announced them; the case today may be totally different. Let us wait and see a few years later if my judgment and analysis are right. Although the Government has talked about these projects for five years, the projects may not be implemented and they might not be completed 10 years later. The expressions "having high aspirations but little ability" and "fastidious but incompetent" may aptly describe the thinking and governance of the Government.

Secretary Dr York CHOW has a wide range of responsibilities, especially in the area of hospitals, and I have discussed with the Secretary issues like the Tin Shui Wai Hospital and Tung Chung Hospital. I hope the hospitals would be completed soon and I am pleased to learn that the Tin Shui Wai Hospital is scheduled for completion in 2015. I believe it would be a benevolent government act for the residents in the local community if it could be expedited by a couple of years.

I have had arguments with Secretary Dr York CHOW about chickens under his portfolio. The importation of only 1 000 day-old chickens into Hong Kong every day cannot solve the problem. I met a group of chicken farm operators, day-old chicken wholesalers and representatives of the transport sector in Yuen Long this morning; all of them had lots of complaints, saying that life was really hard. The financial turmoil has victimized many ordinary people but, for ordinary people who made a living by selling chickens over the past 40 years, the chicken culling policy or policy on extinction of the poultry industry is even harsher than the financial turmoil. I hope the Secretary would be roused and would not be misled by his subordinates who would only distort the facts and tell him part of the story. An Under Secretary told us the other day that there was no problem with supply; he also told us that he used to be a teacher. I wonder if he used to teach students all sorts of junk. Government officials are not supposed to make such subjective assertions or be so indifferent to people's needs and interests. If the Government continues to behave this way, I can imagine people protesting outside the Office of the Chief Executive, bringing with them day-old chickens, chicks and rotten eggs.

Some have brought up the problem of fuel prices, but I think the problem of food prices is also serious. Food prices are quick in rising but slow in dropping, and oil and rice prices have caused grievances among the ordinary masses. When I go to the market, I find that the prices of pork, beef, oil and rice are high, not to mention fuel prices. I have just returned from Canada where fuel prices have fallen to a very low level. The price of fuel is still \$15 per litre in Hong Kong and a comparison can hardly be drawn against the low fuel price of US\$70 per barrel now. There is a fuel price oligopoly under which prices rise at light speed but drop at a snail's pace. The interests of ordinary people are exploited, and the Government will only demonstrate once again its weakness and incompetence if it continues to allow oil companies to run wild and manipulate prices.

Deputy President, The Link REIT problem has been discussed for many years. With the exception of a few Members, all Honourable colleagues in this Chamber supported the listing of The Link REIT. But facts have proven that the decision was absolutely wrong and the experience was painful. The price of The Link REIT shares keeps dropping; The Link REIT raised \$34.1 billion in capital in the past but, on the basis of the price of The Link REIT shares in these few days, its shares are only worth \$27.6 billion now. The Government should really consider buying back The Link REIT. It does not necessarily have to return The Link REIT to the Housing Authority, instead, it can set up an independent body to manage the properties concerned because The Link REIT has substantially increased rents by 10% to 20% and even three to four times. It still increases rents by three to four times and even refuses to renew tenancies in the present circumstances. Even shops that have operated for 20 years or so do not have their tenancy renewed because The Link REIT adopted a high-handed approach and refused to renew their tenancies. The Government will only make life even harder for the people if it continues to allow these tyrannical organizations and persons to manage essential facilities closely related to the people's livelihood. In the wake of a financial turmoil, there will be more serious impacts.

Deputy President, Mr WONG Yuk-man, Chairman of the LSD, also criticized the whole policy address as "tall, big and empty" and even utterly "tall, big and empty". As I have just criticized, the policy address is inhuman; when there is an inhuman policy address, we will have an unscrupulous society and the ordinary masses will encounter greater difficulties. Our teachers taught us when we were small that "tyranny was fiercer than a tiger", if the Government is not roused and it fails to understand people's problems and continues to adopt inhuman approaches, it will not be able to alleviate people's difficulties.

Donald TSANG announced not long ago that the "fruit grant" would be increased to \$1,000 and that a means test would not be introduced, but he considered the community's discussions irrational. Rational analyses and awareness is essential to public policies but perceptual identification is equally important. As the Government was biased in favour of and closer to large consortia, it gave them over \$10 billion tax rebate and rates refund when it was financially affluent. He did not talk about rational analyses because he draws a clear distinction in affinity difference in his perceptual identification. Rebates were given to large consortia that he considered close even though they had high income and substantial profits. Why was he not close to the elderly? The Government has not been close to the disadvantaged and it has all along lacked

perceptual identification. I hope the Government would be roused. Instead of making "tall, big and empty" remarks and making a mess, which would make people all the more discontented, Mr TSANG as the highest leader should follow the example of Premier WEN Jiabao who has perceptual identification with ordinary people and the general masses. Thank you, Deputy President.

MR TOMMY CHEUNG (in Cantonese): Deputy President, first of all, I would like to focus my discussion on the Food Safety Bill. The Liberal Party and I strongly support the Bill and we hope it would be passed soon.

However, I hope the Administration will learn a lesson from our deliberations on the bill related to the labelling scheme on nutrition information last year and do a good job of the consultations. It should not tell us that industry players have been consulted when it introduces the Bill into this Council though it has not seriously tackled the practical problems raised by industry players.

The Bill involves complicated issues, for instance, how to ensure the operators of street-side stores and small retail shops can conduct sample checks on goods or verify the health certificates attached to the goods on their own. How can we ensure that the authorities will base on impartial and reliable judgments when making food recall orders? How can industry players file an appeal if they are not convinced? Will it be very troublesome and involve high lawyer's fees? Can the authorities speedily conduct sample checks on problem goods so that we will get the results shortly? How should the problems of the storage and husbandry of live and fresh food products be handled?

I am looking forward to the Administration giving us a detailed account on the above issues when it tables the Bill.

The Administration must understand that, if anything goes wrong with the recall arrangements, industry players may suffer huge losses. I suggest the Administration should make hay while the sun shines and set up a compensation and interest-free loan fund to assist innocent industry players in case of food incidents. This will avoid industry players closing down as a result of transient cash flow problems, and more importantly, it can help them pay employees' salaries lest employees should lose their jobs.

I would also like to remind the Administration of doing its best to ensure food safety and bearing in mind that prevention is better than cure. However, the legislation on recall of problem food or putting in place a mandatory registration scheme and the requirement for food traders to maintain proper records of food product transactions only promote better tracking of food incidents, which will only be effective when problems have emerged. They are measures to treat the symptoms but not the diseases, and will only tackle problems faster. The fundamental point is to step up prevention in order to curb problems before their deterioration. The Administration may not be able to do so.

The Administration must start tackling the problems in the following ways:

First, with the increasing demand for sample checks, the Administration must consider how it can enhance co-operation between the Government Laboratory and private laboratories; in particular, it must consider briefing out non-emergency laboratory tests.

Second, the Centre for Food Safety (CFS) must step up information collection, especially given the rapid development of food technologies. The Administration must ensure that new chemical components, pesticides or veterinary drug residuals come under the scope of monitoring and inspection. It should deploy additional manpower to browse the Internet for information rather than only relying on official websites. For instance, some said the unofficial websites on the Mainland had reported news on melamine in milk products long ago. The Administration might as well set up a special investigation team to conduct special sample checks in response to similar news, thus showing us that it is forward looking.

Third, the CFS must step up co-operation with industry players, especially small and medium enterprises (SMEs) that have limited capacity to conduct sample checks. In case SMEs considering the introduction of new products are not sure if the products contain illegal substances, the Administration should make its best efforts to help them conduct laboratory tests. The Administration should not penalize these industry players and shirk responsibilities onto them when problems are found in the course of routine monitoring and sample checking.

Apart from food safety, the most urgent task now is to rescue our economy. We must be aware that businesses will shrink during an economic downturn, and

alleviating people's difficulties is a knotty problem. Ironically, the Food and Health Bureau insists on not relaxing the number of live chickens to be imported, forcing people to pay more for live chickens.

When 30 000 live chickens were imported daily, the Administration told us that the risk of avian flu would be greatly reduced. Why is it reducing the number of imported live chickens to 5 000 daily and what risk assessments has it made beforehand? The number is only one sixth of that before, and there is a big difference. Nevertheless, the Administration has not explained the reasons for this. Even though the retail price of live chickens has risen to more than \$40 per catty as compared with more than \$40 each in the past, the Government has remained indifferent.

The Administration is adhering to the policy it has all along adopted, that is, leaving the live poultry industry to become "dried up" for ease of governance. Now that 70% of the live poultry retail stalls have voluntarily surrendered their licences under the policy concerned, the live poultry industry will definitely be withering.

Notwithstanding this, I hope the Administration would consider the need to ensure the supply of freshly slaughtered chickens to food establishments at reasonable prices to consolidate our position as a Gourmet Paradise, instead of allowing the prices of chickens to be raised artificially as it has done with live chickens.

I would like to offer the Administration a piece of advice. Rather than smothering the live poultry industry and dealing another blow to our catering industry, it might as well require the Food and Health Bureau and the relevant departments to explore the remodelling of our live poultry industry. It should assist our agricultural industry in developing high value-added farms. Live chickens should be slaughtered on the farms and the hygienic freshly slaughtered chickens should be transported to and sold at public markets and food establishments in various districts in order to preserve and maintain the characteristics of our food culture.

The Administration should also relax the licensing requirements for retailers only selling chilled chickens, and facilitate their business operation by permitting them to open sealed plastic bags and sell chickens in pieces.

I wish to speak in fairness to industry players supplying day-old chickens. The Administration has employed administrative tactics to smother the live poultry industry, substantially reducing the monthly demand for day-old chickens from 450 000 to 30 000. Does it not have the responsibility to make compensations to industry players supplying day-old chickens?

In addition to the live poultry industry in difficulty, many places of entertainment, especially bars, are in a pitiable plight. Secretary Dr York CHOW undertook to explore the feasibility of setting up "smoking rooms" when the Smoking (Public Health) (Amendment) Bill 2005 was passed in October 2006.

Two years have passed, and the Administration would impose a total ban on smoking in indoor public places in six types of premises starting from 1 July next year. They include bars, mahjong clubs, mahjong/tin kau clubs, bathhouses, massage establishments and nightclubs only for patrons aged over 18. Would the Government complete its study on the feasibility of setting up "smoking rooms" before this deadline?

The experience of karaoke establishments tells us that these places will lose a large number of smoking patrons after the imposition of a total ban on smoking. Going north to Shenzhen is a preferred weekend pastime activity for the usual patrons. I am not sure when we will have an economic recovery now that there is a global financial tsunami. Yet, it will soon be 1 July 2009 and if "smoking rooms" are not set up then, places of entertainment in Hong Kong such as bars will be more badly hit and there will be one disaster after another.

The damages done by the financial tsunami on the catering industry gradually became evident in the past two weeks. Instead of tightening control, the Administration might as well focus on improving the business environment of the catering industry and creating more business opportunities.

In the first session, I already asked the Administration to grant rent reliefs to public market stalls under the Food and Environmental Hygiene Department and the wholesale markets under the Agriculture, Fisheries and Conservation Department. I also urged the Administration to offer concessions for various types of food licences; expedite the application processes of alfresco cafes; and further consider relaxing the relevant requirements so that the remaining "Tai Pai Dongs" can be handed over to operators other than immediate family members; as

well as consider the establishment of "Tai Pai Dong" precincts to complement tourism development. At this critical moment, the Administration must speedily assist the catering industry in tiding over difficulties in an all-round manner.

Deputy President, I wish to discuss in passing the relationship between the catering industry and the Bureau. I hope the Secretary would sincerely assist industry players after listening to my remarks. In making legislation, the Secretary should not only focus on protecting public health, especially when there are enough supporting votes in this Council, or think that the representatives of industry players are only speaking for industry players to the neglect of public interest. This is not right.

The Secretary may say that he has never got such ideas. In the course of drafting and scrutiny of bills, I really hope the Secretary will pay more attention to the problems of industry players and explain to them why the Administration finds so and so unacceptable. When he is convinced to implement the measures, I believe all industry players — who are also members of the public and also want to have healthy food — would support all the bills proposed by the Secretary. After Members have agreed to support a bill, they very often discover there are problems with the details. Other bills will soon be introduced into this Council, I really hope Members would sincerely co-operate. Having discussed the Secretary's attitude towards industry players, I also hope industry players would be open towards all bills. We as representatives of industry players can then act as an intermediary and balance the interests of both parties. With people's health as the major premise, the interests of industry players must not necessarily be protected but the Administration should at least consider whether the interests of their business operations can be protected when making legislation. Thank you, Deputy President.

MS AUDREY EU (in Cantonese): Deputy President, on behalf of the Civic Party, I will speak on the policy area of environmental protection.

Deputy President, it worries me a lot that environmental protection is treated like a "second fiddle". Why am I saying so? I guess the Secretary is aware that environmental protection is a matter of concern to many people in Hong Kong. Therefore, in terms of the degree of concern, environmental protection is often ranked second. But unfortunately, our Government always acts like a fire engine or a fire-fighting brigade. It can only perform one task at

a time. Now, in the face of the financial tsunami, the Government has promptly focused all of its energy on this front by making a high-profile move to specially set up the Task Force on Economic Challenges.

I have no idea when environmental protection can make it to the top so that the Government can focus all of its energy on it. I am not saying I hope the Government can only deal with one matter at a time. However, it appears that our Government is only capable of dealing with one matter during a period of time. This is why I am very concerned that environmental protection is being treated like a "second fiddle". This might be denied by the Secretary when he speaks later. He might even point out that the part entitled "Hong Kong Our Home" consists of nearly 20 paragraphs discussing environmental protection matters, along with a number of appealing concepts such as low carbon economy, electricity generation by natural gas, energy audits, cooling system, as well as such proposals as studying light pollution, incandescent light bulbs, and so on, to deny accusations that environmental protection is being treated like a "second fiddle".

Today, Deputy President, I would like to discuss with the Secretary the problems identified when I read the policy address with respect to the part concerning environmental protection. The first problem is lack of substance. Why I am saying so? Let us read the part entitled "Developing the PRD Region into a Green and Quality Living Area". Our Government is really good at naming and creating slogans. The Deputy President should also recall the slogan "Clean Air for a Cool Hong Kong". After a while, the slogan seemed to have disappeared. It is not mentioned again this time around. Then, there was a new slogan "Green Lives", and now "a Green Living Area". After reading the three paragraphs from paragraph 92 to 94, Members will find that no specific measures have been proposed, and no one has any idea about how to achieve a "Quality Living Area".

Furthermore, the expression "low carbon economy", as mentioned in paragraph 95 of the policy address, sounds very pleasant to the ears. However, have concrete measures, such as wind power, been proposed? The answer is no. How about raising the target of renewable energy application from 1% to 2%? We have no idea because nothing about it is mentioned in the policy address.

Deputy President, on 28 January this year, a document CB(1)-647/07-08(18) was submitted by the Government to this Council. According to the document, the Government will make grid connection

arrangement whereby grid connection will be arranged for renewable energy users. However, no progress has been made since then. It was only until this Monday that the issue of offering 1% of the quota to new power plants entering the market was discussed at the meeting of the Panel on Environmental Affairs. When the Under Secretary was asked whether grid access would be provided, he replied it was a separate issue. Not only had he failed to give us a reply, what he said was also devoid of substance. How can the economy be promoted? What does low carbon economy mean in concrete terms? Therefore, the first problem with the policy address is that it lacks substance.

Deputy President, the second problem is, despite having substance and concrete measures, the policy address lacks a timetable. The policy address mentions that the proportion of natural gas used for local electricity generation will be raised from 28% to 50%. Deputy President, while this proposal is certainly sound, a timetable has yet been proposed. Such being the case, when will the proposal be implemented? Deputy President, when we talk about an ultimate proposal, even universal suffrage has now been given a timetable — 2017 and 2020. Whether or not this is acceptable, we have somehow got a timetable. However, when will the objective of raising the proportion of natural gas used for local electricity generation from 28% to 50% be achieved? Nothing has been said about this.

Furthermore, when will light pollution be regulated and incandescent light bulbs banned? Deputy President, even though the Government has merely mentioned studying the matter, a timetable should still be provided. When will a consultation paper be submitted for discussion? Deputy President, we have got nothing at all. Even if we look up the policy agenda, we can still not find any timetable.

When it comes to a timetable, I must say a few words about the Producer Responsibility Scheme (PRS). Deputy President, as the Secretary should recall, the Policy Framework for the Management of Municipal Solid Waste (Policy Framework) was published in 2005. Deputy President, the Policy Framework not only mentions a timetable, but also sets out several types of products covered by the PRS, including plastic bags, electrical and electronic equipment, vehicle tyres, and so on. Originally, the timetable for enacting legislation was 2007, including legislation to be enacted for packaging materials and beverage containers in 2008, and rechargeable batteries in 2009. Deputy President, 2008 has almost come to an end, and we are fast approaching 2009. So far, the

Government has merely enacted primary legislation for the PRS. Even if the levy on plastic bags is taken into account, the levy is still not implemented because the Government has to discuss with supermarkets about specific measures to be taken.

Therefore, Deputy President, even though the policy address mentions the introduction of the PRS to cover electronic products, no timetable has been offered. I must remind the Secretary and the Chief Executive that there is a serious time lag, because the date of implementation should be 2007, according to the original timetable. As for other products, not even a single word has been mentioned about them in the policy address. No reference to rechargeable batteries is found. I wonder when a timetable will be available. Deputy President, despite repeated attempts by green groups to pursue the matter, nothing has been disclosed so far. Even a timetable is not available. The lack of a timetable demonstrates that there is a lack of determination. In other words, nothing can be implemented.

Deputy President, another issue concerning a timetable is that the policy address mentions the implementation of the second phase of the energy efficiency labelling scheme. Deputy President, if we take a look at places around the world, we will find that there are eight types of products in Canada are subject to energy efficiency labelling, nine each in the United States and the European Union, 17 in South Korea, and 20 in Japan. As for Hong Kong, we were originally not too bad. We were doing quite well at the initial stage. Launched 13 years ago in 1995, our Mandatory Energy Efficiency Labelling Scheme covers 18 types of products.

Deputy President, 13 years down the line, we have legislated for only three types of products, namely air-conditioners, refrigerators and compact fluorescent lamps. Now, the Chief Executive indicates in the policy address that the Government will "actively study" the second phase. Deputy President, I have no idea how many phases it will take for all the 18 types of products to be included. Will there be a third or fourth phase? Deputy President, without a timetable, we can hardly see whether the Government is truly concerned about this issue. This is why I said that environmental protection was being treated like a "second fiddle".

Deputy President, the third problem is caused by a lack of effectiveness, even though the relevant proposals have substance and timetables. The Deputy President should recall that \$3.2 billion was allocated in the previous policy

address to lure 74 000 pre-Euro and Euro I vehicle owners to replace their vehicles within 18 months. The Deputy President should also recall that the initiative was considered by us at that time not entirely feasible. Now, the case appears to be so. With the passage of a year, what is the situation now? Only around 10% effectiveness has been achieved. Of the \$3.2 billion, only \$320 million has been used. In other words, only around 7 000 vehicles out of the 70 000-plus vehicles have been replaced. Hence, it was decided in September that the scheme be extended by 18 months.

The same goes for this year's policy address. A total of \$450 million will be allocated from the Environment and Conservation Fund to subsidize building owners to undertake carbon audits and energy efficiency projects. Deputy President, talking about the Environment and Conservation Fund, \$1 billion was also injected into the Fund in last year's policy address. However, with the passage of one year, from March last year to April this year, only \$35 million, or approximately 3%, has been spent. Deputy President, if the situation remains unchanged, it will take 30 years for the Fund to be exhausted. It is thus evident that the Government's programmes can very often be described as "all thunder but no rain".

Deputy President, the Secretary might argue that \$1 billion has already been allocated, only that no applications have been received. However, is the vetting and approval procedure too stringent? Very often, the Government really has to look further afield. It cannot expect its plans to come to fruition merely with the allocation of a sum of money.

Let us take Britain as an example. Several years ago, a climate change action plan, comprising a green landlord initiative, was introduced in London. According to the initiative, a partnership is forged among building owners, real estate agents, and the British Government to encourage owners to undertake energy audits. Those found to have met the standards will be issued with a certificate to prove that their properties consume less electricity, thus raising their market value. As the leader of the entire scheme, the British Government has a thorough understanding of the psychology of the building owners, real estate agents and tenants. Furthermore, the entire scheme is well-planned, and support facilities and details are available, too. In its previous as well as present policy address, our Government has only presented us with a figure and a sum of money without discussing with the relevant industry. For instance, regarding the use of Euro IV and Euro V vehicles, can assistance be offered to vehicles owners to

resolve their problems? Can the vehicles be used on a trial basis? The Government should take one more step in dealing with a lot of issues like these. However, our Government has failed to do so.

Deputy President, the fourth problem concerns low objectives. I was quite excited when the Chief Executive came to paragraph 91 in delivering the policy address in the Legislative Council. According to the Chief Executive, the air quality objectives have to be reviewed giving due regard to the World Health Organization (WHO)'s guidelines — this is exactly what the Civic Party has been fighting for a long time. I thought at that time: Can we make it this time? Later I found that we could not possibly make it. Deputy President, it is found that only a level-one interim target is provided in the WHO's guidelines.

Some green groups pointed out afterwards that this standard was extremely low indeed. If we calculate the standard in terms of PM10 respirable suspended particulates, Hong Kong's existing standard is 180 ng/cu m per 24 hours. Should the Chief Executive's proposed interim target I be adopted, the standard will be lowered by a very small margin from 180 ng to 150 ng. This is a far cry from similar standards adopted in Japan or the WHO's standards.

Anthony HEDLEY from the Sociology department of the University of Hong Kong has recently written to Members of this Council, pointing out that our health will be at risk if the relevant problems are not regulated or the air pollution objectives are not made stringent enough. In my personal opinion, not only will our health be jeopardized. As pointed out by many colleagues in this Council before, the competitive edge of the territory will also be affected, because many people from overseas hope to come to Hong Kong for living, investment and immigration purposes. However, they find the territory's air pollution unacceptable. Deputy President, I do not know what should be done so that the Government would raise its concern about the air pollution problem to the top level as well as raising the relevant objectives.

Deputy President, the fifth problem concerns climate change studies. Actually, such studies are being undertaken by the Government at the moment. However, the policy address has not mentioned this issue. Secretary Edward YAU might express disapproval later by pointing out that issues related to warming such as low carbon economy, energy efficiency in buildings, energy audits, and so on, have been mentioned, which are all related to climate warming. But more importantly, we hope to see preparations made in major issues, directions and strategies such as emission reduction targets, adaptation strategies,

and development of renewable energy. Furthermore, it must be borne in mind that Hong Kong is obliged to submit a report to the State by 2010 to facilitate the country's fulfillment of its obligation under the United Nations Framework Convention on Climate Change by compiling national communications. There is actually little time left.

The sixth problem I wish to point out is unclear demarcation of responsibilities. Problems relating to trees were mentioned by colleagues in their speeches today and yesterday. Actually, this is an issue of great concern to Hong Kong society. Although the killing of a person by a falling tree in Stanley caused a great uproar earlier, we have still not seen this policy address mention anything about tree conservation. In the past, no one was given charge of tree conservation due to unclear demarcation of responsibilities. As a result, no attention was paid and no felling action was taken even though some trees were obviously on the verge of collapse. After the fatal incident, however, we notice a pendulum phenomenon, with actions swung from one extreme to another. As a result, all trees with some minor problematic forks or branches slightly branching out would be hacked. We have also received many complaints concerning cases like these.

Hence, this problem must be addressed and the Government should come up with a comprehensive set of policies. Furthermore, experts should carry out studies for regulation and conservation, and advise on ways to conserve the remaining trees in the territory. However, we can observe that the policy address has mentioned not a single word about this.

In brief, Deputy President, if we can raise our concern for the environment to the prime position, the Government would not have introduced so many fragmented initiatives, as if harping on the same tune, without any progress and concrete timetables. While there are indeed many slogans, the date for ultimate implementation is still not known.

Deputy President, I hope the Secretary can tell us in the response later if the authorities are truly determined to implement the numerous proposals put forth in the policy address. If the Government is truly determined, it should provide us with a concrete timetable.

Thank you, Deputy President.

MR IP KWOK-HIM (in Cantonese): Deputy President, the policy address has a chapter called "Care for the People" and this is an apt description of the heart-warming services provided by the Government. As home affairs work has to face the masses, the public, it follows that it is there that they can best feel the care of the Government for them. So I wish to speak on that topic and I will talk about the views of the DAB on aspects like building management, the nurturing of athletes and youth affairs.

With respect to building management and repair and maintenance, Deputy President, now there are about 13 000 old buildings in Hong Kong with an age of more than 30 years. Many of them are buildings in bad repair, prone to serious incidents like spalling concrete from external walls and falling of window frames. These pose dangers to the pedestrians. Pinpointing these problems, the Government has formulated some measures in the hope that the conditions of these old buildings can be improved by requiring the owners' corporations (OCs) to take part in various subsidized schemes of building repair and maintenance. In my District Council constituency, that is, Central and Western, I have received many cases about requests from the Government for building repair and maintenance. But the problem is now that there are all sorts of loans and subsidy schemes for repair and maintenance offered by the Development Bureau, the Housing Society and the Urban Renewal Authority, and so on, with different thresholds, the consequence is that the real users, that is, the OCs and members of the public, are quite confused. Even if they have spent some time studying these schemes, they may not be sure about which particular scheme will best suit the tenants or the owners.

I would like to point out that the management of private buildings is both complicated and cumbersome. The repair and maintenance of buildings is only a part of this kind of work. There are also things like the hiring of a management company, the handling of accounts and cleaning common areas, and so on. All such work is beyond the ability of the small owners to grasp within a short period of time. After the Government has made it clear that legislative work on mandatory building and window inspections will be undertaken in 2009, all the old buildings in Hong Kong will require full inspections and repair and maintenance. The DAB is worried that OCs are unable to cope with the stringency required of building inspection and repair work, given the limited knowledge of the small owners. Therefore, the DAB suggests that the Government should consider providing systematic training for owners, and members of OCs and mutual aid committees. Certificate-awarding courses may

even be organized so that small owners and executive committee members of OCs who are committed to improving their homes can gain a full and in-depth understanding of building management.

Deputy President, another very important issue is the water leakage problem found in private buildings. The problem has been affecting and disturbing members of the public. But I think government departments have been shirking their responsibilities in this and they fail to offer any assistance to the public. Although the Government has set up a joint office in 2006 formed by the Buildings Department and the Food and Environmental Hygiene Department specifically tasked with the handling of water leakage complaints, the progress of the cases handled is very slow and this gives an impression that the departments are being sloppy and negligent of their duty. This has caused a lot of grievances among the small owners.

Let me give an example. I have handled many leakage complaint cases and some of them have been lodged for three years but to date they are still not solved. And owners and tenants have to face the problem of the spalling of plaster from the ceilings and the problem of leakage current in electric wires and switches. Sometimes when we make a site inspection, I do not even dare to touch the switches for in some cases sparks would come off and there is a smell in the walls. The tenants are badly disturbed. There are many unresolved cases because of the unco-operative attitude shown by the owner of the upper floor. Also the money involved in civil proceedings has put off many owners. As a matter of fact, in 2007, the joint office handled some 13 000 cases and there were only 37 cases in which prosecution was instituted against unco-operative owners. But that is not the result of the problem being solved. Our colleagues who are members of the District Councils have received a large number of such cases. From this it can be seen that the joint office is powerless in dealing with this problem. In investigation conducted by the Office of The Ombudsman this April has pointed out the shortcoming of the joint office and, that is, its loose organizational structure. It does not have the reality that befits its name. In name it has put the staff of the Food and Environmental Hygiene Department and the Buildings Department under the same roof, but officers from the two departments do not have any superior and subordinate relationship. The investigation also says that the office does not oversee the consultancy firms with sufficient vigour. The result is that the efficiency of investigation carried out into the leakage complaints is very low.

The DAB hopes that the Government can undertake a review of this as soon as possible and revamp the organizational structure and manpower establishment to add in departments that are well-versed water works and law. This will enhance the credibility of the joint office in handling cases to the benefit of owners who have to tolerate bad living conditions.

Deputy President, next year Hong Kong will host the East Asian Games. This is another big event for the sports sector in Hong Kong. The sports sector and I myself hope that the East Asian Games would be a success like the equestrian events of the Olympics so that our image in hosting international sporting events can be upgraded. However, as Hong Kong is now in the midst of the financial tsunami, I am worried about the possibility of the Government not injecting enough funds to host a sports event that is both spectacular and glamorous, one that will not make us lose face.

It is known that the Games will incur a total expenditure of \$240 million, with the Government meeting half of it. The other half, that is, \$117 million, will be met by revenue. According to what Secretary TSANG Tak-sing has said earlier, now a sponsorship of \$60 million has been obtained from the business sector and the sports sector. In other words, a sum of \$57 million is still outstanding. Although it is hard to predict at this stage whether or not the income from the box office and the sale of franchised goods will be able to cover the shortfall, I hope that the Government should not have a fine start and a poor finish in hosting the East Asian Games. If any problems should appear, I hope the Government can take contingency action, including coming to this Council for assistance. As the representative of the District Councils in this Council, I hope that the Bureau concerned can forge closer co-operation with the District Councils on the East Asian Games issue and seek the support and involvement of the District Councils. I believe this will enable more benefits to be brought to Hong Kong by this spectacular event.

In addition, in the meeting of the Home Affairs Panel, quite a number of Members are concerned about the performance of our athletes in the Olympics and similar competitions. We can see that both money and determination are needed in grooming outstanding athletes who can capture titles for Hong Kong in international sporting events. Although the Government has put in close to \$800 million to improve the facilities of 12 sports complexes, it is not quite willing to inject funds into training up athletes and to offer them better career prospects. I would like to point out that an athlete's career is very short and they have limited

career choices upon retirement. If the athletes are to devote their body and mind to training, the Government must offer them comprehensive protection in employment. This includes arranging for the admission of incumbent and retired athletes into universities and post-secondary institutions to enhance their academic qualifications and vocational skills. This will reduce their worries about the future.

Deputy President, the Chief Executive professes "care for the people", but in the development of youth affairs, I would think that he does not have the will and determination to take this forward. The Chai Wan Centre for Youth Development which is built at a cost of \$750 million will become fully operational in early 2009. The Centre has experienced a lot of delays and, as Honourable colleagues in this Council know, it has taken 10 years from initial proposal to final commissioning. It seems that the Government does not attach too much attention to this Centre. What we find in the policy agenda is only one sentence and, that is, "prepare for the commissioning of the Centre for Youth Development". This is most disappointing to us indeed.

The DAB calls on the Government not to work behind closed doors. The special working group in the Home Affairs Bureau should take active steps to study how this Centre can be put to the best use to dovetail with the development of youth affairs. We suggest that the Centre be used to promote national education among the young people, hold international conferences for young leaders, organize international youth exchange schemes, offer youth leadership training schemes, and set up an exhibition centre for young artists. I hope the Government can listen carefully to the views on youth development and how the Centre for Youth Development can be best used as voiced by the young people and district groups. This will give full play to the functions of this Centre built at a cost of some \$700 million to \$800 million.

I so submit. Thank you, Deputy President.

DR PAN PEY-CHYOU (in Cantonese): Deputy President, I would like to speak on environmental protection, but I would approach the issue from the perspective of employment.

In the past 60 years or so, Hong Kong rose from the ruins and rubbles of the Second World War and developed into a very modernized and advanced city.

In tandem with the gradual development of society, the public mindset has changed from a desire to earn a living to embarking on a quest for excellence and quality in life. Those of us who live in Hong Kong would all want a good and beautiful environment to live in. We want to breathe fresh air, walk in tree-lined boulevards and enjoy ourselves in spacious country parks. We have come to be increasingly concerned about nature conservation and we strive to cut waste and pollution.

At the same time, the economic restructuring of Hong Kong has also brought some important changes to our economic structure. When the quest for quality life and economic restructuring go hand in hand, there is actually a complementary relationship existing between the two. This is like the interlocking relationship of the diurnal and the nocturnal. Economic restructuring has resulted in some skills becoming obsolete and many people are forced out of work. They too will need to transform, learn some new skills or engage in another kind of work. This is happening every day. On the other hand, the quest for excellence among urban dwellers can provide a substantial amount of job opportunities and part of this surplus labour is thus absorbed. In this regard, we think that although the Chief Executive has proposed many green projects in the policy address and the Government has devised plans for the coming year in which efforts will be made to improve the work in environmental protection, when we look at these projects carefully, we will feel somewhat disappointed. It is because these projects are formulated from the technical and legal perspectives, but there seems to be nothing to address the employment issue. We think that this is an omission.

I will first talk about green industries. Green industries would include a number of aspects. The first is recovery. Materials recovered will be separated and then processed and sold. For a green industry that is mature enough, these aspects can become the links to a chain of industries which need a large amount of manpower. In recent years, as the economy and industries in the developing and emerging countries like our Motherland are fast developing, the result is soaring prices in raw materials. Hence the recovery of wastes has become a lucrative business and many job opportunities are thus created. Many people are engaged in these jobs not because these jobs and companies arise as a result of government encouragement but they have appeared by themselves. Hence, the green industry is increasingly vital to the low-skilled workers. This is especially the case for those grassroots who want to earn a living with their own efforts and do not want to rely on public assistance. Many of them engage in the green industry and waste recovery operations.

We can still read newspaper reports about old people who earn a living by picking carton boxes. We are concerned about this. There are in fact many of these old folks around and they want to make a living by their own efforts. They want to earn some money to help them live a better life while they can still move around. What they are doing is in a sense also green work and it is also waste recovery. Despite the fact that green industries have fed this group of disadvantaged people, it is unfortunate that the Government does not attach much attention to green industries. We can therefore learn about stories of companies in the green industries closing down because of financial reasons. In the policies formulated by the Secretary for the Environment, we can see that the development of these industries should be monitored, but no mention is made of how these industries should be assisted in practice. We must know that profits from the green industries are not that much and often there is little incentive to draw capital investment into the market. However, there is a big difference between green industries and other industries because the former can have positive implications on our environment.

We know that a lot of waste is produced in Hong Kong every day. Now it is said that the landfills can no longer serve our growing demand and parts of the country parks may have to be hived off as landfills. We are upset on reading such stories. We wonder if there would come a day when all the lands in this tiny territory will become landfills, to such an extent that the very ground on which we stand may have buried waste or toxic materials that will not decompose even after millions of years. For those vast stretches of land, apart from putting a layer of soil on top of them and growing some grasses, there cannot be any other use for them. It follows that we cannot approach the green industries from the same perspective as we do with other industries.

From what we have seen so far, the Government seems to be playing the role of an observer who keeps a close watch on the developments. Has the Government ever thought of giving protection and assistance as appropriate to the green industry at its infancy before it can grow up? It is because at this time when the economy slows down, the green industry is at its most vulnerable moment and it may just go out of existence. This is our situation right now and when this industry disappears in Hong Kong, we would certainly regret its demise. The wastes that could otherwise be treated by the industry will become wastes again and they can no longer be recycled for use again. As representatives from the labour sector, what we regret all the more is that many people will lose their jobs and they will fall into the safety net of social security.

In other words, the Government will have to pay from its pocket all the same. So if the Government can use this sum of money to finance the green industry, it may not be a loss to the public coffers after all.

Another related issue is beautifying the environment. Beautifying the environment also requires a large amount of labour. If we would just look around, we will find that there is still a lot of room for improvement in the appearance of the city we live in. There are many places where weeds are growing and pruning is badly needed for the trees and flowers growing there. We can also find that the trees in some places are excessively pruned and the crown of the trees has become low and scanty. I have done some horticulture work myself and I know why excessive pruning is carried out. This is because of the lack of time and manpower and in order that trees will not require frequent pruning, so the trees are pruned to such an extent that they appear leafless. In this way, another pruning would be needed only after a long time. This is what people who engage in city appearance work will know. It is not that they are ignorant. But they are doing that deliberately, for they know that the plants must be heavily trimmed to make them grow slowly until the next time when pruning is needed. This shows that there is a manpower shortage for such work.

In the urban areas we can often see some debris or building materials or some garbage dumped by people. And no one is clearing these up. Or we may see some public facilities broken and no one is there to repair them. I do not think that this is because the Government cannot allocate any funds to buy materials for replacement, but it is mainly because of a manpower shortage. So I think the Government should undertake a review of the policy on beautifying the environment. And it must not approach the situation from improving the environment or from the activities, products and the results associated with the green industry, but it should instead adopt the approach of employment, increase the commitment to beautifying the environment and improve our living space. Actually, this will benefit all the people of Hong Kong while creating more jobs.

The Federation of Hong Kong Trade Unions believes if that the development of the green industry must be taken forward in a systematic and sustained manner with planning. The policy addresses in the past have mentioned the green industry and various green measures. But as we can see, the effects are not so satisfactory. We think that green efforts must be carried out in an inter-departmental, cross-sectorial and public-private partnership

manner. Therefore, I think the Government should take the lead and spearhead the operation, consult public opinion extensively and assume a co-ordinating role.

In this session, I would also like to talk about conservation issues, too. A quality living environment includes one with cultural profundity. Buildings with historical, cultural or aesthetic value are often tourist attractions in a city. These buildings or areas with unique characteristics radiate a charm that is hard to resist. They create a unique milieu in the city. I do not think I need to go into overseas examples to illustrate that point. There are in fact many buildings in Hong Kong with distinct qualities, that is, those with historical or aesthetic value. But unfortunately, some of them were demolished in the past when Hong Kong people had a weak conservation awareness. The example that has left the most lasting impression on me is the old General Post Office Building in Central. Many young people may not have a chance to see this building, but I am lucky enough to have seen it. Then there is the Railway Station in Tsim Sha Tsui and the recently torn down Star Ferry Pier. Examples abound in various districts. I can give two examples off-hand. They are the Lan Kwai Fong in Central and Tai O. These are places that should be preserved. From this it can be seen that these buildings or places with great conservation value are actually treasures that should be dearly cherished. They are not only a kind of spiritual heritage, but in fact they can bring us all sorts of benefits in tourism, and so on.

However, as we can see, the authorities are wavering on the issue of conservation. An example is that in the past couple of years, we could see that some social incidents occurred because of the demolition of buildings with historical significance, for while there was a need for development in society, this was met with voices calling for the preservation of these buildings and so conflicts and clashes arose.

A Member — I remember it was Ms Audrey EU — mentioned earlier the issue of old trees. At the beginning, the Government was very concerned and the relevant departments made inspections all the time, especially after a heavy rain or a typhoon. The reason is that they knew that some trees were not safe but they did not dare fell them. And so some fatal accident occurred and after that the authorities said immediately that many other trees had the same problem and they were all felled. This event makes us feel that there is no clear-cut position on the part of the Government and it does not know what it should do. If only there is pressure from a certain group, the Government will tilt its policy towards that side and at times some self-contradiction is created. It may say at

the beginning that something is going to be pulled down, but later on it says that it should be preserved. Or it may say at the beginning that something is to be preserved, but later on it says that it will not do and it is felled. This gives people an impression that it is very weak and if that goes on, it will really undermine the credibility of the Government. Thus this sort of wavering attitude gives people a negative impression.

Conservation is a public concern and public engagement is therefore very important. Hence we think that the Government should conduct a thorough review of the conservation policy and start some comprehensive and extensive consultation. Though divergence of opinions may appear in the course of consultation and discussion, some sort of mainstream views can still be deduced for the purpose of formulating a clear policy direction. Then procedures on conservation can be compiled to make such efforts institutionalized. We are sure that this will not only enable a big step forward to be taken on our path to becoming a world city, but it will also enhance the Government's prestige in governance.

I so submit. Thank you, Deputy President.

MR ABRAHAM SHEK: Deputy President, this second session of the debate is on quality city and quality life. I shall briefly touch on quality city. What do we mean by quality city? That I do not know, nor do I have an answer, for quality is like beauty, Deputy President, it is in the eyes of the beholder. A city evolves over time, reflecting the character, culture, and the market needs of the place and the people who inhabit there.

Look at New York, look at London, look at Beijing, look at Shenzhen, and even look at Shanghai now, and then let us look at Hong Kong. They were there and they are there now, not because they were planned by planners hiding behind their desks. These cities were developed by the developers, the shopkeepers, the residents, the office workers, and street sweepers, and so on. We all have a role and an important part in making what constitutes a living city.

A quality city or a living city has colour, life, and most importantly, the resilience and also a market need for it to develop. Once all these are gone, it becomes a slump. Look at Sham Shui Po, look at Mong Kok, look at the other old places. Planners have attempted to build new cities within our city. Look at the failure of Tsim Sha Tsui East, look at Tin Shui Wai, look at the rows and

rows of monotonous buildings of public housing blocks which are devoid of design and attentiveness to the needs of the participants living there. The Government cannot tell the market where to build, how to build, what to build, and the Government must not forget the true fact and must ask: who to build? It is for the market to decide who to build, and the developers build what the market needs.

Today's quality life and quality city is often being misinterpreted by small groups of well-intended vested interest individuals, as a place should not have wall-effect developments and there should be a lack of skyscrapers. Yes, there are places where these developments of wall-effect type, over-height structures and high density should not be there. Who should be responsible for these types of developments? Not the developers, for they build what they are paid for, they build according to prescribed laws, and they build according to what the market needs.

No developments can survive and be built without the consumers' demand. The delinquents responsible for these types of developments are, and should be, the Government and its subsidiaries like the MTR (look at West Kowloon), the KCRC (look at northwest New Territories) and even the URA which is now building and building in the old district. Instead, it should be preserving. The Government also has double standards in dealing with its own developments and those of the private sector. It freely builds to its heart's desire, and then, after building what it thinks is enough, it restricts the private sector through administrative means, limiting developments through Outline Zoning Plan (OZP) measures.

Now, let me talk about this new trend of OZP in overall blanketing of height restrictions in the different areas of Hong Kong. In the Chief Executive's policy address of 2007, he stated that "..... a slight reduction of development density can increase the distance between buildings and upgrade building design. This will enhance the vista of the buildings and improve ventilation." Subsequently, the Executive Council directed the Town Planning Board (TPB) to review the matter and implement measures to address this issue.

Under the guidance of the Planning Department (PlanD), the TPB is now introducing height limits throughout the urban areas, through systematic amendment to, and re-gazetting of, OZPs, including many which have previously

been approved by the Executive Council and used as a basis for investment decisions by both individual and corporate investors alike.

This action raises three principal and fundamental issues.

Firstly, the lack of due process in the planning system whereby, through simple administrative means, the PlanD and the TPB can bring into effect significant planning changes which affect the life and economic status of individuals and companies, all without public consultation or an effective, independent appeal process. Clearly, this cannot be allowed to continue in the interest of promoting community engagement and open and transparent government.

Secondly, the absolute lack of a proper assessment of the long-term effects of such changes on the quality of life of Hong Kong citizens and the economic impact on the city itself.

The quality of decisions made by the PlanD and the TPB by imposing height limits, ventilation corridors and non-building areas based on a simplistic, prescriptive approach without due consideration to:

- sound urban design principles;
- proper technical analysis; and
- the competitive need to build buildings today with specifications, including floor-to-floor heights, suitable for the 21st century.

Every city is in a state of continuous evolution, as I said earlier, and with Hong Kong endeavouring to position itself as Asia's World City, our home cannot be any exception. It is therefore imperative that planning policies and decisions are not just focused on a short-term response to small, noisy, vested interest groups, well-intentioned as they may be, as is now the case, but rather, they should be based on a more thoughtful process geared towards improving the quality of life and economic well-being of the city.

Hong Kong has evolved from a manufacturing economy to a service-based model in the last three decades, with some 91.2% of the GDP represented by the service sector which is creating employment for 85.6% of the workforce. Given

these high percentages, it means the room for growth is limited unless Hong Kong can stay in the top tier where it is currently competing not only with the truly world cities such as London and New York, but also with rising regional aspirants such as Beijing, Shanghai, Shenzhen and Singapore. We therefore need to respond with improved and more spacious living accommodation, green spaces and cultural facilities, as well as high quality and flexible office and business premises which can cater to the needs of multinational companies, SMEs and entrepreneurs.

With the height limits now being imposed, and in many cases densities reduced, the ability of investors/developers to create value and improve the cityscape is being eliminated. Redevelopment in many instances will be rendered impractical and uneconomic, so the ability of the city to respond to challenge and competition will be materially reduced. For example, Kwun Tong. The best thing is for them to build a park. Could this be possible? The answer is "no".

In the collective interests of the community, the present trend must be halted and replaced with a publicly debated and agreed statement of urban design intent, thereby allowing owners, developers and designers the freedom to propose solutions to satisfy the intent without compromising public interest.

With these words, I so submit.

MR IP WAI-MING (in Cantonese): Deputy President, we would like to express our views on oil prices in this session because quite a large number of members of the Hong Kong Federation of Trade Unions are professional drivers.

Deputy President, the fact that oil prices had gradually become a topic of growing concern to the public over the past year has compelled the Government to respond to the issue of oil prices in this year's policy address. There is a general concern about whether oil companies have taken advantage of the rising trend of global crude oil prices to create conditions for oil companies to be quick in raising and slow in reducing oil prices. The transport industry has expressed strong dissatisfaction about this. However, the policy address has not responded to their aspirations, especially the aspirations of professional drivers. Even though global crude oil prices have fallen sharply by nearly 60% over the past three months, the retail oil prices of local oil companies have still not seen

marked reductions. According to a document submitted by the Government to this Council last Friday, the import price of petrol was adjusted downward in September by less than HK\$1 compared to the price in July. Although crude oil and refined oil products are not entirely identical, the gap between the two is quite marked.

Although the policy address puts forth the idea of promptly adjusting prices in tandem with international oil price movements and enhancing the transparency of prices, no specific or short-term initiatives have been proposed to help achieve transparency of oil prices in a clear and specific manner. What the Government has done so far is to publish on the website of the Environment Bureau information on "Monitoring of the Retail Prices of Auto-Fuel". Furthermore, the Consumer Council will publish the prices of oil products, cash concessions and rebates of various oil companies later. Although these initiatives will slightly help enhancing the transparency of prices, we think they cannot help avoiding the situation in which oil prices are "quick going up, slow coming down". Actually, some measures were taken by the Government in the past. For instance, in 2003, in a bid to liberalize the fuel market, the Government introduced new oil traders in an attempt to lower fuel prices through competition, though the results achieved appeared to be negligible. On the contrary, some people in the market or the community even queried whether the newly joined fuel traders and the existing operators could possibly form themselves into a cartel in controlling oil prices. Therefore, we consider the initiatives proposed in the short paragraph of the policy address are actually nothing to write home about. Nothing has been proposed to offer concrete assistance for professional drivers to reduce their cost in this respect.

Front-line professional drivers are the first to bear the brunt of high oil prices. At present, all taxis and some public light buses in the territory have switched to liquefied petroleum gas (LPG). Since the implementation of the LPG taxi and light bus scheme, however, the price of auto-LPG has more than doubled, dealing a heavy blow to the operation of professional drivers. With the worsening of the economic environment, front-line professional drivers will find business even more difficult. Therefore, we think that it is even more imperative to assist them in carrying on their business in terms of fuel prices.

Hence, I hope the Secretary, in the response later, can tell us what concrete measures the Government have come up to offer assistance to professional drivers in terms of oil prices, or ameliorating the situation in which oil prices are "quick

going up, slow coming down". We hope the Government can put forth more concrete measures in this respect and, most importantly, ensure that these concrete measures can really benefit consumers as well offering them rebates. This is because we do not hope to see fuel traders continue to stand to benefit from reductions in fuel levy, whereas front-line professional drivers are not benefited all the same.

Thank you, Deputy President. I so submit.

DR SAMSON TAM (in Cantonese): Deputy President, the Chief Executive mentions in paragraph 44 of the policy address his determination to promote the development of creative industries. Actually, it has been several years since the Government started talking about creative industries. However, the development of creative industries in Hong Kong has been unsatisfactory. Let us look at one of our neighbours, Korea, with online games being one of its successful creative industries. It only takes the country less than eight years to make it to the top spot from scratch not only on local soil, but also in places all over the world. Our creative industries, however, have not seen any results so far. While we agree entirely with and pin high hopes on the Chief Executive's proposal to create a Creative Industry Office, we hope the Government can break away from its traditional mentality of confining itself to the narrow scope of movies and music this time around.

Nowadays, creative industries and the popularization of the Internet are closely related to the emergence of new media. It is therefore imperative for the Government to better exploit its creativity and create favourable conditions for the creation of more new opportunities for these industries. However, from the current policy perspective, it seems that the HKSAR Government has not yet realized these problems.

Deputy President, I think the Creative Industry Office has to address three key points as follows:

The first key point is to review restrictions on cross-media ownership because the restrictions on cross-media ownership actually exist in name only and certain consortia are even avoiding the relevant legislation by exploiting the grey areas. It is therefore imperative for a fresh review to be conducted in this regard. The emergence of new media can definitely complement traditional media in

acquiring more scope for development and achieving a synergy effect. If Hong Kong is to develop knowledge-based economy and creative industries, it should encourage cross-media operation with greater freedom and openness so that they can continue to thrive and, finally, go beyond Hong Kong and gain edges in regional competition. When the provisions for restricting cross-media ownership were enacted, we could not possibly imagine the information revolution could have developed to the stage we are currently witnessing. Therefore, the relevant Ordinance has already become obsolete. Many overseas governments have already conducted reviews in this regard. In my opinion, the Government's mentality and the existing legislation must keep abreast of the times.

The second key point is to tackle the barrier to enforcement against Internet infringement. The Copyright Ordinance will very often be involved when we talk about creative industries. Despite the Government's ongoing consultation on and amendments to the Copyright Ordinance, the results achieved hitherto are still unsatisfactory. Many international record companies have recently pulled out of the Hong Kong market because of infringement problems and difficulty in law enforcement. Even newly emerged Internet music platforms, such as iTunes, do not feel relieved in creating platforms in Hong Kong because of infringement problems, thus denying many creative artists in Hong Kong an online sale platform. Actually, there is no lack of legislation in Hong Kong, only that much difficulty will be encountered in enforcement. In particular, a deadlock might be resulted as Internet service providers might not be willing to co-operate fully under the existing legislation. I see that many overseas governments are playing a more proactive role in creating a favourable environment. I hope the authorities concerned can yield some results in promoting collaboration between Internet service providers, content providers, and users. Only in doing so can we achieve results conducive to promoting the development of creative industries.

(THE PRESIDENT resumed the Chair)

The third key point is to assist local creative industries in developing the mainland market. I think Honourable Members will very much agree that a bigger market is needed for the development of creative industries. I was told by a young man in the middle of this year that he was operating a small online game company in Hong Kong, and his products had gained great success locally.

However, when he intended to enter the mainland market, he found that he had to undergo a very long vetting and approval procedure because Hong Kong-capital enterprises were treated as foreign-funded enterprises and, in general, it would take 15 months for the formalities to be completed. Fifteen months is indeed a very long period for technology industries. How can they compete with mainland companies which take only three months to complete the vetting and approval procedure?

Another case in point concerns Internet Contents Provider (ICP) licences. At present, Hong Kong businesses are not allowed to become sole owners of ICP licences on the Mainland. We would like to urge the HKSAR Government to negotiate with the Mainland to, by taking advantage of the concessions granted to us under CEPA, fight for the relaxation of the requirements imposed with respect to applications for ICP licences so that Hong Kong businesses can become sole owners of ICP licences. Even if we can only fight for the relaxation of requirements in Guangdong Province alone on a trial basis, it is nonetheless a breakthrough for us in entering the mainland market.

Lastly, I hope the Creative Industry Office can come up with concrete ideas and results to effectively assist the HKSAR Government in administration. Here I would like to express my sincere hope for the Government to think up a mechanism whereby these results can be introduced to the Task Force on Economic Challenges, because I trust members of the Task Force do not necessarily have such creative mentality at present. Therefore, I would like to request the relevant authorities to advise me by what means the results can be introduced to the Task Force.

President, I so submit.

DR LAM TAI-FAI (in Cantonese): Originally, President, I intended not to speak in the second session, but I learnt from a note from the Secretariat that I still had time to speak. Hence, I would like to revisit an old issue with the Secretary.

Yesterday, Secretary Rita LAU was not in Hong Kong because of official commitment. As I had wanted to talk about industrial policies, I had to express my disappointment, frustration and anger with the policy address, for not a single word about industrial policies could be found in it. However, when it comes to

sports policies, I do not have such feelings because sports policies have evidently been implemented in Hong Kong, only that not enough has been done. I think we need not worry too much because there is actually room for improvement. From the fever stirred up recently by the Beijing Olympics and the visit to the territory by gold medallists, we can tell that Hong Kong people are greatly enthusiastic about sports and will support sports policies.

I have been in the sports circle for 20 years. In the 1990s, I was an organizer of professional football and handball matches. In recent years, my focus has shifted to organizing regional football, regional sports and school events. Over the past two decades, I have devoted not only my money, but also my effort and time. Given the large number of sports committees, why have I never been appointed? This is really strange. I think I have to review myself, too. However, I hope the Secretary can also conduct a review because I have great enthusiasm in assisting the Government in promoting sports development.

I have recently been very pleased to hear the HKSAR Government's commitment that elite sports will be vigorously promoted. May I ask the Secretary once again how elite sports will be positioned? This is very important. Should elite sports be positioned at the World Games, Asian Games, East Asian Games or National Games? This is because development strategies can simply not be formulated without a clear and concrete positioning. Without good strategic development, how can resources be deployed, allocated and distributed? Although I regard myself as a member of the sports sector, like many other people in Hong Kong, I still have no idea of the positioning of each kind of elite sports. I think the priority for the Secretary is to clearly position each kind of elite sports. For instance, the positioning of the United States is to develop volleyball, and so LANG Ping was recruited as the chief coach. In the case of Singapore, China's ping pong coaches were recruited to train Singapore's ping pong players. The country has a very clear positioning that it hopes to match Asia's final tens by 2010. Therefore, I hope the Secretary can expeditiously come up with a clear and specific positioning for the development of elite sports.

When it comes to elite athletes, talented athletes must be nurtured at the tender age. At present, it is not easy at all for young people to devote themselves to sports. First of all, they must take care of their academic studies and their family problems to make sure their parents will be willing to let them undergo training. Therefore, academic studies and training must be mutually supportive and complementary. Otherwise, athletes will have to choose between

sports and academic studies. We certainly do not want to see athletes having a low educational standard or lagging behind others in their homework. This is meaningless. Therefore, complementary mechanisms must be established at their back. And, most importantly, we must start with education.

Furthermore, there are no professional athletes in Hong Kong. Even the so-called professional football players, as Mr CHIM Pui-chung should also know, are not truly professional. Many of them have to work part-time jobs for a living. Actually, Hong Kong can hardly have fully professional athletes within a short period of time. If they devote most of their time to training as athletes, how can they make a living in the future? Therefore, there must be an incentive scheme to rid them of their worries so that they can devote more time to training. Even if in future they do not become elite athletes, or they retire after years of being athletes, their livelihood should still be protected by retirement schemes. Only in doing so can more people be induced to join the ranks of athletes. Even if elite athletes are imported from the Mainland, we still have to give them a hope. This requires a comprehensive support programme. For instance, how can Hong Kong position itself on cycling sports when not even a standard international cycle velodrome is available here? This is why I have great admiration for WONG Kam-po for his brilliant performance. I hope the Secretary can pay more attention to elite sports.

The second aspect I wish to talk about concerns popularization. The Government has often alluded to its ambition for "One Sport and One Art for One Student" and "sports for all". However, adequate sports facilities must be put in place in order that sports can be popularized. I did mention on the previous occasion that I could describe myself as a "football man", given that I have engaged in football for such a long time. Because of a lack of football pitches now, people often have to engage in "venue speculations" in order to play a football game. Being a president of a handball association back in the 1990s, I did not retire until 2000. It is now 2008, but there is still no formal handball pitch in Hong Kong. We still have to play on hard ground in Victoria Park. And we will have to hire the stadium in Kowloon Park to hold competitions. It is thus evident that support facilities are required. Now, it is said that the supply of squash courts exceeds the demand. All these should be taken into consideration.

Worse still, schools and communities often have to compete for the use of sports facilities. I have the experience of sponsoring a secondary school called

Lam Tai Fai College. Very often, I had to co-ordinate with the community even though I merely wished to hire a lane in a swimming pool. Such being the case, how can sports be popularized? Therefore, I very much hope that the Secretary can look squarely at the sports facilities provided to schools. Except for a small number of schools equipped with adequate venues, the great majority of schools in the territory do not have their own sports venues and have to borrow venues outside of the schools. Hence I hope the Secretary can pay attention to the issue of sports facilities.

I do not wish to spend too much time on this issue today because I wish to spend more time on issues of education. I only wish to revisit this old issue with the Secretary. I so submit.

MR CHAN HAK-KAN (in Cantonese): President, in this session, I would like to focus on environmental protection matters.

It is pointed out in the policy address that "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 enable Hong Kong to successfully press ahead with sustainable development, the community must have new knowledge and awareness of the term "development". At the same time, members of the public must also do their utmost to achieve the goal of protecting the environment. But more importantly, regional co-operation is indispensable. The DAB has all along advocated all-directional co-operation between the Government and Guangdong Province in protecting the environment. This is why the strategy spelt out in the policy address to "develop the PRD Region into a green and quality living area" includes proposals such as air quality management, water resources management, use of clean and renewable energy, conservation policies, and so on. These directions are definitely worthy of support and recognition.

However, I wish to point out that there is inconsistency between Guangdong Province and Hong Kong in terms of environmental quality standards, rules and regulations, and monitoring methods. This will greatly affect the effectiveness of further co-operation between the two places. For instance, there is discrepancy between the people in both places in terms of their

expectations for and opinions on air quality improvement. In particular, the HKSAR Government seeks to tighten air quality standards in order to converge with the world, and yet no corresponding measures have been taken by the Mainland. It could be seen that the gap between the two places in monitoring air quality standards might grow increasingly wider. This will arouse even more doubts among the people in Hong Kong about the results and effectiveness of co-operation between the two places. In my opinion, the two places must expedite their efforts in embarking on synchronizing the regulation and quality standards before their joint initiatives to protect the environment can be truly and thoroughly implemented in both places. And to this end, it is imperative for the SAR Government to take the initiative to examine with the Guangdong Provincial Government how best the "one country, two systems" problem confronting the air quality of the PRD Region can be resolved.

President, the policy address also proposes promoting the transformation of the territory into a low carbon economy and measures to promote energy efficiency. In last year's policy address, the Government spelt out its target to achieve a reduction in the intensity of energy consumed per unit GDP by at least 25% by 2030 (with 2005 as the base year). Enhanced energy efficiency is rightly a highlight in achieving greenhouse gas emissions reduction. However, if we look at the international community, we will find that there are many various measures to reduce greenhouse gas emissions reduction: While energy saving is definitely important, we should also pay attention to the use of clean energy, especially renewable energy. For instance, there are many landfills in Hong Kong. The methane produced in landfills can be used for generating electricity, or even used as gas fuel. However, little has been done in Hong Kong on this front. To tackle global warming, many countries have proposed a wide range of carbon compensation programmes, such as mass tree planting, mandating the greening of rooftops, imposing a carbon emission levy, and so on. Will the Government consider these? In our opinion, the promotion of low carbon society is not, as stated by the Government, simply saving energy. Apart from setting new targets for direct greenhouse gas emissions, the Government should also formulate improvement policies targeting different sources of greenhouse gas.

President, the DAB has all along been very concerned about waste management and the development of the recycling economy. Many proposals put forth by us in the past have been accepted by the Government, too. However, if we take a look at the waste recovery initiatives in the policy address,

we will find that the initiatives are actually quite environmentally-friendly because many of them, which have appeared in "A Policy Framework for the Management of Municipal Solid Waste", are being recycled again. We can see that Hong Kong's entire recycling economy actually begins from waste recovery to a "through train" system adopted by green industries. Although the Government has gradually embarked on waste recovery and achieved some results, I have seen no proactive proposals for green industries.

At present, nearly 90% of the recovered materials in Hong Kong are exported to other regions for re-manufacturing. However, the export of these materials will be affected by the cyclical fluctuations of the economy. For instance, the recovery prices of scrap iron were high last year. As a result, there was extensive media coverage of incidents involving the stealing and selling of such items as gutter covers and railings for money. However, in less than a year, the recovery prices of scrap iron have plummeted by 90%. Scrap iron is now largely accumulated in recycling plants or wharfs.

Let us look at recent media coverage again. As Members may be aware, the waste paper recycling industry has also been affected by the financial tsunami. In September this year (a month ago), waste paper was worth \$1.5 per kg. However, the recovery price of waste paper has dropped from \$1.5 per kg in September to only 50 cents now. The green industry has even predicted that, should the situation continue, 70% of the recycling firms will close down, and 3 000 employees will be affected. Hence, the DAB has all along advocated the development of local green industries, which are more than exporting waste to other places, in addition to recycling. We must have our own green industries before the recycling economy can be further developed.

The EcoPark programme launched by the Government is far from satisfactory. Of the six sites offered in phase one of the programme, only four sites have been leased out. While some investors consider the facilities in the EcoPark inadequate, some are reluctant to operate factories in the EcoPark because they are required to meet the standards and requirements, or even harsh demands, of different government departments. Despite its recent adjustments, it is still imperative for the Government, given the economic downturn and diminishing investment desire, to discuss with existing tenants to improve the infrastructure facilities and operation of the EcoPark with a view to luring new investors as well as providing more convenience to existing tenants in continuing with their business.

President, I would like to turn to another problem, namely how to dispose of unwanted waste, which has been bothering Hong Kong people. According to the Government, landfills in Hong Kong will reach capacity in the coming decade. The Government is planning to "usurp" part of the land in Clearwater Bay Country Park for the purpose of expanding the South East New Territories Landfill. This is, however, unacceptable to the public. We have often received complaints from Tseung Kwan O residents, saying that they are deeply troubled by foul smell generated in landfills. Some households have even installed double-pane windows. President, the double-pane windows act as a smell barrier rather than a noise barrier. Some households have even chosen to shut their windows throughout the year. For them, it is wishful thinking to have a breath of fresh air.

Hence, I would like to call on the Government to install additional deodorizing facilities as well as odour monitoring facilities within the boundary of existing landfills. At the same time, the Government should examine the feasibility of banning the disposal of waste (such as leftover, sludge, and so on) which can get rotten and become smelly easily at landfills to reduce bad smell sources. We would also like to call on the Government to put on hold the proposal of expanding the South East New Territories Landfill before the problem of foul smell in Tseung Kwan O landfill is resolved. In order to reduce solid waste, the Government should enhance separation of waste at source through the three "Rs", namely reduce, reuse and recycle, which are the best ways to effectively prolong the life of landfills.

Lastly, President, I would like to say a few words about nature conservation. I greatly welcome the Government's acceptance of the DAB's proposal of considering the establishment of a geological park (geopark) within the boundary covered by the acidic, hexagonal volcanic stone columns in the vicinity of Sai Kung. According to a research report compiled by the geological expert commissioned by the DAB, the geological environment in the vicinity of Sai Kung was already in place dating to 120 million years ago between the late Jurassic period and the Cretaceous period. In the area around the east dam of the High Island Reservoir and Ninepin Island, we can find uniform rolls of gigantic hexagonal stone columns and walls covering an area of 150 sq km. Such a massive geological feature is rare in the world and its scale is even bigger than the Giant's Causeway in Northern Ireland, one of the world's seven greatest natural wonders as well as a World Heritage. We hope the SAR Government can take further steps to introduce it to the State to designate this unique geological environment as a national geopark, and through the Central

Government's assistance, to apply to the UNESCO for declaration as a World Heritage to let the whole world know Hong Kong has such a beautiful and unique natural treasure.

President, despite the efforts made by the Government in conserving geological landscapes, what has been done within the conservation area is still inadequate. In 2004 and 2005, two schemes, namely the management agreements and public-private partnership (PPP), were launched in conservation areas. Although the former is helpful to upgrading the geological quality of the conservation area, the area managed by the existing schemes is way too small. Over the past couple of years, the PPP still remained at the stage of discussion and vetting, and there have been no successful cases so far. Therefore, land in the conservation area has largely kept its *status quo*, and no substantial breakthrough in conservation work has been made. Neither can we see any hope of conflicts of private ownership being resolved. Therefore, the DAB and a number of green groups have requested the Government to adopt the transfer of plot ratio as a method to exchange private ownership for conservation sites, for the purpose of overall management and enabling owners to acquire land in developed areas so as to achieve a win-win situation. I hope the Government can seriously examine these proposals put forth by us and stop its procrastination the natural conservation problems.

Lastly, President, I have recently come to notice a phenomenon of withering grass and trees in many places across the territory. Why would trees suddenly be seen as killing tools? When I came back from lunch just now, I saw someone trimming trees off the entrance to the Legislative Council Building. While I had no idea what works was being carried out, I wondered if the tragedy occurred in Stanley earlier in which a young girl was crushed to death when a tree fell on her had led to the Government's volte-face from its indifference to tree conservation policy to its present merciless and unsparing approach: all trees are presumed problematic and must be felled. Actually, the DAB was the first organization to discuss tree protection policies. Moreover, our appeal for the Government to set up a register of old and valuable trees was supported by the Government. However, the legislation pursued by us for protecting trees has still not received any positive response from the Government for various reasons. I hope the Government can really demonstrate its determination to conduct a comprehensive review of its approach to tree management, the entire forest conservation policy and legislation for the purpose of properly conserving the trees cherished by the public.

President, I so submit.

MR WONG SING-CHI (in Cantonese): President, I would like to talk to the Secretary about gambling. I recall that when the regularization of football betting was to be passed in this Council in 2003, some groups and I raised opposition because I did not believe vigorous effort would be made by the Government in addressing the gambling crisis faced by youngsters. My view has been vindicated by this year's policy address. This is because there is only one paragraph in the policy address containing some very sensitive figures — "6" and "4" — describing the Ping Wo Fund in 64 words. The Government seems to be indifferent and pay no regard to other problems relating to gambling among young people.

According to the Government, a lot of studies will need to be conducted, and there will be lots of problems. The Government has also undertaken — Mr Patrick HO was the Secretary at that time — to make more efforts following the regularization of football betting, because prevention is better than cure. While it is good that prevention is better than cure, prevention and cure are actually required simultaneously. Regrettably, no visible effort has been made on these two fronts.

When it comes to prevention, gambling can turn many people into victims. We have been told by many front-line social workers that abusers in over 35% of the existing family violence cases are actually involved in gambling. This figure might have been underestimated, too. Therefore, gambling makes family violence problems even worse. Moreover, insofar as individuals are concerned, gambling might lead to depression, anxiety, as well as other problems. Gambling is more than football and horse betting. Nowadays, there are also problems with the betting on stocks and a variety of derivatives offered in the financial system. Although I will not talk about these today, our concern is still warranted.

The Gambling Ordinance expressly provides that gaming organizations must remind the public by notice of the harm caused by gambling and provide information on counselling. Given the express provisions in the legislation, the requirements should in principle be implemented. However, when I visited a betting centre with my friends and colleagues I would not have gone there if not for the purpose of collecting information. I have on hand some information on football betting — I have mentioned football betting only, not horse betting. Although it is required by law that the public must be reminded of problems associated with gambling, I have only got an old leaflet, and it reads on its back

that people may call the authorities concerned should they have behavioural problems relating to gambling. This is the only statement found on the leaflet. As for the new leaflet, there is not even a single statement warning youngsters or anyone that gambling will cause problems. The leaflet has not mentioned anything about counselling channels. Its blank back page contains no information at all. While there is at least one statement in the old leaflet, there is none in the new one. I wonder if the new leaflet has violated the law. I hope the Secretary can examine if these gaming organizations have these problems.

When I reached the betting centre, I looked around to find if there were any hints. We were told by Secretary Patrick HO at that time that banners and posters must be provided. However, I only found a notice the size of an A3 paper telling the public who have gambling problems to dial a certain telephone number. Is this a warning? I can absolutely not see any warning effect. Hence, information about prevention is mentioned in advertisements only. But these advertisements can only be seen when we cannot sleep in the middle of the night. This is a very serious problem.

When it comes to prevention, the Hong Kong Jockey Club (HKJC) has in principle allocated certain sums of money to the Ping Wo Fund. I wonder if the Secretary has examined it is said that the Ping Wo Fund is allocated with \$15 million a year. This is not bad, but there have been no increases over the past five years. Members can see that the HKJC received more than \$6.24 billion from football betting alone in 2007-2008. In comparison with an annual funding of \$15 million, the ratio stands at 413:1, which is indeed terribly small. If we believe football betting can make a lot of money and many people are gamblers, then should more resources not be allocated for prevention? The ratio of 1 over 413 is indeed shocking.

The Ping Wo Fund is established for the prevention of gambling and offer of subsidy to undertake studies relating to gambling problems. However, I do not know whether these efforts have been made. I was told by the Bureau some efforts had apparently been made. However, no information has been published after so many years. I hope the Secretary can publish the relevant information later to let us know the Government's stance towards this issue.

A certain sum of money will certainly need to be spent on public education on the prevention and alleviation of gambling problems and relevant facilities. Furthermore, insofar as problematic gambling or counselling of pathological

gamblers is concerned, the Ping Wo Fund makes it clear that counselling will be provided to pathological gamblers and other affected people. Obviously, \$15 million is inadequate. Not only is it inadequate, the staff of the Home Affairs Bureau had even apologized to our colleagues in some social service organizations, saying that the Fund was not to be used for supporting people other than pathological gamblers. Should pathological gamblers fail to register with the Home Affairs Bureau personally for assistance, it is impossible for the Fund to be used for delivering services. Even if the family members of pathological gamblers approach the relevant organizations for assistance, their requests will still not be entertained. Buddy, many pathological gamblers are nowhere to be found. The situation of their remaining family members is miserable. Even if they seek assistance from welfare agencies, the Ping Wo Fund can still not be used to help them. I was told about this by an official of the Home Affairs Bureau, though I will not disclose his name. This is really ridiculous. Given that the Fund is supposed to be used for treating pathological gamblers or carrying out prevention work, why are there so many restrictions? It is simply because of inadequate funds.

Secretary, I do not wish to elaborate further because I still have to talk about labour and welfare. I hope the Secretary can make more efforts on this front. First, I hope the Secretary can formulate a more comprehensive policy targeting prevention of gambling and conduct a fresh review of how counselling and prevention targeting pathological gamblers, especially youngsters, can be better promoted by the Home Affairs Bureau. It has been revealed by a number of studies that existing pathological gamblers had their first contact with gambling in their early teens and became pathological gamblers after adolescence. I hope the Secretary for Home Affairs can make more efforts on this front.

Second, regarding this policy, the authorities should provide substantial resources and commence more work relating to the prevention of gambling among youngsters. For instance, more efforts can be made in anti-gambling publicity in schools, youth centres and even youngsters in communities. At the same time, I hope gaming organizations can formulate some stringent measures. For instance, these ballots, no, these betting slips, like cigarette packets, should carry warnings for young people or members of the public to let them know the problems with gambling. Without restraint, they will become pathological gamblers very easily. I think all this has to be done. Our cigarette packets smoking the lungs will be damaged, too. Actually, the lungs are

already inside the packets. We will also act accordingly. Given the severity of the gambling problem, why do our gaming organizations not act accordingly? As it is already stated expressly in legislation, I hope the Secretary can make more efforts in this respect.

Lastly, the allocation of a mere \$15 million to the Ping Wo Fund is inadequate. With the HKJC's revenue reaching more than \$6 billion, the allocation of a mere \$15 million is grossly inadequate. Although I understand that the HKJC's revenue this year seems to have dropped, it does not matter, as many more people will continue to gamble. If not enough efforts are made, more people will be affected in the future. Therefore, I hope the Secretary can discuss with the HKJC and examine ways to allocate more resources to the Ping Wo Fund to enable our younger generations in society to have a positive development with respect to their gambling problems and a better understanding of the harms caused by gambling.

I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): The debate on the policy address today gives us an opportunity to, through the President's leadership or effort to relay our messages, put questions to Policy Secretaries. Just now, I had to hurry back from my visit to the Chief Executive's Office to hand him a letter. The letter is about our mainland compatriot, HU Jia, who has recently been given a human rights award, the Sakharov Prize. I feel strongly about it. While I am no match for Mr HU in terms of talent and virtue, I was honoured to have been elected by the people of Hong Kong to speak to you, President, and officials here. The arrest of HU Jia was attributed to his speeches. This has something to do with national education, that is, a lot of relevant issues mentioned by the Chief Executive in page 29 of the policy address — I am certainly not shooting the arrow at random.

PRESIDENT (in Cantonese): Mr LEUNG, do you know that another session will be devoted to debating on "national education"?

MR LEUNG KWOK-HUNG (in Cantonese): I know, so smart is the President. As I have been sued by the Hong Kong Government, I have to specially apply for

leave today to perform my duties here. I cannot come tomorrow because I have to speak in the Court tomorrow and so, I have to speak here today. Therefore, I have to use up my speaking time in one go. I beg your pardon, President.

According to the Chief Executive, money is needed for national education. It is actually unfair for a national to be sentenced to jail for expressing views, especially views on containing AIDS. If our nation had an assembly, Mr HU Jia could then stand in elections and, like me, enjoy the privilege of making speeches openly, without any worry about liability, in the assembly, that is, a national congress. This is why I feel very strongly. I cannot help paying tribute here to Mr HU and hoping that our nation can enjoy the democracy enjoyed by an assembly soon. Certainly, we still have to continue with our fight for democracy in Hong Kong. We must abolish all appointment systems and "coterie" elections and fight for returning the Chief Executive and the Legislative Council by universal suffrage in a "one person, one vote" manner.

I can guess from the paragraph about national education that funds have been allocated for this purpose. Secretary TSANG Tak-sing is here. I have no idea what national education will teach the people in the future. I have heard some doggerels while national education is vigorously promoted on the Mainland, a television programme about sense of national identity, which is quite popular among students, has been broadcast in Hong Kong. A lot of history has already disappeared. One of the doggerels goes like this, "While there are achievements, there will be no anti-rightist movements; while there are the Olympics, there will be no democratic campaigns; while there is Shenzhou-7, there will be no June 4 incident; while there is World-Expo, there will be no cultural revolution". In other words, the focus of national education will be on achievements, silent on the shortcomings. Such national education is not going to work.

Although the Chief Executive dwelled at great lengths about national education, he has actually not established the historical outlook that history must be immaculate, by all means. In other words, the original face of history should be maintained. Any distortion or falsification is unacceptable. The concept of national education must be built on the recognition and cognition of national history. National education involving any exploitation of historical materials, delivery of only the good news and not the bad, or pursued for the sake of dignitaries, or for fear of those in power is merely aimed at serving those in power. Hence, I must remind Chief Executive Donald TSANG and Mr TSANG

Tak-sing — they are both surnamed TSANG, as if they belong to the TSANG's clansmen association — to relinquish the Mainland's way of providing national education, of delivering only the good news and not the bad, or else our money will only be wasted.

Fine, let us come back to the Chief Executive. The Chief Executive is particularly good at inventing new expressions. Therefore, he is known as "Chief Executive for new inventions". Furthermore, he is also known as "Tissue Chief Executive" and "Condom Chief Executive" because he is characterized by discarding concepts after single use and introducing new ones every year. Last year, for the sake of pleasing the Communist Party — the Chief Executive introduced the concept of progressive development because of the Communist Party's concept of scientific development. I also made fun of him last year by describing him as "progressively robbing the poor to enrich the wealthy, developing our bubble economy, advocating money politics for power, demonstrating the collusion between government and big business, with an outlook to the complete neglect of universal suffrage". Now, my prediction has really come true. I mentioned this yesterday, so I will not waste my time now. This year, he introduces a new concept of "Embracing New Challenges". While my response to him last year was stated just now, my response this year reads, "Greeting and bidding farewell to financial predators, robbing the poor and enriching the wealthy, refilling new bottles with old wine, being critical about social reform, and rescuing the market with caution". The first words in each phrase in Chinese will make up a Chinese version which literally reads "Embracing New Challenges" in Chinese.

What does it mean by "greeting and bidding farewell to financial predators"? The expression "greeting and bidding farewell" is actually I have told CHAN Hak-kan that the most miserable of all is "greeting and bidding farewell". I dedicated a poem written by LI Shangyin to him on that occasion. The poem, which is about "tears", describes the greeting of and bidding farewell to the powerful and the rich. Our Chief Executive, however, "greeted and bids farewell to financial predators". On their arrival, the Chief Executive described them as the saviours of the territory, saying that we could hardly live in poverty — it was the first time "Santa Claus TSANG" witnessed their arrival. When it came to the signing of CEPA, he marvelled that the money was inexhaustible, and a 10-year plan would be needed to dispose of the money. While we welcome them when they come, they bring with them all our money when they leave. When Hong Kong was struck by the Lehman Brothers, we acted exactly in the same manner by bidding farewell to them as honourable guests.

Why am I saying all this? I have no intention at all to smear the Chief Executive. To date, the Chief Executive's underling, Joseph YAM of the Hong Kong Monetary Authority (HKMA) can still not identify a case involving the victim of the Lehman Brothers incident or an ELN case for prompt action. He even told us after identifying a case that he had to refer to it to the Securities and Futures Commission (SFC). Was he trying to make fun of us? Joseph YAM personally promised us here the other day he would take care of it.

The next person I would like to mention is John TSANG. Needless to say, he has failed in his duty because he is responsible for monitoring the HKMA and the SFC on behalf of the Chief Executive, and yet he has shown no concern. The next one is Eddy FONG of the SFC. He has also acted in the same manner by showing no concern. No one cares about the "bursting" of CITIC Pacific. Henry FAN merely said that he would resign from his public offices. Buddy, he was only saying that he would stop serving in public offices temporarily. How come this world how can we teach students? We have now found that someone having made mistakes can go into hiding for more than a month or publicly make false declarations, saying that he has no idea what was done during that six weeks, and that the speculation on foreign exchange has nothing to do with him. Is this acceptable? The entire territory is totally indifferent — while the Independent Commission Against Corruption shows no concern, reports to the police are not entertained, too. This is a gesture of "greeting and bidding farewell to financial predators", is it not? The predators should include both overseas and local predators. We know that the Bank of China has been the hardest hit by minibonds, with three tenths of the products sold by the bank. Buddy, does he dare to launch an investigation? No.

PRESIDENT (in Cantonese): Mr LEUNG, you should face the President when you speak and stop saying "buddy".

MR LEUNG KWOK-HUNG (in Cantonese): President, President buddy, "robbing the poor to enrich the wealthy", needless to say, is a widely recognized fact. This applies to people aged three to 83, am I right? The issue of issuing "fruit grant" to the elderly has been debated so hard here that even our gums are bleeding, but still the Chief Executive hopes to preserve the exemption provision. Without the throwing of bananas and criticisms, the Chief Executive will not change. Is it not "robbing the poor to enrich the wealthy"? Am I right?

President, can you see it? You have poor eyesight; here it reads "robbing the poor to enrich the wealthy".

"Refilling new bottles with old wine" really is a cliché. Regardless of how he packages it, what colour he uses, and what pleasing words he says, the bottles still contain old wine. In other words, he is making use of the regime established by "coterie" elections to benefit the electors participating in "coterie" elections, thus resulting in the passing of power into others' hands. Members of the public, the elderly, the grassroots, workers, the disadvantaged and ethnic minorities, who are denied universal suffrage, will certainly have no luck.

As regards "being critical about social reform", why is he critical of social reform? I would like to tell Members a story. In response to the request of raising the "fruit grant" by \$300, the Chief Executive, having no idea what he was talking about, replied that we had no money. Buddy, how much money has been wasted in other areas? In the end, realizing it was unwise to offend the public, he said that his rationality had been drowned by our sentimentality, as if he was a child quarrelling with others. And in many a such fight, when it comes to the last rebuttal, the opponent would say, "You're a dog. Who's that dog?", "I mean you". His behaviour is so mean. He should have apologized to everyone for these remarks of his, but he did not do so. On the contrary, he scolded others for opposing him, including everyone in this Council. What is he? Should he appear before this Council next time without an apology, he would not only have one or two bananas, I would definitely fix him. He has shown no sympathy and care towards the disadvantaged as well as Members of this Council by "being critical about social reform".

The next thing is "rescuing the market with caution". He is now in great panic, not knowing how to rescue the market. After announcing the 100% deposit protection, he intimated that Joseph YAM would retire soon. Shortly afterwards, we were told that there was no need for Joseph YAM to retire, but then the 100% deposit protection was problematic. The Chief Executive is like making prescriptions indiscriminately. Should the Communist Party or the Central Authorities require him to do something, he would definitely comply; should local tycoons request him to do something, he would definitely comply; should overseas tycoons request him to do something, he would also definitely comply. However, he is turning a blind eye to ordinary people like us, small and medium enterprises, grass-roots workers, people who will soon lose their jobs, people who have lost their jobs, and those who are employed but whose wages are not enough to support their living. Despite his saying that a minimum wage

will soon be introduced, the Government has no idea at all about its own standard. Should a certain percentage of the median wage or a reasonable living standard be used for calculation purposes? The Government simply has no idea. It is merely sitting there waiting for negotiations to be held between employers and employees. However, we know that, according to a proven mechanism within the Labour Advisory Board, no proposal will be implemented so long as there is objection from any one of the parties involved, namely employers, employees and the Government. Members might ask this question: Can distant water not put out a fire nearby? Despite his effort to "rescue the market with caution", he was extremely arrogant, if not extremely miserly, when we requested him to launch rescue operations. Therefore, his appeal to us to embrace new challenges is indeed nonsense.

Honourable Members, what is a policy address? By way of the policy address, the Government demonstrates to us its notions in administration. This is, buddy, completely fragmented and makes no sense. Half of it was written by the Chief Executive overnight at the request of the Central Committee of the Communist Party of China which came up with bail-out initiatives to rescue the market all of a sudden. What a student must not learn in writing compositions is this. The policy address is completely devoid of logic, premises, and inference. It has merely published some results causally. It must not be used as a model for secondary schools, not to mention for this Council. Am I right? I would like to ask Honourable colleagues I believe many people intend to vote in favour of giving credit to the Chief Executive. However, as I said yesterday, does he believe the matter can be settled by raising the amount of "fruit grant"? Honourable Members, as the saying goes, "After taking pig's blood, one will discharge black excrement". Members should serve as role models. If Members give him credit for such a poor policy address, they will be seen like being spat on the face and letting the saliva dry without wiping it. Am I right?

Honourable Members, you should treasure your feathers and refrain from acting in this manner in whatever circumstances. What will I give the Chief Executive? I have brought it with me. President, I have spent much time making it. This is a pair of swimming trunks for "Ah TSANG" for his sagging popularity. I have used it before but, as I am a great advocate of environmental protection, I have to make good use of waste. Let me post it here. He has to wear a pair of swimming trunks because it would be too wet should he dive to the bottom right away. If he was wearing a suit, his suit might "shrink". Alternatively, he might be suffocated to death when he hit the bottom should he fail to move freely. I hope Honourable Members can bear in mind that "one will

receive rewards for one's virtuous deeds". Even if he has done something wrong, he will still be forgiven by the public should he push for democracy and command public popularity. However, given that he has failed to command public popularity and be selected by universal suffrage, not to mention his opposition to universal suffrage and act against public wishes, he could merely hit the bottom of the swimming pool in these swimming trunks. This is what I mean by "as his popularity has taken a dive, this is specially for "Ah TSANG"; when he hits the bottom of the swimming pool, he could only struggle for survival". I hope he can choose what is good and hold fast to it instead of putting up resistance obstinately. I urge all Members not to thank the Chief Executive for this policy address, entitled "Embracing New Challenges", which should not even be taken by secondary students as a model read. The Chief Executive is merely "greeting and bidding farewell to financial predators, robbing the poor to enrich the wealthy, refilling new bottles with old wine, being critical about social reform, and rescuing the market with caution."

I hope the President will refrain from voting in favour of it. Nevertheless, I know you may not vote. Thank you, President.

MS MIRIAM LAU (in Cantonese): President, oil prices have a significant bearing on various trades and industries and the people's livelihood. For the transport industry, which is caught in dire straits, oil prices are especially important. I believe Members will know that the transport industry, whether it is sea, land or air transport, is an exceptional high oil consumption industry.

Compared to early this year, the international oil price has seen a significant drop recently from its historic high of US\$143 per barrel on 3 July this year to approximately US\$60 per barrel now. For the industry and members of the public alike, this is good news. We are actually very pleased when we learn from the television that international fuel prices are falling every day. We also expect the fuel price to fall when we go refilling our vehicles. However, we are often disappointed. Despite the significant fall in international fuel prices, we still find that, even if we look at the latest round of price reductions, the prices of diesel and petrol have fallen by only approximately 18% and less than 14% respectively. From the figures cited by me earlier, the prices of international fuels have actually fallen by more than 50%, or far more than 50%. The community at large is greatly dissatisfied with this situation. Some members of

the public also query whether oil companies are seizing the opportunity of the sharp fluctuation in oil prices to engage in "price cheating".

President, over the years, I have kept exploring and discussing the topic of fuel both inside and outside this Council by persistently proposing motions and raising questions. My demand is two-pronged. On the one hand, I have pressed for the Government to offer fuel duty concession. The first time I requested the Government to freeze diesel duty was 13 years ago. To date, I can say that I have achieved something, as evident in the Government's initial refusal to freeze diesel duty to its full waiver of diesel duty now. On the other hand, I have constantly urged the Government to come up with ways to address high oil prices and the situation in which oil companies are "quick in raising prices but slow in reducing them". However, the Government has achieved nothing, despite my calls and demands for exploring the problems over the years. It seems that the Government can do nothing to address this issue.

However, there seems to be sort a response from the Government as a result of public criticisms and the angry shouts of the industry lately. The Chief Executive has devoted one paragraph in the policy address to fuel prices. Paragraph 62 reads, "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." He has also undertaken that "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 can see from this paragraph that the Government apparently wishes to do something. The public is pleased, and so is the industry. We hope the Government can really monitor whether the oil companies are "quick in raising prices but slow in reducing them" and let us see achievement.

However, before I had heard the Chief Executive read out the entire policy address, the Secretary already indicated in the Legislative Council's Question Time and the subsequent meeting of the relevant panel that the Government had actually examined the matter and found that oil prices in Hong Kong were close to import prices and, hence, the oil companies had not been "quick in raising prices but slow in reducing them". How can the public and the industry be convinced?

The Secretary has made a great effort by presenting to us some diagrams. We can see two lines in the diagrams, though we do not know where they lead to and what they actually represent. Regarding these two diagrams and figures, Secretary, I really do not understand even if I really study them. I have two questions. First, if the retail price should really be compared with the import price, not the international fuel price, and hence a conclusion be drawn that the oil companies are not "quick in raising prices but slow in reducing them", the Secretary should then provide us with convincing figures to demonstrate whether the import price, that is, Singapore's import price, is consistent with the international fuel price, and explain to us why there is such a discrepancy as well as why there is such a marked discrepancy. The Secretary must explain and convince us. Second, even though the Government has presented to us diagrams, how should the diagrams be interpreted? What do the two lines that go up and down represent? I know how to draw diagrams, but what do they represent? These diagrams and figures must be clearly analysed in order to convince us. Can the Secretary present an analysis to convince us, instead of merely preparing some diagrams, where we can only see two lines running close to each other, to demonstrate to us that the oil companies are not "quick in raising prices but slow in reducing them"?

Actually, car owners and the industry in Hong Kong are helpless. Every time we go to the refilling stations, we have to pay according to the price set. We do not have any bargaining power. Even if we do not like it and go to another refilling station, we still have to pay the same price. Like the prices of seafood, the price fluctuates every day. We will never know when it goes up and down. If the price has gone up, customers will have to pay more. Luckily, they can pay less if the price has come down. There is absolutely no choice for consumers.

Under such circumstances, the Government is studying and exploring with oil companies the feasibility of providing consumers with some information. For instance, Britain has come up with a formula whereby the price charged by refilling stations will be reduced by one cent whenever the international fuel price is reduced by \$2. Although a similar percentage or formula offers no absolutely accurate calculation method, the public can at least have a reasonable expectation. For instance, when the fuel price goes down by a certain percentage, I will have a reasonable expectation for a certain percentage of reduction. However, there is absolutely nothing like this at present. You can only hear every morning that the fuel price has fallen significantly. However, after a period of time, you can still not see any news from the oil companies about a price reduction.

This is extremely helpless. You may refill your vehicle if you feel like it; you may leave if you do not, but then your tank will be empty, which means that your vehicle cannot function. You will then have no alternative but to fill up at the mercy of oil companies — I really have the feeling that I am at the mercy of oil companies. In this regard, can the Government do something to help consumers? At least give us some guidelines so that we will have a reasonable expectation when the fuel price will go down by a certain rate. Oil companies can at least let us know how many weeks we have to wait before the price will be reduced. The Government has explained to us that there is a time lag. We accept this explanation. If we are told to wait three weeks, we can then estimate by how much the fuel price will go down by then. Can the Government do this?

Another point the Government must explore is that, when a comparison is made between the post-tax retail price and the import price, there will still be a difference of \$3 to \$4 for oil companies. Even if the import price is \$1 extra per litre of oil, there will still be a difference of more than \$3. According to oil companies, this represents the land premium, wages, transportation fees, advertising expenses, and the so-called promotion cost payable by them. These promotion tactics include, for instance, the distribution of tissues, beverages, and so on, to us when we refilled our vehicles in the past. At present, the fuel price per litre has actually seen a downward adjustment. However, in order to enjoy these concessions, you must be loyal to a certain company, which means that you must refill your vehicle at certain refilling stations. However, if you switch to other refilling stations to tank up when your tank is going to be empty midway through a drive, no such concessions will be offered to you.

Furthermore, the discounts offered to consumers are different. In general, even if you tank up at a certain refilling station as its member, the discount offered to you might be different from those offered to other consumers. I think the Government must review and examine such a huge buffer to ensure oil companies will not engage in "price cheating" within the buffer. Actually, it is possible for oil companies to engage heavily in "price cheating" within such a huge buffer. It has not come to my attention that overseas oil companies will hurt consumers by using this tactic because they abide by the rules. For instance, they might offer certain discounts to a big consumer. The situation in Hong Kong is different. There is such a huge buffer for oil companies to promote their products and offer discounts, and the discounts offered to consumers are not the same. This is unfair to consumers. I hope the Government can review this again.

The Liberal Party, facing this problem which we have been dealing with for years, already proposed two years ago supporting the Government introducing a fair competition law to counter oil companies in the hope of acquiring more information from the companies and better monitoring the pricing of oil companies by virtue of the power conferred upon us by law for the purpose of upholding consumers' interests. However, the root of the problem, as have been mentioned by me a number of times before, is that there are few import sources of fuel to Hong Kong. In the end, we must rely on Singapore because we do not have oil refineries. However, we will continue to be subject to the mercy of oil companies if we do not find a way out of this so-called oligopoly.

Therefore, the Government must take proactive steps to think up solutions, because fuel is a commodity related to the people's livelihood. It is very important to the public and the industry alike. We must find a way out of the present situation and introduce new operators. If we do not have oil depots, we can examine where we can build them. If it is really impossible for us to build oil depots in Hong Kong, we can examine whether it is possible to build oil depots in neighbouring places and introduce refined oil products into Hong Kong. We must find a way out of the present oligopoly to allow the public to enjoy fuels at fair and reasonable prices.

I very much hope the Government can assume a more proactive role in this regard, including exploring whether only petrol of 98 octane rating can be used in Hong Kong, and whether we can switch back to petrol of 95 octane rating, because the latter is a bit cheaper. Nowadays, not everyone in Hong Kong drives a Ferrari or Porsche. Ordinary vehicles should be able to use petrol of 95 octane rating, which is cheaper. In the present environment where oil prices are high, can the Government request oil companies to introduce less expensive fuels?

President, I so submit.

MISS TANYA CHAN (in Cantonese): President, I was the first Member to speak in the previous session this morning. I had talked about money and planning, and now I would like to talk about conservation.

One of the numerous ambitious plans for heritage conservation proposed by the Chief Executive in last year's policy address and policy agenda which has been implemented is the removal of the original site of the Central School (former Police Quarters site) from the Application List. The implementation of the plan this year means that it would be removed from the list forever, not only last year. Furthermore, the site would be used for creative industries or educational purposes. We, a group of campaigners, are overjoyed because its fate has been our great concern. Despite last year's proposal of providing more incentives for preserving and maintaining buildings with historical and heritage value, the present situation seems to have slightly lagged behind.

Of course, we know it very well that King Yin Lei was already declared a proposed monument prior to last year's policy address, and a permanent monument this year. However, if Members still remember it, during the King Yin Lei incident last year, it was revealed in an article I was one of the four "housewives" mentioned. It was in times of emergency that we hoped the Government could expeditiously declare the mansion as a proposed monument. If I remember it correctly, an urgent meeting was held within three days on 14 September, and the mansion was declared a proposed monument shortly afterwards. This was what we are pleased to see. Actually, how did the incident happen? It was because we were very anxious when we saw the roof of the mansion almost torn down completely. As a result, we informed the relevant government departments, including the Buildings Department, as well as the Bureau, before taking actions.

If Members still remember another incident, a private mansion, Jessville, at 128 Pokfulam Road was formerly declared a proposed monument. However, it was removed from the list of proposed monuments early this year. In April, Ms Audrey EU of the Civic Party proposed a motion in the hope that the Government could withdraw its decision. Members should have known that the Jessville saga was full of twists and turns. It is most puzzling that the mansion was originally declared a proposed monument in two of the reports, which have high opinions about the mansion in terms of its historical, architectural and social value. However, when the Government decided to rescind its status as a proposed monument in January 2008, the opinions of the entire report were found to be diametrically different. This was dwelt at great lengths by Ms Audrey EU at that time. What we saw on each of these two occasions was that it was only until a mansion would soon be torn down that it would be hastily declared a proposed monument. When everyone believed the mansion was likely to be preserved, its status as a monument was suddenly rescinded. How many

conservation battles should be waged by the public or conservationists before they can succeed in their fight for a long-term policy on conservation of private buildings?

Regarding Dragon Garden, which has been accounted for by the Government, I hope the Government can explain to us again because we learnt from the document we read earlier that the matter was still under discussion. Will it become a permanent monument after being declared a proposed monument? The Jessville incident has highlighted not only our lack of a long-term policy for conserving private buildings, but also a lack of co-ordination in the formulation of a mechanism for the declaration of statutory monuments and proposed monuments. Why would a mansion declared as a proposed monument lose the status in less than a year, thus depriving it of the chance of becoming a permanent monument? This is what we want to find out. Despite the explanation given by government officials in this Council for the repeal of the mansion's status as a proposed monument, the Government can still not explain clearly the difference between standards for grading proposed monuments and statutory monuments. The same goes for the Jessville incident. The Government had practically given people concerned about the future of the mansion a false hope. It is time for the Government to truly review the entire mechanism for statutory monuments. For instance, some professional organizations had actually offered us some advice when we had doubts about certain assessment reports. Should the Government seek assistance from some independent professionals to give it a more comprehensive judgment from the cultural and archaeological perspectives so as to engage more members of the public in the exercise?

Furthermore, this year's policy address also mentions the preservation of Haw Par Mansion for uses relating to red wine business in the hope of putting the monument to good use. However, this incident reminds me of the Central Police Station (the Hollywood Road Complex). I think the Secretary might still remember it. President, in criticizing the Government, some friends of mine questioned why only the Hong Kong Jockey Club (HKJC) was allowed to perform the task without public consultation to allow more interested organizations or persons to submit reports for discussion or competition for the purpose of soliciting more public opinion. This process is completely lacking. Only the HKJC was invited to submit a report. The same goes for Haw Par Mansion this time around. Although we understand that the Government has been implementing the Revitalising Historic Buildings Through Partnership

Scheme and, as mentioned by the Secretary earlier, over 100 applications or submissions expressing interest in participating in the Scheme, with respect to seven of the projects, why is Haw Par Mansion not included in the Scheme or classified as the eighth project under the Scheme? It might be a good thing to include Haw Par Mansion in the Scheme to encourage public participation.

Next, I would like to say a few words about home affairs matters, but the Secretary has just left. To start with, I hope the Government can enhance the support for arts and culture. I very much hope the Government can provide in various communities, including communities located in relatively remote areas, venues for performing arts. These venues do not have to be elaborate halls; even some centres or ordinary plazas or parks are acceptable. Certainly, better equipment and lighting and audio installations would offer even greater incentives to interested persons. I hope the Government can provide a little bit more resources in this regard to enable each community to develop its own arts and culture for them to take root in the community, so that more young people can, through these opportunities, enhance their sense of belonging to their communities as well as boosting their self-confidence.

The performances participated by me were very often staged in the Cultural Centre or Wan Chai. We were also very lucky to have some organizations donating money for us to stage some performances for students. Not only did we see a full house for every performance staged for students, some of the students living in remote places were also given the opportunity to watch our performances. However, I still hope the Government can pay attention to the fact that it is actually not an easy task for students from Tin Shui Wai to travel all the way to Tsim Sha Tsui or Wan Chai to watch our performances.

Furthermore, I would like to talk about sports. As everyone knows, Hong Kong will host the East Asian Games at the end of next year. It is now opportune to encourage the whole community to participate in sports or do more exercise. Of course, better air quality would provide an even greater incentive for us to do exercise. Although outdoor exercise is more healthy, the air quality in Hong Kong is sometimes really too bad. We learn from some reports that people with heart diseases or not fit for vigorous exercise are not advised to go out. I hope complementary efforts in terms of air quality can be made. I have read a lot of information papers and it appears there is no account on the progress

of the East Asian Games. I hope the Secretary can take this opportunity to give the public an account on the progress of the East Asian Games.

President, a truly quality life is not to be measured in terms of money. It all hinges on whether we can enjoy our ideal lives. We can truly enjoy life only if every one of us can stay strong and healthy through doing exercise and have the opportunity to upgrade our cultural standard through culture life or keep our minds in a balanced manner. I hope the Secretaries can respond to the various points mentioned.

I so submit. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): It is now time for public officers to speak. As five public officers will speak during this session, they may speak up to a total of 75 minutes.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I wish to thank Members for speaking on this session on Quality City and Quality Life. Among the speeches made by more than 20 Members, most of them have touched on the work on the environment or environmental protection. They have given us a lot of opinions and encouragement, and it has also proved that environmental protection is not a secondary topic of discussion in the Chamber nowadays. What is more gratifying is that quite a number of Members have expressed agreement and support to the initiatives and directions proposed in this policy address. I now wish to highlight a number of principles upheld in our preparation of the major environmental initiatives in the policy address:

- (1) I have tried to deal with the environmental issues in Hong Kong from a long-term perspective or even by adopting a visionary approach in the context of this policy address;

- (2) we hope to integrate the environment with the economic development of a city and encourage involvement of the business sector, enterprises, individuals and even the community as a whole, with a view to rectifying the misconception that environmental protection is an expenditure item and redefining it as a kind of investment for society, individuals or enterprises; and
- (3) we hope to realize the conviction of "Quality City and Quality Life" espoused in the policy address for administration and upgrade the quality of life in Hong Kong through collaboration. I believe a lot of Members have expressed agreement to this idea in their speeches.

Air quality is a major subject of public concern, and it has a bearing on the competitiveness of Hong Kong as an international financial centre. Ever since the implementation of a series of emission reduction measures in early 1990s, in recent years, for example, in 2006, the emission levels of four major air pollutants have been significantly reduced by 32% to 53%. However, if we wish to see more of the blue sky, we have to make continuous efforts and strengthen our work on solving the air pollution problem.

The Chief Executive has mentioned in the policy address that to improve air quality in the long run, the SAR Government will adopt targets in phases giving due regard to the guidelines of the World Health Organization (WHO), in which public health of members of the community is given priority. I believe this is something the public is glad to hear and I have also heard Members express acknowledgement of this idea. Of course, when implementing different targets, adjustments to various community developments, planning and related policies will inevitably be made in order to achieve this higher and more stringent standard. This is exactly why charges of some public services, electricity expenses, and so on, will have to be raised accordingly in the future. Of course, the Government has mentioned previously that in implementing these measures, we have to do a good job of gatekeeping. Regarding the review of air quality objectives, it is being conducted by an expert group. We have already set a timeframe and will roll out a host of proposals for public consultation upon the completion of the initial review by the group at the end this year so as to enable adequate discussion.

Members have indeed put forward many proposals on air pollution. Some of them are very concerned about generating electricity using clean fuels, while others are concerned about roadside public transport management as well as other proposals. However, each proposal will bring different benefits and entail different costs. Therefore, we hope that this package of proposals, the timeframe and costs can be discussed together in the context of the future review.

The SAR Government will continue to work together with different sectors in the community to improve the local air quality. In this connection, the policy address has proposed a few major points, which merit special attention:

- (1) in order to control emissions from electricity generation, which is the major local source of pollution, we will not only progressively tighten the emission caps for the industry by way of legislation, as in the case of the legislation passed by Members last year, but also actively explore how coal-fired power generation can be reduced. I am grateful to Members for acknowledging and commending the Memorandum of Understanding signed between the Government and the National Energy Administration in August this year on energy co-operation to ensure an increased supply of natural gas from nuclear electricity and three different sources to Hong Kong. This important arrangement is an advantage conducive to the progressive increase in the use of clean fuels in Hong Kong;
- (2) we know that it is necessary to further improve the roadside air quality. Besides continuing to tighten the control on vehicle emission and fuel standard, we are prepared to put in place legislation to implement a statutory ban on idling engines, and in introducing new testing equipment for emissions from existing petrol and liquefied petroleum gas vehicles, consultation will be conducted with the industry. At the same time, we will continue to implement the scheme of providing financial incentives and tax concessions for owners of pre-Euro and Euro I diesel vehicles to replace their vehicles and encourage members of the public to replace their vehicles with newer environmentally-friendly vehicles. Of course, eventually we may have to discuss if other control measures are available to accelerate the pace of such work; and

- (3) on the other hand, we will also focus on progressively controlling emissions from other sources of pollution. We have proposed in the policy address that this will include the emissions of off-road mobile sources operating within the airport and container terminals as well as vehicle emissions. Besides, we have begun to examine in collaboration with local ferry companies whether it is technically feasible for in-harbour ferries to switch to ultra low sulphur diesel.

Honourable Members have acknowledged with concern the need to establish a low carbon economy proposed by the Government in the policy address. As a matter of fact, climate change is an issue of grave concern in the international community, and its impact extend to every country, city and even individual all over the world. As an international financial centre, Hong Kong must actively engage in seeking common remedies together with other cities. The Chief Executive has devoted much space in the policy address to this issue and proposed some practicable measures based on low energy consumption and low pollution to cope with the impact and challenges arising from climate change. In this connection, most of the approaches are mainly designed in the light of the fact that Hong Kong is a service-oriented international city and with regard to our own source of greenhouse gas emissions. In particular, we think that enhancing energy efficiency and promoting energy conservation are practicable and effective approaches for Hong Kong.

To this end, we consider that a number of important initiatives can achieve more satisfactory results in this direction:

- (1) to enact legislation on the Building Energy Codes. We hope that this bill will be introduced within this Legislative Session, and we expect that in the first decade of its implementation, the minimum energy efficiency requirements for buildings will already contribute to a reduction in carbon emission of almost 2 million tonnes;
- (2) the policy address has mentioned implementing a district cooling system at the Kai Tak Development to supply water-cooled air conditioning to buildings in the new development area. The relevant centralized installation will result in an annual energy saving of 85 million kWh and a reduction in carbon dioxide emission of almost 60 000 tonnes;

- (3) to establish a programme under the Environment and Conservation Fund, we hope to conduct carbon audits together with different sectors of the community, including building owners. This is in line with the idea of striving to do a good job on the environment in collaboration with resident groups in old districts mentioned just now by some Members, including Ms Starry LEE, and it will provide some opportunities for co-operation. Besides, while implementing energy audits, we have also earmarked \$50 million for application by various District Councils for use on energy efficiency and greening to enable the engagement of resident groups; and
- (4) I am very glad that many Members have mentioned energy-efficient lighting. The Government has proposed to consider outlawing incandescent light bulbs and conducting consultation on and even legislating against energy wastage of outdoors lighting. We will enhance our efforts in this respect.

Actually, the Government will continue to set an example in promoting energy conservation. Within the Government, we have adopted a comprehensive target-based environmental performance framework to set targets for various aspects of environmental performance for newly completed government buildings. We also plan to showcase state-of-the-art energy efficient designs in the Kai Tak Government Offices and a new school to enable the extensive application of such technologies.

President, in the debate conducted during these two days, a lot of people have asked whether the economic uncertainties will create any impact on the implementation of other policies. After the policy address has been rolled out, I have contacted many business associations and specifically asked them this question: Is there is no need to work on environmental protection when business is not good? I am very glad that although the outlook is a bit uncertain, with the large number of measures launched over the past year or two, including the promotion of cleaner production in the Pearl River Delta (PRD) Region, enterprises have generally accepted that environmental protection will be of some help to them. Therefore, the Government will enhance co-operation with Guangdong Province, and I am very glad that Members have provided a lot of support in this respect.

With regard to enterprises, the Government and the business sector can promote a green economy together. The policy address has also put forward a series of proposals, including promoting investment on environmentally-friendly infrastructure facilities, assisting enterprises to reduce energy consumption, and encouraging co-operation of enterprises and resident groups with the Government by encouraging carbon emission audits and energy efficiency enhancement projects. The most important thing is that these measures will promote the emergence of local environmental intermediaries and bring certain business opportunities. This serves as a response to the question raised by Members, including Dr Priscilla LEUNG, on whether work on environmental protection will bring business opportunities, and the question raised by Members from the labour sector on whether environmental industries will provide employment opportunities for Hong Kong. In this regard, our views are positive.

In the speeches delivered earlier, Mr Andrew LEUNG, Prof Patrick LAU, Mr Fred LI, Mr KAM Nai-wai and Mr CHAN Hak-kan have all mentioned the problem of waste paper recovery recently. Therefore, I would like to respond to it here in passing.

In the prevailing economic environment, the market demand for waste paper is the same as that for other consumer products, with the price significantly dropping. The waste paper industry is subject to the impact triggered by a chain reaction. Our colleagues have recently approached and liaised with members of the industry, including exporters, recyclers and even property management companies in local communities, to understand the situation of waste paper recovery. According to the information provided by exporters, recently the export of paper products has reduced slightly but their prices have dropped by a greater rate. As a whole, we understand that export is generally normal and has not been subject to any special impact. We also understand that, at the present stage, the Mainland has not imposed any new restriction on waste paper import. However, in the current market environment, the recovery price will inevitably decrease, and recyclers' requirement on the quality of waste paper will be more stringent. Of course, for the public as a whole, another major concern is whether waste paper will be abandoned as a result of the reduced recovery price, thereby exerting pressure on the landfills. In this regard, colleagues from the Environmental Protection Department will liaise closely with housing estates in various districts and monitor the situation of landfills. We will also pay close attention to see if there is any genuine need to complement the environmental industry in terms of land supply. At present, many sites are actually leased to

the industry under short-term tenancies. Anyhow, the Government will continue to liaise closely with the recycling industry and provide co-ordination when necessary. However, in the final analysis, it boils down to the issue of municipal waste disposal. I agree with the idea mentioned by many Members, that we should start with waste reduction, recycling and modernized waste disposal, all these three aspects being integral parts of the whole. Therefore, some time in the future, we will introduce bills on or make funding requests for these few areas. I hope Members can render their support then.

Regarding conservation, Members can note in the policy address that pursuant to designating a site with an area of 2 360 hectares in North Lantau as a statutory country park last year, we have taken on board a proposal put forward by political parties in a motion debate of the Legislative Council this year to develop the hexagonal igneous rocks and erosion landscape along the shore of the Northeast New Territories and Sai Kung East into a geopark under the Country Parks Ordinance and the Marine Parks Ordinance. This park will cover an area of 4 000 hectares. At the same time, we have also responded to some aspirations of society and banned commercial fishing in marine parks in order to further protect the marine ecology. These measures have clearly shown that besides proposing environmental enhancement measures, the Government has also made great efforts in protecting the natural ecology. We will also continue to study the feasibility of developing country parks and marine parks in other places proposed by Members. We will conduct such examination in a progressive manner.

Mr CHAN Hak-kan has mentioned just now the implementation of two new government policies, including the Management Agreements and the Public-Private Partnerships (PPPs). Actually, these two programmes have already achieved some progress in the past year. For example, regarding the Management Agreements, we have moved from the pilot stage onto full implementation, and we have made additional provisions for both the project at Fung Yuen and the one at Long Valley. At the same time, under the PPPs, the project at Sha Lo Tung has also achieved a breakthrough. We will conduct an environmental impact assessment study and submit our application to the Town Planning Board. We also wish to take this as a pilot scheme and hope that it can open up a new path and find out whether conservation can be further enhanced through this new approach. However, I have also mentioned that many projects under the PPPs may not be ready for commencement yet. Nevertheless, we will

encourage relevant organizations to enter into Management Agreements, and we have also provided assistance in this respect.

Mr WONG Kwok-hing, Mr WONG Yung-kan, Mr IP Wai-ming and Ms Miriam LAU have all mentioned the issue of oil price monitoring. The Government agrees with the idea of monitoring oil prices and its stance on oil prices is very clear.

The general public may also agree that the Government can neither control oil prices nor determine oil prices for oil companies, however, what it has to do is to monitor oil prices, and in times of serious price fluctuations, it has to find out whether prices set by oil companies are in line with or have deviated from the import prices or the relevant international oil prices.

The direction proposed in the policy address is actually the adoption of some approaches and the use of a set of objective, reasonable and highly transparent methods as a means to enable the monitoring of oil prices, in particular, to see whether oil companies have timely reduced their oil prices after international oil prices have come down, with the collaborative efforts of the Government and consumers. Of course, as Ms Miriam LAU has asked just now, "What constitutes a discrepancy between the two?" This discrepancy has to take into consideration the difference in the time of the import of oil products and the time of the sale of the oil products. To our understanding, there is a gap of about one month. Evidence shows that upon discussion between the Government and oil companies and the announcement of statistics on import prices and free on board (FOB) prices, fuel prices have gradually come down. Of course, as far as the price in recent months is concerned, we consider that there may still be some room for downward adjustment, and the Government will continue its monitoring in this respect.

Besides, in the prices of various oil companies, there is currently a considerable cash discount, and even if the membership system is not adopted, the discount may still be more than 10%, or even almost 20% in some individual cases. The Government hopes that members of the public or consumers can make good use or make the best use of these discounts. It is also for this reason that the Government has commissioned the Consumer Council to announce on a weekly basis the cash discounts and non-cash discounts offered by various oil companies in the future to enable consumers to make informed choices.

Some Members have mentioned just now the pricing of domestic cylinder liquefied petroleum gas (LPG). The Government is also concerned about this and it hopes that with enhanced transparency, members of the public can clearly monitor its pricing. Actually, since 1999, a major LPG supplier has been reviewing its pricing every three months to determine the price for the following quarter according to the prevailing import price. When there is any change in the LPG price, the supplier will make adjustments in the following quarter. The Government has found that other suppliers have broadly followed this adjustment mechanism. Recently, the LPG price has come down, and we hope that the price of domestic cylinder LPG will also come down. Although the frequency of such downward adjustment may not be as high as that of vehicle fuels, we hope that there will be more room for downward adjustment.

President, Honourable Members, whether policies and initiatives on environmental protection and energy can be implemented and enforced depends very much on the participation of various sectors in the community and members of the public.

Over the past year, with the support of the Legislative Council, more than eight bills or amendments on improving the environment proposed by us have received support. In the year to come, the number of bills we plan to introduce into the Legislative Council may not be less than that of last year. Our work also includes some items which require the approval of the Legislative Council for funding provision. I believe we can work together in these areas in the future and I hope that we can take a step further in environmental protection this year on the basis of our efforts made last year.

Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I am very grateful to Members for their precious advice tendered during the second session of the debate on the Development Bureau's efforts to build a quality city. But since I have agreed to give some of my 15 minutes of speaking time to Secretary Edward YAU, so that he can respond in greater detail to Members' views on environmental and energy issues, I can only give a concise reply to Members' views on urban renewal, the beautification of the harbourfront, green buildings and heritage conservation.

However, before responding to the views expressed during the second session, I must first respond to Mr Abraham SHEK's remarks because he actually repeated the issue of development density discussed in the first session. Since Mr Abraham SHEK used rather critical wordings just now, I must be especially serious in replying to his views. I can remember that he asked us to stop the present review of outline zoning plans (OZPs) and lower the development density, so as to answer the aspiration of society. In response, I must tell him very seriously that It is a pity that he is not in the Chamber now. President, if we stop now, we will let the public down and depart from the Government's policy on building a quality city and the Chief Executive's concept of progressive development. We need economic development, but at the same time, we must not forget people's aspiration to a quality life and open space. We will therefore follow the same policy direction and proceed step by step. But I suppose Mr Abraham SHEK spoke like this simply because he did not entirely understand or grasp what we had been doing.

Every review of OZPs is marked by a high degree of public participation because our town planning procedures are highly transparent. Every time when any draft amendments are released for public consultation, many individual members of the public and property developers represented by Mr Abraham SHEK will come forward to voice their dissenting views. And, there are invariably many occasions on which we can listen to their opinions. If, in the end, such dissenting views are taken on board by the Town Planning Board (TPB) in the amendments, the public will still be informed. And, even after all these stringent procedures, when amendments are tabled before the Executive Council for approval, there is still another channel of raising objection — applying for a judicial review. As rightly mentioned by Mr Alan LEONG just now, we are indeed facing many lawsuits now. And, honestly, objections are frequently raised through this channel. To sum up, a very stringent process is in place. The staff of the Planning Department (PD) under me will assess and amend OZPs on the basis of their professional knowledge and incorporate development parameters, especially in respect of development height. Therefore, I must speak up in order to do justice to my staff in the PD and the many dedicated TPB members.

Back to the issue of urban renewal under discussion in this debate session, I must emphasize that it is a very difficult task, for the reason that with the ageing of our buildings, we begin to wonder whether demolitions and redevelopments will be able to cope with so many old buildings and rejuvenate local

communities. In recent years, our redevelopment projects have indeed aroused some controversies, causing huge reverberations in the community. Precisely for this reason, we have proposed to conduct a review of the strategy for large-scale urban renewal projects. The aim is to conduct further and serious discussions on the "Four R's" under the existing urban renewal strategy, namely, redevelopment, rehabilitation, preservation and revitalization, so as to ascertain their relative importance.

But in this connection, I must first mention that I have actually made three points very clear in the Panel on Development of the Legislative Council. First, the review of the urban renewal strategy will not and should not affect all the redevelopment projects already launched by the Urban Renewal Authority (URA). I can remember that on that day, Mr CHAN Kam-lam, who was then concurrently a board member of the URA, made it a point to remind us that many residents and owners affected by redevelopment projects all looked forward to the launching of the projects and even hoped that the projects could improve their living environment. It is also for this reason that Dr LEUNG has advised us to speed up the review process, so that there can be a new compensation formula for the redevelopment of Kwun Tong town centre. But this will depart from our original intent.

Second, why should the review take two years? The main reason is that the review this time around will be completely open, in the sense that there is no predetermined agenda. We have studied some past cases in which the Government was quite successful in enabling public engagement. The President may also be aware that the public consultation exercise for the Kai Tak development lasted as long as 26 months. And, in a simpler case, the Central harbourfront, it is now already seven months into the consultation exercise. There are just two years for reviewing such an important strategy and task that affects Hong Kong's urban redevelopment and renewal in the future, so I do not think that the duration of review should be reduced lightly.

Third, Miss Tanya CHAN queried whether the focus groups in the first phase could be of any use and why no government officials turned up. Actually, every meeting of the focus groups was attended by officials of the Development Bureau. Although I have not had the time to attend all the meetings, officials of the Bureau have been doing so, and there has also been the participation of members of the Urban Renewal Strategy Review Committee. If Members have paid any attention to how this steering committee has been overseeing the review

of the urban renewal strategy, they should know that some of its members have been most critical of the Government over the past few years. Civic Party members, for example, are also on the steering committee. We are therefore convinced that we should be able to forge a greater consensus in society.

On the enhancement of the Victoria Harbour, the Chief Executive has demonstrated his determination in the policy address, and there are also very high social aspirations. All Hong Kong people cherish it as our precious asset, which is why we have adopted an approach of inviting the participation of all.

To make sure that I can be well-equipped for the task, I went to London, Sydney, Melbourne and New York in the past four to five months, so as to observe and get to know their work on harbour or promenade building. All my findings are marked by one common observation — the Victoria Harbour, or any other beautiful harbour for that matter, must be accessible and full of vitality. A harbour must be accessible to people and equipped with attractive facilities. There must be a high degree of freedom for visitors, meaning that there must not be too many restrictions, with "no entry" zones all around. These will be the guiding principles in our work of harbour enhancement. I am sorry that due to the time constraint today, I cannot respond one by one to the views expressed by Mr Fred LI, Dr Priscilla LEUNG and Ms Starry LEE on the harbourfront areas in Kowloon Central, Kowloon East and Kowloon West. But I have promised to give a detailed account on our work of harbourfront improvement at future meetings of the Panel on Development.

In regard to green buildings, I recently led a delegation to the World Sustainable Building Conference. Since my return to Hong Kong, I have held some discussions with Secretary Edward YAU, and we have agreed that the two Policy Bureaux under our charge will take joint actions to promote the cause of green buildings in the future. In this connection, the industries concerned hope that the first Green Building Council can be established in Hong Kong at the end of this year or early the next. Prof Patrick LAU has mentioned this point already. Since buildings of all kinds account for 89% of the electricity consumption in Hong Kong, satisfactory efforts in this regard will help promote the cause of energy efficiency greatly. The Buildings Department has recently completed a survey on sustainable building designs, which covers the proportion of green designs in buildings, the spacing of buildings and how to alleviate "heat island effects" through the widening of streets. I undertake to give an account

on the whole matter to the Legislative Council at the end of this year, together with the outcomes of the discussions on floor area exemption for green facilities.

Finally, I wish to mention heritage conservation. The policy address this year gives relatively little treatment to heritage conservation. It only mentions how the former police quarters at Hollywood Road are to be handled. The main reason is that last year, the Chief Executive already explained in detail all the policies and measures on heritage conservation, and we have implemented all these measures and policies one by one over the past one year. As the President may be aware, besides the policy address, there is also the policy agenda, in which the progress of the heritage conservation work set down by the Chief Executive last year is explained in detail. I wish to give a special reminder to Mr KAM Nai-wai that the approach of "point, line and surface" in heritage conservation was already incorporated into the heritage conservation policy last year. For this reason, we have sought to form a heritage trail and a special conservation area in the case of Hollywood Road. At the same time, with the assistance of the URA, old district revitalization in Wan Chai is now underway. Therefore, our revitalization project already covers the heritage attractions in old Wan Chai and also the open bazaar mentioned by Mr Vincent FANG.

I wish to clarify here that for the revitalization of Haw Par Mansion, we have not yet decided that the revitalization of this historical building must be connected with wine-related uses. Nor have we chosen any particular commercial organization as our partner in this project. Only that in the course of heritage conservation, we realize that besides those historical buildings included in revitalization partnership schemes, there are still other buildings which commercial potentials. We therefore conclude that commercial uses should not be dismissed, and that it is not necessary to apply to the Legislative Council for funding for every revitalization project. We have therefore informed the Chief Executive that the Haw Par Mansion possesses commercial potentials. And, we will still select a partner in an open, fair and impartial manner. Whether the site will be used for wine-related purposes depends on the proposals received by us.

In regard to declared monuments and proposed monuments as well as the grading of historic buildings and sites, the Antiquities Advisory Board has reached the final stage of determining the relationship between the existing practice of administrative grading and the declaration of monuments and proposed monuments. We hope that we can give an account on the outcome to the Legislative Council when the work is completed at the end of this year.

In conclusion, I hope that our enthusiasm and work of turning Hong Kong into a quality city can receive the recognition of members. With these remarks, I hope that Members can support the policy address this year. Thank you, President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, in the first debate session, the Financial Secretary already explained the various government measures for promoting and facilitating our economic and trade development. At the end of the first debate session, Mr WONG Yuk-man spoke on issues relating to the Broadcasting Ordinance and the Obscene and Indecent Articles Ordinance. I wish to respond to his views before replying to the views on creative industries expressed by Members in this debate session.

The free dissemination of information and the freedom of speech are the core values of Hong Kong. They are also the cornerstone of Hong Kong's success. The SAR Government will uphold and resolutely defend these core values. The recent consultation exercise on the Obscene and Indecent Articles Ordinance is the Government's concrete response to Hong Kong's social progress and the views of the relevant industries and the general public. We hope that through comprehensive, in-depth and extensive discussions, we can make a law that can keep abreast of the times and capitalize on the latest information and communication technologies. We hope realize all our common core values on the one hand, and provide immature youngsters with a certain degree of protection in their contacts with the boundless pool of information on the other. No pre-censorship is the long-standing policy of the Government. In regard to the issue of *National Geographic* shown by Mr WONG Yuk-man at the meeting, I wish to point out that the decision of putting it in a sealed plastic bag with a written warning was made entirely by the publisher. And, this is the kind of discretion that can be exercised by the publisher under the existing ordinance. But in any case, the review of the ordinance has only just begun. The Government will conduct collation and analysis only after listening to the views of Members, various social sectors and the public. Following this, the Government will present its views and proposals for the second round of public consultation.

Radio and television broadcasting industries are two of the successful creative industries in Hong Kong. The Government will continue to adhere to

its technology-neutral and market-led policy in the promotion of the broadcasting industries. Our aim is to ensure that the regulatory regimes for the telecommunications and broadcasting industries can keep pace with the demands of society and technology and respond to the technological advances of the relevant industries in a timely and effective manner.

With respect to individual cases of unlicensed broadcasting, since the judicial process has already begun, it will be inappropriate of me to make any comments on them. But I still wish to emphasize the importance of equality before the law. The rule of law is a pillar of Hong Kong's prosperity and stability. The Office of the Telecommunications Authority is duty-bound to take enforcement actions against contraventions of the relevant legislation.

As for the development of public broadcasting service, including the future of Radio Television Hong Kong (RTHK), the Government has already undertaken to publish a consultation document for social discussions. In the whole process, staff of RTHK will be fully consulted.

President, I now wish to say a few words on creative industries. First, I am very grateful to Members for their advice. When faced with the financial tsunami, while we must remain confident and refrain from panicking as advised by the Chief Executive in the policy address, it is equally important to capitalize on and give full play to Hong Kong's existing competitive edge. There is free and advanced flow of information in Hong Kong; our infrastructure and software and hardware facilities are world-class; our telecommunications facilities are well-developed; we possess advanced information and telecommunications networks; we have in place a sound legal system and a satisfactory intellectual property rights protection regime; there is the strong support of legal and financial services; and, there is also a level playing field. All these advantages are indispensable to Hong Kong's future development. I am convinced that given appropriate assistance from the Government, it will be possible to turn our creativity into something we can be proud of, into new industries that can promote Hong Kong's economic development. At present, more than 170 000 people are engaged in creative industries in Hong Kong. They are employed by more than 30 000 organizations, producing an added value of \$53 billion per annum. This can show that the development of creative industries is a new direction of our economic growth.

There are many different types of creative industries, such as the film, television, music, design, architectural, digital entertainment and comics and animation industries. Many of these industries are already thriving. The Hong Kong film industry, for example, has produced many creative and quality works that have gained a foothold in the global market. As for the design industry, local designers are extremely talented and have all along enjoyed a high international reputation. "Cybertecture", an original architectural concept of local architects, is well-received in overseas markets. Even the world-renowned animation series "Shrek" is the creation of Hong Kong's animation talents. All these examples can show that Hong Kong possesses huge potentials for the further development of creative economic activities. The Government has always supported the development of local creative industries, but it must still admit that the existing support is much too scattered, not focused enough.

In the policy address, the Chief Executive proposes to develop Hong Kong into a capital of creative industries. This is in fact the policy of the Government. It is decided to set up a dedicated Creative Industry Office (CIO) under the Commerce and Economic Development Bureau, with integrated and realigned resources from government departments currently responsible for supporting and promoting the development of creative industries. This is the first step towards the realization of the objective. I am very grateful to Mr Andrew LEUNG and Dr Samson TAM for supporting the establishment of the CIO.

We will integrate and deploy the manpower and resources currently available to 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. Following its establishment, the CIO will co-ordinate the work of different departments and enhance communication with the trades to provide them with one-stop services.

The purpose of establishing the CIO is to pool all available government resources together to support the development of creative industries, so as to ensure that the needs of the trades can be better catered for. There will be better co-ordination of the resources deployed to the CIO, and such resources will all be put to appropriate uses.

In the course of preparing for the establishment of the CIO, we will maintain contact and communication with the trades to ensure that our development direction is in line with their needs and expectations.

To ensure that creative industries can enjoy sustainable development and scale new heights on a solid foundation, it is most important for us to identify new blood and train up the required talents in a holistic, orderly and systematic manner. For this reason, we support the idea of including animation in the subject of Visual Arts in the New Senior Secondary Curriculum. We have already allocated funding for the production of teaching kits, so as to enhance secondary students' animation and photography skills and their ability to appreciate creative works. It is hoped that all these measures can arouse secondary students' interest, thus serving to nurture animation and film talents for their future development.

We will also strive to enhance and expand the existing training programmes, with a view to providing assistance in terms of rents, production equipment and business know-how to young people aspiring to a creative career or wishing to start a creative business. I will shortly put forward to the Panel on Commerce and Industry various recommendations on expanding and enlarging the Cyberport Digital Entertainment Incubation-cum-Training Centre. Once approval is granted by the panel, we will submit a formal funding request to the Finance Committee.

President, the development of creative industries cannot depend solely on government support. The encouragement of parents and support by society will provide huge impetus. If parents can show appreciation of their children's creative potentials and accept and encourage their unusual ideas and unrestrained creativity, and if society can encourage indefatigable creative experiments by refraining from evaluating such experiments on the sole basis of efficacy, Hong Kong will certainly thrive in creativity. From this financial year onward, we will invest additional resources every year in promoting creativity and innovative technologies in society (especially among young people). Besides, the Government will also strive to market the achievements of Hong Kong creative industries both locally and internationally.

I am very grateful to Dr Samson TAM for his views on developing creative industries. In regard to the problem of Internet infringement mentioned by him, I wish to emphasize that all along, the Government has spared no effort to combat such activities. And, the Customs and Excise Department has already set up a task force with responsibility for combating Internet infringement round the clock. We all realize that to effectively deter Internet infringement, we must need the co-operation of Internet service providers, copyright owners and Internet

users. To this end, the Government already set up a tripartite co-ordination mechanism earlier this year for identifying better copyright protection measures. I expect that tentative findings will be available early next year. Dr TAM is welcome to continue to express his views.

Finally, I wish to say a few words on innovative technologies and respond to Dr LAM Tai-fai's question on government support for industries. The Government has always supported the innovative efforts and development of local industries. In 1999, the \$50 billion Innovation and Technology Fund was established to facilitate the efforts of Hong Kong manufacturing and services industries to introduce innovation and upgrade their technology level. So far, the Fund has approved a total funding of \$3.7 billion, which covers more than 1 200 subsidized projects. Applied research projects which have received funding include information technology, biotechnology, Chinese medicine, electronics, textile and garment industries. The funding for research and development is aimed precisely to turn the fruit of scientific research into commercial products or services as mentioned by Mr Andrew LEUNG.

Through existing scientific research facilities, such as the Science Park and the Cyberport, both of which have attained international standards, we will encourage co-operation among the industrial and commercial sector, universities and scientific research institutions, with a view to consolidating Hong Kong's future economic development potentials. Besides, we will continue to work with the Mainland, including the Shenzhen/Hong Kong Innovation Circle, so as to actively promote large-scale technological co-operation projects between the two places. It is hoped that a greater number of world-class corporations such as DuPont of the United States can be induced to set up innovative business headquarters and research and development centres in Hong Kong.

I so submit. Thank you, President.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I wish to thank Members for putting forward their views on food and environmental hygiene. I am also very thankful that they do approve of our work to a certain extent.

Efforts to ensure food safety and a clean and hygienic environment for the public are essential to the promotion of "quality city and quality life". I

therefore wish to lay special emphasis on the enhancement of food safety and the control of avian flu.

I am very grateful to Members for making so many suggestions on these two issues. Hong Kong is a famous "cuisine capital" in the world. More than 90% of the foodstuffs we eat are imported. With the globalization of the food trade, we now import a countless variety of foodstuffs from all over the world. This, together with advances in food technology, the rapid dissemination of information, incessant improvements in living standards and ever-rising consumer expectations, the management of food safety has become increasingly important and difficult.

For better ensuring food safety in the aftermath of the melamine incident, the Chief Executive has proposed in the policy address to introduce the Public Health and Municipal Services (Amendment) Bill 2008 (the Bill) to the Legislative Council, and the proposal has been approved by the Executive Council. The Bill seeks to empower the Director of Food and Environmental Hygiene (DFEH) to make executive orders on reasonable grounds to prohibit the import and supply of any food, or direct that any food be impounded, isolated, destroyed or otherwise disposed of, with a view to protecting public health more proactively and effectively.

Last Thursday (23 October), we gave an account on the Bill to the Legislative Council Panel on Food Safety and Environmental Hygiene. I am especially thankful that Members generally supported the Bill regardless of their political affiliations and backgrounds. Here I must emphasize once again that this measure is aimed purely at enhancing the protection of public health. The DFEH will exercise his power with extreme prudence, so as to strike a balance between the protection of public health and the impacts on food business operators. An appeal channel and a compensation mechanism are also provided for in the Bill.

The Bill will pass First and Second Readings on the fifth of next month, that is, next Wednesday. We hope that Members will render their support, so that the Bill can be passed early.

In the meantime, we will continue with the work on a Food Safety Bill, which aims to introduce a mandatory registration scheme for food importers and distributors, requirement for food traders to maintain proper records on the

movement of food so as to enhance traceability and tightened import control on food. We plan to submit the Food Safety Bill to the Legislative Council in the second half of 2008-2009, in the hope that new food safety controls can be put in place as early as possible to ensure food safety and public health.

I understand that some Members, such as Mr Tommy CHEUNG, have raised concerns about the impacts on the relevant trades and industries. I also agree that there must be full consultation, and the details of consultation must be publicized as early as possible. I also agree that both sides must hold negotiations on the details of consultation. It is hoped that in addition to the catering industry, the retail sector, industries and manufacturers can also be consulted.

With respect to the prevention of avian flu, the Government will expeditiously construct a poultry slaughtering centre to implement the policy of "segregating humans and chickens" to minimize the risk of avian flu. Before the introduction of centralized slaughtering, we will continue to enforce the policy of "no retention of live chickens overnight" at the retail level. After considering the views put forward by Members during the scrutiny of the relevant legislation, we will amend the Food Business (Amendment) Regulation 2008 to specify that if a black rainstorm warning or gale warning is in force at any time from noon to 8 pm on a certain day, then retailers of live poultry can be exempted from complying with the legislative requirement of "no retention of live chickens overnight" on that particular day. We have considered all relevant factors and are satisfied that the risk involved is within tolerable limits.

Many Members have also tendered advice on the supply of live chickens. We note that the policy of "no retention of live chickens overnight" has been operating smoothly since its implementation on 2 July. And, we also note that since the full implementation of the voluntary surrender of licences scheme on 24 September, there is often accumulation of live chickens at different time periods. For this reason, we have held negotiations with the industry, and we are prepared to consider the matter further and make some adjustments. In conjunction with the industry, we are exploring the possibility of designating a safe place in wholesale markets where a limited number of live chickens can be stored for a short time. This can strike a balance between the needs of the industry and public health. Some industry players have also expressed the hope that the importation of day-old chickens can be increased. We will relay the request to the mainland authorities.

Several Members have raised a number of other issues, but since I have already replied to them in the panel, I am not going to make any repetition here. These issues include the method of food safety inspection, the future development of the poultry industry and also the prospects of the fisheries industry. In regard to the last issue, I wish to say a few words here, not least because Mr WONG Yung-kan has been making elaborate appeals year after year. I can remember that in past years, Mr WONG Yung-kan invariably used up all his speaking time on every occasion. He spoke a bit faster this year, for he only used 28 minutes and 30 seconds.

We agree that the fisheries industry is an important industry to Hong Kong. In view of the difficulties faced by fishermen, we set up the Committee on Sustainable Fisheries in 2006. After years of discussion, the Committee has forwarded its advice to the Government. The Government is currently considering the recommendations. It is hoped that policy decisions based on the recommendations can be made early next year. The issues being considered include structural changes to the fisheries industry, whether a diversified and sustainable mode of development should be adopted, whether modern operations should be introduced to reduce operating costs and upgrade competitiveness, and whether it is necessary to reduce capture capacity, so as to ensure the sustainability of our waters. And, the most important considerations should be the reduction of fish capture activities that will have serious impacts on the marine ecology and the introduction of conservation measures to conserve and upgrade our marine resources.

President, we hope that our efforts can receive the support of all. We will carry on and promote the items of work mentioned in the policy address and the policy agenda. I hope Members can support this Motion of Thanks. Thank you, President.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, with your indulgence, I would now like to respond to Dr Margaret NG's views on legal aid instead of waiting until the fifth debate session.

President, legal aid service is not a neglected area in the Home Affairs Bureau's portfolio; rather, it is something that receives our special attention. The reason is that, as I mentioned at the briefing session, at the time when the Legal Aid Department was grouped under the Home Affairs Bureau last year, we could

already hear the hope of the Legislative Council and the public that the Government must not alter its legal aid policy.

The provision of legal aid is conditional upon two tests, namely, the means test and the case merits test. Dr Margaret NG proposes, first, to lower the threshold of the means test; and, second, to accord different and separate treatment to individual cases on the basis of case categories, rather than adopting the present uniform approach. I and my staff are more than happy to consider all these views. But it must be pointed out that the current means test has been implemented for a very long time, and proven. The merit of this test is that it is clear and transparent, able to minimize bureaucratic influence. Therefore, we must be prudent when contemplating any changes to this system. My understanding is that the function of legal aid is to uphold the rule of law by ensuring that no litigants or defendants having sufficient grounds will be rendered unable by lack of means to pursue their cases in the law courts of Hong Kong. This is the most important thing, and legal aid must never be used as a means of achieving any political, financial or welfare purposes.

As for the review of the legal aid fee structure, especially the determination of fees, I must make it clear that the Government is determined to make improvements and increase the fees. However, owing to the financial resource constraint, it may not be able to tell her the good news she wants to hear. Dr Margaret NG proposes to make reference to the fees charged by duty-lawyers. We will seriously consider whether her proposal can be accepted.

Several Members have mentioned building management, especially the management of buildings in old districts. This is indeed a matter that affects the public very closely. Many community organizations, non-governmental organizations and enthusiastic community figures have been actively supporting the work of Owners' Incorporations and Mutual Aid Committees and offering assistance in settling the disputes arising from building maintenance and public areas. The various District Offices have also been rendering their assistance by organizing education and publicity activities from time to time, so as to promote satisfactory and effective building management. Mr IP Kwok-him proposes to offer systematic certificate programmes on building management. If conditions are suitable and there are enough qualified instructors, students and even recognized institutions to issue certificates, we will certainly provide our active support.

Several Members have mentioned the cultural software. When trying to construct the cultural software in the West Kowloon Cultural District, we will also invest more resources in enhancing the cultural software of Hong Kong in various fields. For example, we will assist artists in securing opportunities of performance and exhibition, nurture arts intermediaries, promote arts education and enhance exchanges with the Mainland and foreign countries. And, we will also take one step further to enhance the support for second tier arts groups through the Hong Kong Arts Development Council (HKADC). Besides, we will focus on patronage building and the development of arts education, with a view to further opening up the local consumer market for the arts.

In 2009-2010, the Leisure and Cultural Services Department will organize a new series of special and free-of-charge topical cultural activities, with a view to enriching the cultural life of local communities and promoting their arts development, in a bid to cope with the needs of various communities, including the remote ones like Tin Shui Wai and Tung Chung.

The HKADC will also launch the Enhanced Community Arts and Cultural Activities Programme, under which funding will be provided to the arts and cultural organizations under the arts committees and cultural and recreational committees of the 18 districts, so that they can devise immersion projects that can upgrade and enhance local cultural and arts activities.

Mr IP Kwok-him and Dr LAM Tai-fai both raised the issue of sports. The Beijing 2008 Olympic Games and the Beijing Paralympic Games have certainly led to a surge of sports enthusiasm in Hong Kong, much to the benefit of our sports development. In 2009, we will host the East Asian Games. As the host, we will organize this great event in a pragmatic manner and carry it through. We have reserved \$20 million to prepare Hong Kong athletes for the East Asian Games. Besides, we will also advance the funding provision for Hong Kong athletes who are participating in the Asian Games and the Olympic Games.

We have allocated additional funding to provide elite athletes with support in respect of training, education, employment, and livelihood. The 10 tertiary institutions in Hong Kong have agreed on a special programme whereby elite athletes are given both the time for studies and specialized sports training. That way, they can always continue with their studies after taking part in sports events. Some enthusiastic commercial organizations have also made employment arrangements for retired elite athletes. In this and the next financial years, we will make stronger efforts to provide support for elite athletes, with the aim of

helping them to win medals in international sports events, including the Olympic Games. In terms of positioning, it can be said that our highest aim is to win medals in the London 2012 Olympic Games. The Chairman of the Elite Sports Committee has made a very good recommendation. He proposes to select a number of focus sports from the 11 elite sports and inject further resources into them, so as to increase the chances of winning medals. As for the selection of such focus sports, it should be based on a specific mechanism. The sports sector and the Sports Institute, rather than the Secretary for Home Affairs, shall make the selection. What is more, in 2009, while retaining the existing 11 elite sports, we will strive to allocate resources to designate one or two additional elite sports.

In regard to the popularization of sports, we will formulate a plan and join hands with District Councils, local sports clubs and various national sports associations to organize more sports activities suitable for different categories of people. To this end, we have earmarked \$50 million for the purchase of additional district sports facilities and equipment (including facilities for disabled athletes) in the coming three to four years. We will continue to encourage the commercial sector (including Legislative Council Members representing the sector) to sponsor sports events in various ways.

Mr WONG Sing-chi has expressed his concern about the prevention of gambling. He has also mentioned that some betting venues and betting tickets do not carry the warning required by the law. My staff and I shall follow up the situation.

I shall stop here. Thank you, President.

PRESIDENT (in Cantonese): The second debate session ends.

PRESIDENT (in Cantonese): We now proceed to the third debate session. This session covers the following three policy areas: Manpower; Welfare Services (including social enterprises and family matters); and Financial Affairs (allocation of public resources).

PRESIDENT (in Cantonese): Members who wish to speak will please press the "Request to speak" button to indicate their wish. Again, if you have pressed the button before but the red light is off, please press the button again.

MR WONG KWOK-HING (in Cantonese): With regard to manpower, I would like to talk about a number of issues. The policy address proposes to enact legislation on minimum wage in this Legislative Session. The Hong Kong Federation of Trade Unions (FTU) and the labour sector welcome the Chief Executive's initiative to fulfil his undertaking by deciding to enact legislation for the purpose. We all the more welcome the Chief Executive's proposal to extend the ambit of this legislation to cover all trades and industries in the territory.

However, Mr Jeffrey LAM, who represents the commercial sector in the Legislative Council, considered that legislation should not be enacted given the worsening economic conditions. Otherwise, a heavier burden on the employers would only cause more employees to lose their jobs. I beg to differ from these misleading remarks made by the representative of the commercial sector. Legislation on minimum wage, which has, in fact, been discussed for years, still met opposition from the commercial sector even in times of an economic boom. So, the Government must keep its promise and enact legislation on minimum wage which can brook no more delay.

On the criminalization of defaulted payment of wages, after I have been fighting for it for so many years, the Chief Executive has finally undertaken in this policy address to enact legislation to address the problem concerning the enforcement of judgments made by the Labour Tribunal, adding that a bill would be tabled for our deliberations in the current year. I am very grateful for this. I hope that the criminalization of defaulted payment of wages can be realized as soon as possible to ensure that workers will definitely be paid wages for their sweat and toil.

With regard to legislation on paid paternity leave, I was the first to raise the issue of paternity leave for men in the last term of the Legislative Council. But up to the present, the Government has still refused to enact legislation for the purpose and it has only responded that this would be taken forward by promoting family-friendly policies. But according to the Government's estimate, so far only 21% of the private companies provide paternity leave to their employees. The FTU hopes that the Government can take the lead to implement family-friendly policies by taking the initiative to introduce these policies in the Civil Service to set an example, while at the same time speeding up the legislative work on statutory paternity leave.

In respect of social welfare, I would like to make a few points. The first is about the Old Age Allowance, or the "fruit grant". Members representing the FTU in the Legislative Council withdrew our amendment to the "Motion of Thanks" as a token of our appreciation for the Chief Executive's initiative to answer the public's aspiration and rectify mistakes promptly by announcing the increase of the "fruit grant" to \$1,000 and removal of the means-test criteria for recipients aged above 70. Having said that, we think that the "fruit grant" still requires further improvement in that the absence period requirement should also be abolished. We consider it unnecessary to require the elderly to stay in Hong Kong for at least 90 days a year. Meanwhile, maintaining the income and asset test for elderly aged between 65 and 69 is, we think, a great nuisance to the elderly and should be abolished altogether.

Moreover, the FTU urges the Government to provide a supplement to elderly living in poverty. As some elderly people who have long been living in poverty cannot receive Comprehensive Social Security Assistance (CSSA) and may not be eligible for the "fruit grant", we urge the Government to provide a separate supplement for their living. With regard to this supplement, applicants can be subject to an income and asset test, and consideration can be given to pitching the supplement amount at about \$1,500.

On the other hand, we also call on the Government to note the fact that given surging prices and particularly as the prices of basic food and oil supplies have rocketed continuously, a group of "10 noes" people has emerged. They are people who enjoy no rent waiver for public rental housing, no "fruit grant", no electricity subsidy, no tax rebate, no CSSA, no waiver of the Employees Retraining Levy, no rates rebate, no Mandatory Provident Fund account to enjoy the Government's injection of \$6,000, no subsidy for their children at the start of school term and no cross-district transport subsidy. They are the group of "10 noes" who cannot in the least benefit from any subsidy or allowance proposed in the package of relief measures to help the poor implemented by the Government since the middle of this year. Given that prices have been surging for all commodities, should the Government not identify ways to help these disadvantaged groups? We hope that the Labour and Welfare Bureau can come up with some sustained, pertinent and effective measures to relieve these people of their plights.

Next, I would like to talk about the problems faced by people with disabilities. Regarding the half-fare concession for which people with disabilities have been fighting for years, the Government has still turned a blind

eye to it and this, we think, is utterly regrettable. I hope that the Bureau can further consider how assistance can be provided to people with disabilities for them to enjoy half-fare concession early.

Lastly, I wish to talk about the definition of and eligibility for the disability allowance. The existing system is most unreasonable because in order to be eligible for the disability allowance, an applicant must lose both legs or arms, or two of their four limbs. I have received cases in which the victims who lost one leg or one arm in the course of work sought my assistance because they are not eligible for the disability allowance since they have lost only one of their four limbs. I think this is unreasonable and I urge the Government to review this expeditiously.

Due to the time constraint, President, this is all I wish to say in this session.

MR FREDERICK FUNG (in Cantonese): President, in my speech today, I wish to firstly, draw a general conclusion on the overall economic condition and the policy address. Then, I will move onto the "big market, small government" philosophy of governance, followed by a discussion on the disparity between the rich and the poor and poverty alleviation, with a view to stating the views and proposals of the Hong Kong Association for Democracy and People's Livelihood (ADPL) on the distribution of social resources.

President, the social and economic development this year is like taking roller-coaster rides as there have been rapid, drastic changes. In the beginning of the year, a robust 7.3% growth was recorded in the first quarter, following a continuous growth in more than 10 quarters. Prices have since been surging more and more intensely, and just when the public and the Government were focusing on how the inflationary pressure could be eased, the situation took a turn for the worse. The credit crisis triggered by the sub-prime mortgage saga in the United States has been snowballing, plunging many international financial institutions into financial woes, bringing unprecedented challenges to the credit market and even dealing a blow to the global banking systems and financial markets.

Even Western countries which have all along positioned themselves as free markets have repeatedly resorted to intervention in the market. For example, Britain had made equity injections into banks direct, which is tantamount to nationalizing the banks. The European countries and the United States have

almost left no stone unturned, spending thousands of billions of dollars from the public coffers to rescue the market, which is unprecedented. Unfortunately, all these measures taken by various countries to rescue the markets cannot offset the impact of the financial tsunami. On the contrary, there is a trend of the crisis spreading. As for the latest situation, I think as you, President, may also know, the governments of many countries, including Argentina, Iceland, Eastern European countries and South Korea in Asia, are now on the verge of bankruptcy, and some are even urgently in need of assistance from the International Monetary Fund.

President, the stock market, being the thermometer of the economy, has fluctuated drastically. From the first wave of adjustment triggered by the credit crisis to the second wave of a slump induced by concern about economic recession, the Hang Seng Index has fallen by almost 20 000 points in less than a year with \$15,400 billion evaporated in the value of the stock market, which is equivalent to nine times of last year's Gross Domestic Product (GDP). We can foresee a gradual slowdown in the external economy, and the shadow of recession is looming over the market. According to the latest statistics of the United Kingdom Statistics Authority, the GDP in Britain in the third quarter is down by 0.5% than that in the previous quarter, the first time an economic slowdown is recorded since 1992 and the sharpest since 1990. The statistics on the GDP for the third quarter to be announced by the United States may show a shrinkage of the United States economy for the first time over the past seven years. Moreover, in Singapore where the scale of economy is similar to ours in Hong Kong and which is also said to be our long-time competitor, a slowdown has been recorded in their GDP for two quarters in a row, reflecting that the economy is entering a period of recession.

President, we must ask: Is the economy of Hong Kong still a long way from recession? While the economic growth in the second quarter, which is recorded with a lag, can still be maintained at 4.2%, the latest unemployment rate has increased by 0.2%. Coupled with the tightening of credit by banks which subsequently started the tide of closure of business in the retail and catering sectors, it appears that the economy is indeed facing a very serious blow. Following a decline in exports and diminished spending desire of the public, the economic growth which is led by exports and spending can hardly be sustained. Some major firms (such as Morgan Stanley) have even adjusted downward the projected economic growth of Hong Kong this year from 4% to 2.8%. Added to this is that the local industrial structure has put excessive emphasis on one single

industry and is therefore extremely vulnerable to external factors. So, the power of resistance of the Hong Kong economy is very limited. The economic prospects are indeed far from optimistic.

Under such circumstances, President, no wonder financial and monetary issues have generally formed the main axis of this year's policy address as many paragraphs are devoted to discussing the onslaught of the financial tsunami and the critical challenges of the external economic environment. But the Chief Executive has only pointed out where the problems lie, falling short of proposing specific measures to address the challenges. Perhaps as the Chief Executive has said, it is impossible at this stage to ascertain the actual impact of the financial tsunami on global and local markets, but it does not mean that we should just await our doom and do nothing.

The Government proposes the establishment of the Task Force on Economic Challenges 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 the business community to address the challenges. This will help us overcome the crisis, turn it into new business opportunities and enhance our competitiveness. This is the Chief Executive's definition of the role of the Task Force.

From the latest announcement of the appointment of members to the Task Force, we can see that the terms of reference and membership of the Task Force are obviously too narrow, showing that the Government, when facing this so-called economic crisis, has focused mainly on how to ride out the financial tsunami through the upper economic infrastructure, as if actions are taken only to rescue the market, not the people, for the Government has never considered from society's angle the new difficulties faced by all sectors of the community in this financial tsunami. Worse still, if we look at past experiences, it is always the lower middle class who are hit the hardest in times of an economic downturn. Judging from this policy address which indulges in excessive empty talk but lacks the ability to translate words into actions, Hong Kong people simply do not have much confidence in the Government's ability to lead us to meet the new challenges in the very pressing circumstances now.

President, as I said at the outset, the financial tsunami has sent dynastic shockwaves across the global economy in the latter half of the year. But is it that the difficulties faced by the people in living in the beginning of the year in Hong Kong have faded away quietly? Or is it that problems may come rolling more strongly and sweepingly in the future, which would make the living of the general public, especially the grassroots, even more difficult? The policy address may have focused on the future development of the financial markets unintentionally — I really cannot tell whether this is intentional or unintentional — to the neglect of the future difficulties faced by the small and medium enterprises (SMEs), wage earners and grassroots.

President, paragraph 12 of the policy address stresses the principle of "big market, small government". President, you may recall that during the Question and Answer Session held the following day, I asked the Chief Executive whether the "small market, big government" principle should be changed. The Chief Executive replied that the Government would vigorously provide assistance at critical moments but the Government would continue to uphold the "big market, small government" principle in governance.

President, I will try to look at the problems faced by the Government in its governance over Hong Kong from three levels. On the upper level it is the economy or high technology; in the middle it is the SMEs; and at the bottom it is the grassroots, the general public, or wage earners. When it comes to "big market, small government", we all know that the SAR Government has consistently upheld neo-liberalism or market fundamentalism over the past two to three decades, which features inherent hostility towards the government and thinks that the government is bad whereas the market is the best, and that regulation is bad and deregulation is good, holding that the solution always lies in the market, market, and market.

I believe Members all know an economist. He is Milton FRIEDMAN of the Chicago school of economics who passed away two years ago. In FRIEDMAN's eyes, almost all the problems, including those relating to education, medical and health care, and drug trafficking, can be solved by the market without requiring government intervention. But is this really the case? Is market economy really perfect and flawless? Whether or not it is flawless is a philosophical question, not an issue for discussion in this Chamber. But is market economy almighty? I would like to cite an article written by Mr Stephen CHIU, Associate Professor of School of Economics and Finance, the University

of Hong Kong, who pointed out that since market economy came into existence, there have been several currency and banking crises in the world, especially between 1973 and 1979. Obviously, market economy is not almighty and cannot address these problems. He also cited some examples. He said that from 1945 to 1971 before the liberalization of global finance, there were 16 occurrences of currency crises and there was once when a banking crisis and a currency crisis took place at the same time. But from 1973 to 1979 when financial liberalization had taken place full scale in Hong Kong and even in all parts of the world, there were 17 occurrences of banking crises and 57 occurrences of currency crises, and there were 21 occasions when both crises took place concurrently.

President, can these facts convince us that the so-called market economy really has no problem at all? In fact, there is another problem with it and that is, survival of the fittest. This may be viable in the context of pure economics but if this value or mindset is extended to the governance of Hong Kong, or to social administration and regulation of various social policies, I am sure that the practising of market economies will certainly result in the elimination of the weak and the disadvantaged. The disadvantaged includes the elderly, people with disabilities, people with intellectual disability, wage earners aged above 40 and wage earners with a low level of education.

President, I also wish to quote another academic, Adam SMITH. He said to the effect that a baker made bread for us not out of his concern for us but his concern for himself. He made bread not for the purpose of feeding us. He did so only to sell the bread for money. I think Members may know that the former chief of the world's largest central bank, Alan GREENSPAN, in commenting on this financial tsunami of the century recently, admitted that he had made mistakes in his judgment and policies back in those years and that the regulation of investment banks was inadequate.

What I am trying to say in the above paragraphs is just this: It no longer works to continue to govern Hong Kong on the principle of "big market, small government". If the Chief Executive can hear and see these facts, should he not review afresh how he should govern Hong Kong? I am trying to look at the problem and make suggestions on three levels, namely, the upper level, the middle level, and the lower level. The so-called market economy can be best developed on the upper level because it is particularly favourable to people, companies or groups possessing the three conditions of market economy. The

three conditions are first, an abundance of resources; second, high profitability; and third, producing necessities of the human kind (or a commodity). With these three conditions, the market, especially the stakeholders, will certainly be attracted to slant towards them.

Market economy is a worry-free option, because people or companies will naturally exercise self-regulation and make self-improvement. But what will be the problem? As we can see from history, it will lead to a situation where "the small operators are eaten up by the big ones". This has indeed happened before, and as we always say, three "highs" (high technology, high knowledge and high skills) will make profit but three "lows" will give us a big problem, which means that labour-intensive industries requiring low knowledge and low skills will be eliminated. In this connection, we can see that the practising of market economy in Hong Kong has resulted in the current situation where there is no industry at all in Hong Kong. However, Hong Kong is not the only place with no industry, for the same also happens in the United States, Japan and Britain. But does it mean that this system is correct and advantageous? The same has also started to take place in the Mainland, just that China has not entirely followed this system though.

Under a big market, do we need a "medium government" (I already do not ask for a big government)? When problems emerged in the market, government regulation would be necessary to ensure that the market does not run in a wrong direction excessively. Second, when the development of the market is purely benefit-oriented, it would naturally slant towards the property market or bubbles. The so-called financial tactics mean methods that do not require resources or anything or even hard work and rely purely on knowledge but are nevertheless highly lucrative. But when problems have arisen, these tactics would not only take toll on themselves. Many other people would also be dragged into troubles. Why can we not be really down to earth in our work? Could it be that nothing can be done under the banner of high technology? Just this morning I heard Mrs Regina IP say on the radio that Motorola in Finland had gathered intellectuals and professionals to conduct research studies on innovative technologies and this has made it the world's fifth largest industry. The cultural industry in South Korea also has the support and facilitation of the Government. Are Korean drama series and films not developing robustly now?

I must tell the Government that even the Macao SAR Government has done something as it has just established an association for the animation and comics

industry. This association, which is subsidized by the Government, plans to bring together the 200 animation professionals, cartoonists and comics writers in Macao to form an industry and promote it as part of the culture of Macao. The Secretary talked about ways to develop the cultural industry earlier on, but they have remained at the stage of co-ordination, reorganization, consideration and research. However, Macao has already caught up with us now, and these are the problems to be dealt with on the upper level.

President, what is the middle level? The middle level refers to the SMEs. Today, I heard Mr Vincent FANG, Mr Andrew LEUNG and even Ms Miriam LAU say on the radio that efforts must be made to induce support from banks and facilitate lending by banks. The Government has only set aside \$60 billion for this purpose, and banks are made to take up the other half of the responsibility. Even the banks themselves find their own position rather insecure, for they do not know whether or not repayment from the SMEs is guaranteed. For example, if they are required to provide guarantee for a \$3 million-loan, President, if you are a banker or we can ask Dr David LI, if he is in the Chamber, whether he is willing to provide this loan. To me, I may not necessarily be willing to lend \$1 million, not to mention \$3 million. I would rather provide guarantee for people with "collaterals". Banks are unwilling to provide any guarantee so long as there is a chance to suffer a loss. Banks are already unwilling to provide guarantee now and yet, the Government is still urging them to extend more loans. How possibly would banks be willing to do so? If things go on like this, how possibly would bankers who insist on operating purely on the free market principle, free market mindset and free market values provide services to the SMEs and promote our industries? This is impossible.

The question that I wish to ask is: Why are banks in Hong Kong banks and investment banks only? Why is there not any SME banks or industrial bank? The objective of setting up SME banks or industrial banks is to provide assistance to the SMEs in their development, promote and facilitate the growth of SMEs, and also provide assistance to facilitate the creation and growth of industries. But banks just do not think about these, for they are only thinking about using more financial tactics, so that those products not permitted for sale even in the United States I do not know what they are called because I have not bought any of them. They are called something like bonds

PRESIDENT (in Cantonese): Minibonds.

MR FREDERICK FUNG (in Cantonese): these are sold only in Singapore and Hong Kong. Banks have never considered their role and functions, for they set eyes only on profit. Our Chief Executive of the Hong Kong Monetary Authority said loud and clear that he had known its coming. This is actually why people think that he should feel ashamed of himself. Even though he had known what would happen, it was still useless, for he did not in the least exercise any supervision. Not even the supervisory authority has exercised supervision. So, banks could freely do whatever they like. What will become of the banking system? In this connection, what should be done in order for SME banks and industrial banks to be set up? The Government should set up a bank of this type directly or indirectly. As regards how such a bank should be set up, this is open to discussion. This is what I refer to as the middle level.

Another point about the middle level is that nobody bothers to run industrial undertakings nowadays. But is it true that there is really no room for industries to develop? If no profit can be made, there is certainly no incentive for development. But is it true that industries should not be developed because no profit can be made? Whether or not industries should be developed or whether or not they have to be developed is a different matter from whether or not they are profitable. Four years ago I visited Taiwan to study the recycling project initiated by MA Ying-jeou, mayor of Taipei. What they did was that land was granted to recyclers for setting up plants but the recyclers must introduce machinery and technologies to the plants, so that the wet refuse, or food refuse, can be separated by the two "claws" of the refuse collection vehicle. The wet refuse would then be delivered to the recyclers for recycling into fertilizers for agricultural purposes. The recycler could enjoy a rent waiver for the first "three years", and then a half-rent concession in the second "three years", and only in the third "three years" that rent would be charged at the market rate. This was not initiated for no reason at all. Nobody would be willing to do this, and this could not possibly be done without government support. But Taipei managed it. Has the Hong Kong Government provided any support to the green industry? Has it provided any support to the labour-intensive industries? No. This is why there is no room for these industries to develop. Everyone sets eyes on making money because the entire Government and the entire Hong Kong is precisely a big market. As Adam SMITH said, the baker made bread not out of his care for me. But what the Government should do is to make this caring element part of

the goods, for we cannot count on the market anymore. President, please forgive me for working myself up like this, but this is the anger pent-up inside me for years.

The last level that I wish to talk about is the lower level, that is, the disadvantaged workers being eliminated by the free market. I am not going to repeat what the Chief Executive had said in the Question and Answer Session as I mentioned earlier on. Who are the people to be eliminated? They are people with disabilities, low-skill workers, and workers who are older in age. This is the biggest problem of disparity between the rich and the poor. The Hong Kong Council of Social Services has provided some information to us. We can see that the income of the 10% of the poorest people has dropped 22% over the past decade, while that of the 10% of the wealthiest has increased by 10.9% over the past decade. Our Gini Coefficient has reached 0.533, which is the highest in the world.

Even though the Chief Executive said that a lot of welfare, housing, and so on, have been provided, and even if these factors are taken into consideration, the figure still stands at 0.47. In Britain, theirs is over 0.5 before deducting these factors but the figure dropped to below 0.4 after the deduction. Why do I mention 0.4? Because 0.4 is a universally recognized danger line. Why can it drop to below 0.4 after deduction in Britain, while ours after deduction still exceeds 0.4? Then, the Chief Executive told us that the disparity between the rich and the poor is not very serious because people are mobile. The Chief Executive said this on that day. I do not see how those workers aged above 40 with junior secondary education who make a living by engaging in manual labour work can be so mobile as to turn their monthly income from \$4,000 to \$40,000. Tell me, how many examples are there? Should I do the same? I take exception to socialism, and I take exception to even distribution in an economy, but I agree that this problem has to be addressed. But President, we have not addressed this problem. The Government has not sincerely treated the people as human beings or friends or whatever, let alone its children. The Government simply has not addressed this problem.

Last year, the Subcommittee on poverty alleviation in the last term of the Legislative Council visited Britain and Spain, and we felt all the more angry after these visits. Spain is a developed country which upholds capitalism, and while we are even more capitalistic, we are less capable of handling the problems of the people. Let me cite an example to explain this to Members. They also have

social enterprises in their country. While their definition of social enterprises is different from ours, we need not argue about this point here. They have an organization known as Mondragon which has an annual business turnover of €22.6 billion. That is a social enterprise which takes on 83 601 employees. What about our social enterprises? President, they are just given \$1 million to meet their expenses for two years, and they are told that if they can survive, they survive, but if not, they just close down! If an organization is given \$1 million and it can survive for two years, many people would already have made a fortune. But how could that organization run so successfully? Why can it achieve an annual business turnover of €22.6 billion?

We know that they also have an association for the blind. We did not visit them and we had only obtained information about it. How does this association for the blind operate? The Spanish Government has issued four licences to sell lottery tickets, one of which is granted to this association for the blind, and they have managed to achieve a business turnover of €238 million. It has employed 7 000 blind people to sell the lottery tickets and the profit hence made is used to run cafes, a tourist agency, and so on. Now, there are 14 subordinate social enterprises under this association.

These social enterprises have constituted 25% of the GDP in Spain. Go and check this out! Why is it that other people can make it? Go and ask! Can \$1 million be enough to make this possible? How far are we lagging behind? Anyone who is committed and attached to society will find this frustrating. Why is our Government like this? Alas! President, we also saw an example in Britain. It seems that Hong Kong now tends to follow Britain's example in respect of social enterprises, but Hong Kong is still lagging far behind!

I have spoken a lot on this. I am the Chairman of a charity organization. Our organization has three social enterprises. I have made enquiries with many government bodies to see if they could give us some work to do. The reply was no, because we have joined the WTO and so, they could not give us work. Britain has joined the WTO, too, and yet, their social enterprises can be given work to do. President, let me cite this example in Britain. All Members had visited that social enterprise. When that social enterprise first started its operation, women were recruited to collect old furniture which would be repainted and sold in the market. They have maintained this *modus operandi* for about 10 years and now, the business turnover of this social enterprise has

reached £10 million with five branch offices in the country. Why can it operate on such a large scale? The central government has not given them plenty of subsidies, and they are just funded by the local representative assembly. For instance, how does it operate in Liverpool? The Liverpool Government would invite tenders for the provision of all its furniture, awarding contracts for furniture replacement and refinishing, but many restrictions are still imposed. All the restrictions would be listed out under items 1, 2, 3, 4, 5, 6 and 7, which include minimum wage, welfare, the requirement that 5% of the employees being people with disabilities, and so on. Businessmen will find the profit margin too small and so, they will not bid for these contracts. Therefore, those who have submitted their bids are always social enterprises, and this is entirely not against the WTO provisions. I had visited them and talked to the workers. We met with about 10 workers ("Long Hair" was there too, right?) and they are all middle-aged workers between 40 and 50. Why? I must ask why again!

These examples are telling Hong Kong people that other people have been doing this for 10 years and in Spain, this has been done for 60 years. We do not need to accumulate 60 years of experience in order to be as good as others. It is like the case of China in that the Western model may not necessarily be followed in planning economic development. There are things that other people have found out, and we can learn from other people's experience and move on even faster.

Alas! President, in the entire policy address, do you think that our economic problems and structural problems are identified? Is there still a need for "big market, small government"? Is it necessary to re-examine this principle of governance or administration? Is it because of the financial tsunami that a review is warranted and that it should even be put to an end? President, when I first learnt that we would discuss the allocation of financial resources today, I thought that government officials responsible for financial and economic affairs and even the Financial Secretary would attend this meeting, but they are not here. I do not know if what I said just now has anything to do with Secretary Prof K C CHAN, and I hope the Secretary will tell us in his response. So, I am not going to discuss individual policies here, but it is really necessary to consider whether adjustments will need to be made to the mindset of governance and whether there is a need to strengthen our government and enhance our care for the people.

Towards the end of the policy address a number of proposals are made to help the poor, and I wish to briefly talk about them. One of them is, as we all know, the Old Age Allowance, or the "fruit grant". In respect of the "fruit grant", the Government finally acceded to our demands. But I must still raise objection to one thing and demand one thing and that is: Could he please stop pulling a long face? I know Chief Executive Donald TSANG. He does not easily change what he believes in. Now that he has changed his position so suddenly, and I do not know the reason. Since he has changed his mind, it should mean that the Chief Executive himself considers this a good thing to do. But he has given me the impression that for some unknown reasons he had been forced to accept the proposal of giving away that non-means-tested fruit grant of \$1,000.

The second problem that has not been dealt with is inflation. In a written question asked by me today, Members can see that I asked about rice, and the question that I am going to ask next week will be about pork. Prices have gone up quickly but come down slowly. Can the Government simply ignore this? The answer given to me today told me that the prices are determined by the market. When Ms Miriam LAU asked a question on fuel earlier on, the Government also replied that prices are determined by the market. Now that we are in the middle of a crisis and yet, the Government is still saying that we have to count on the market, come what may. It is the market that the Government counts on. When all I have got is just \$1,000 of "fruit grant" or \$1,000 of CSSA payment, which market is going to help me? No market is going to help me.

In respect of infrastructure, I agree that infrastructure development must be expedited, and I always hold that infrastructure is a means to alleviate poverty. I have also said before that the redevelopment of old districts is a means to help the poor but they have not told me what they are going to do in respect of infrastructure. I have discussed this with the Chief Executive, and I have discussed this with Secretary Eva CHENG and I learnt that even if a decision can be made today, it would still take two years before the projects can commence. Can they speed up a little bit? It is a life and death issue! Two years later, the poor people would have been starved to death.

You people, being government officials, must really work faster. Can the timeframe be shortened? I would consider it better to shorten the period for consultation with the District Councils (DCs). If the Government said that it

would take three months, then can it be shortened to one and a half months? It is still possible to consult all the 18 DCs in one and a half month's time. Moreover, cases pending appeal in Court will take as long as six to nine months before the proceedings start. Is it possible for the Government to provide more funding, so that appeal cases relating to these 10 major infrastructure projects would be scheduled for hearing within three months? If the Court does not have enough funding or Judges to handle this, overseas Judges should be recruited to Hong Kong to hear these cases at the cost of the Government. Speed up! Can we not feel frustrated when talking about all this?

On minimum wage, the only proposal that I most welcome is minimum wage but I have no idea how much more time would have to be spent on arguing over this issue. President, the argument or controversies surrounding minimum wage may outlast our term of office. I can tell the Secretary that if you endorse the setting of a minimum wage, I can guarantee I have said this many times just now but I forget what this 0.533 is

(Someone said, "the Gini Coefficient")

Yes! The Gini Coefficient. Thank you! The Gini Coefficient is set to drop. I hope that the Gini Coefficient can come down to be closer to 0.4. Is minimum wage not the way to tackle the disparity between the rich and the poor? Secretary and President, am I right?

Having said so much, and after reviewing the problems over and over again, I found that the biggest problem or the ultimate problem is actually the market. Individual policies may fall through because of the market; inflation is attributed to the market; "the fruit grant" controversy is caused by the market; the minimum wage issue has to do with the market; and infrastructure has to do with the market, too. All these can be affected by the market and as a result, we may be entirely unable to implement them and it would be very difficult to make even the smallest step forward.

President, I am not good at speaking but today, I have spoken from the bottom of my heart and this may be why I manage to speak much more coherently. But I am still furious. I am even sweating now, not out of fear, but out of anger. I hope that the Secretary can feel my impatience and frustration. I hope that when formulating policies, they can really consider their mindset in

governing Hong Kong, and conduct a review afresh and enhance the work of the Government afresh in the light of the financial tsunami, and particularly, I hope that consideration will be given to the kind of intervention on the first, second and third levels (especially the third level) as I have just explained.

Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, the policy address has not responded to the demands of the social welfare sector at all. It is silent on the Lump Sum Grant (LSG) subvention system which has most far-reaching implications for the sector, and with regard to the blueprint for long-term social welfare development, all it said was that studies would be conducted, which is mere formality.

Social welfare groups and front-line workers have very high expectations of the report of the Lump Sum Grant Independent Review Committee, but the policy address has not presented any direction or forward-looking plans for development. I heard that many social workers are very disappointed with the policy address, as they think that the Chief Executive has not paid the least attention to the aspirations of the social welfare sector. The LSG subvention system has been implemented for eight years, and there have been widespread discontent and grievances in the sector. From front-line workers to the management and from the board of directors of welfare organizations to the service users, all have called for a revamp of the LSG system. It is now time the SAR Government showed its determination to thoroughly rectify the unfair and unjust arrangements under the system.

It has been a decade since the reunification and the social welfare services provided have remained quick-fix palliatives. The Chief Executive should have the determination to plan with vision. Faced with future demographic changes and social development, it is necessary to comprehensively consult the community in drawing up a long-term plan for social welfare services. Only in this way can manpower development dovetail with the fiscal budget, and only in this way can the grassroots and the disadvantaged lead stable and secured lives. In the policy address, I do not see that the Chief Executive has shown any concern or determination for the planning of social welfare services. I must give a warning to the Government. Its neglect of planning for social welfare today will cause social problems to gradually accumulate. The problems may

eventually become unmanageable, and even if these problems can be solved, society may have to pay a huge cost.

We welcome the Chief Executive's decision to increase the "fruit grant" to \$1,000 without subjecting it to any means test mechanism. I think the means test requirement should be waived across the board for all elderly aged between 65 and 69. I noticed that the Chief Executive had only said that the means test mechanism would be "shelved", which implies the possibility that the grant may still be means-tested in the future. I think Mr TSANG is very unsympathetic in saying that. I must state clearly that no matter when the Government reintroduces a means test mechanism for the "fruit grant", I will definitely oppose it because the "fruit grant" is meant to show respect to the elderly. Be it economic boom or financial tsunami, we must fulfill our filial duties for our parents and respect the elderly at all times. The Chief Executive has always talked about caring for the elderly and supporting the elderly in their living. I would put it in a simpler way and that is, we must love the elderly. If the elderly are made to undergo rounds after rounds of tests and interrogations before they can receive an allowance of \$1,000, is this a way to show that we love the elderly? It is rare for people to reach 70, and how many people can reach 100 years of age? Why does the Government have to be so mean even in giving out this very meagre welfare payment? The Government mentioned that the young people would otherwise carry a heavier burden in the future, as each person would have to pay \$500 on average for the "fruit grant". This is basically a game of juggling with figures. Each person may have to pay \$500 on average but under the tax regime of Hong Kong, the rich people will pay more, while the poor will pay less and even do not have to pay at all. Moreover, the Government has always stressed the size of elderly population aged above 65. Then what does the Government think about the number of elderly who choose to live on scavenging despite that they are eligible for the Comprehensive Social Security Assistance (CSSA) payment? Why does the Government which stresses rationality not provide this number to tell the public how many elderly people prefer to work laboriously in order to earn their own living and receive only the "fruit grant" which is meant to show respect to the elderly but not CSSA? The Chief Executive always says that we must think for the next generations and reduce the burden of the next generations, but many young people are actually more than willing to show respect to the elderly. I know that some young people have said candidly that they pay tax in the hope that they could enjoy some welfare when they grow old, and if a means test mechanism will be introduced for the "fruit grant", and since they will draw on their Mandatory

Provident Fund benefits when they reach 65, they certainly would not pass the means test. Could it be that the Government is making the young people pay tax for 40 years and excluding them from the Old Age Allowance just because they have kept a small savings? All in all, the controversies over the "fruit grant" can actually be resolved by a most easy solution and that is, universal retirement protection. This is a solution to the livelihood problems of the elderly in the long run.

The policy address mentions residential care places and the enhancement of the bought place schemes. This, we agree. However, there is still a serious shortage of residential care places. At a conservative estimate, the provision still fall short of the current demand by 10 000 places. I suggest that the Government can develop an elderly estate in the Loop area. On the one hand, the cost would be lower and on the other, it would be easier for the elderly to access health care services in Hong Kong. This, I think, would be more appealing to the elderly. At the present stage, the operating hours of day care centres for the elderly can be extended and places can be increased to temporarily meet the demand of the elderly. Moreover, the problem concerning residential care places for people with disabilities has remained unresolved. At present, service provision mainly relies on private residential care homes, but the standard of service in private homes varies greatly. I urge the Government to introduce a Residential Care Homes (Persons with Disabilities) Bill for scrutiny by this Council as soon as possible, so as to impose full regulation on the operation of these residential care homes to provide protection to people with disabilities and ensure stable quality of service.

I learned that many organizations support the provision of more resources by the Government for food banks. Particularly at this time when the economy is bad and prices have not yet come down, the poor people need greater support and assistance. However, the organizations hope that the Government would provide assistance to them by way of food vouchers, rather than food banks, for food vouchers can enable them to meet their needs more flexibly.

In view of the financial tsunami, we all expect the economy to remain in low ebbs for a couple of years, and the unemployment rate is also expected to rise. The unemployment rate among the youth has already reached double digits and in order to prevent the problem from further worsening, the Government should maintain the existing service provided by Programme Workers or increase their number, while urging the Employees Retraining Board to provide appropriate pre-employment training for youngsters.

As we all know, our young people today are the masters tomorrow. Regrettably, the Government has all along neglected the social involvement of youngsters. In 2004, the Commission on Youth set up youth forum organizing committees in 18 districts for young people to hold district youth forums in their own districts for discussions on social policies, and a territory-wide Youth Summit was also held at end-2004 for them to share and exchange their views with young people from other districts. Former Chief Executive, Mr TUNG Chee-hwa, also gave recognition to this initiative at the inauguration ceremony of the youth forum organizing committees in 2004. In 2006, Chief Executive Donald TSANG also gave confirmation to the Constitution of Youth Forum at the 2006 Youth Summit. The formal establishment of Youth Forum should be realized soon. However, no Youth Summit was held in the districts in 2007 and 2008; nor was the territory-wide Youth Summit. If the Government is genuinely committed to encouraging more youth participation in politics, why are young people not given any opportunity to express their views on social policies? Here, I urge the Government to immediately reactivate the mechanism of the youth forum organizing committees in the 18 districts and plan afresh the organization of the territory-wide Youth Summit in the coming year to encourage more young people to care for society and express their views on the community where they live.

We understand that the hardware of the Youth Development Centre in Chai Wan has been completed but a decision has yet been reached as to whether the operation of the Centre will be taken up by the Government or outsourced to the private sector. The young people are very concerned that the fees and charges would be very expensive if the outsourcing option is adopted, in that way the young people in general will not be benefited. As the Centre is already designed to provide accommodation, business and conference services, it would defeat the original purpose of the Youth Development Centre if it is used entirely for business purposes. The Youth Development Centre is developed by the Government at a cost of \$700 million out of public coffers. I call on the Government to first consult the community and the youth before outsourcing any service.

The policy address this year has just lightly touched on measures to combat such social problems as domestic violence. Insofar as domestic violence is concerned, the Government has neither provided new resources nor included the women's angle in its consideration. It is true that many residents in Tin Shui Wai have said that their problems remain unresolved, but when everyone is

focusing on Tin Shui Wai, will Tung Chung, Kwai Ching and Tseung Kwan O be neglected? In fact, the Government should review the social indicator of the entire community in the provision of social services, rather than injecting resources into a community only in the wake of tragedies. The Government should now enhance the services of the Family Service Centres and step up the provision of preventive services in districts where the statistics have reflected higher risks.

The poor communities would require diversified community development services. In this connection, community work programmes at the neighbourhood level can build up community work networks to enable isolated and vulnerable families to help and support each other. So, I hope that the Government can again set up neighbourhood community work teams in new towns to maintain community cohesion.

As regards the home-based child carers project, we consider this initiative desirable. However, the Government must note whether or not the wages of the carers are at a normal level. Recently there have been reports about home-based child carers being paid at an hourly rate of \$18 only. If the Government extends this project to all the 18 districts in the territory and sets their wages at an hourly rate of \$18, it would only mean extending a cheap labour scheme to more communities. In fact, most women, be they from the grassroots or the middle class, or be they working women or housewives, are often family carers. So, inexpensive and flexible child care or elderly care services can help women in employment, studies and community participation. Last year, the Government made an allocation totalling \$45 million to increase day foster care and nursery services over a period of three years to assist low-income women. But according to the estimate of the Hong Kong Council of Social Service, 20 000 children aged zero to five are living in low-income families in Hong Kong. With this provision of \$45 million, only 400 additional places can be provided yearly, which falls far short of the actual demand. This year, the Chief Executive has not injected additional resources for these services and he has introduced the Neighbourhood Support Child Care Project. This Project, which is said to promote mutual help in the neighbourhood, is, in effect, a way to solve the child care problem through volunteers in the neighbourhood, and there is no actual injection of resources and funding for support facilities. Meanwhile, the Government has proposed the provision of training to home-based child carers, but we must stress that insofar as the development of home-based child carers is concerned, the Government has not incorporated the view of women's groups of

developing the project into an employment scheme for members of the community and so, the coverage of the project is very limited.

With regard to the provision of school social workers in primary schools, which has been implemented for many years, the Government should admit the importance of this service and include it as a standard service by incorporating social workers into the school establishment. At present, the Education Bureau provides subvention to schools by way of a lump sum grant. Schools are instructed to invite tenders from service providers, and subvention is provided using 18 classes as the dividing line. As a result, some schools are overprovided with funds, while some others are underprovided with funds. The social workers are, therefore, on tenterhooks every year, not knowing whether their contracts will be renewed or not, and this will affect the quality of the service. Therefore, social workers in primary schools should be incorporated into the school establishment, in order to improve the current situation.

The school social worker pilot project has been implemented in kindergartens for many years. The conclusion is that the provision of school social worker in kindergartens has been very effective, in terms of promoting holistic development in children, early identification of and intervention in problem, and family support. The results of a survey conducted by an organization published last week pointed out that over 90% of the parents hope that school social workers can be provided, so that the behavioural, emotional and social problems of children can be solved early. Moreover, social workers can even identify children with special learning needs at an early stage. We must understand that learning disabilities or autism can be identified in the early stage of development of a child, and the earlier the problem is identified, the earlier intervention can start. The Government should make it mandatory for all kindergartens to provide school social workers, in order to give recognition to their value and provide assistance to them.

The points that I have made, especially those on the long-term planning for social welfare services and the reform of the LSG subvention system, represent the expectations of the social welfare sector for the Government. As the Government has failed to respond to the aspirations of the sector and make commitments to the social welfare sector, I cannot vote in support of this Motion of Thanks. I so submit.

MR LEE CHEUK-YAN (in Cantonese): President, at the onslaught of the financial tsunami, Premier WEN Jiabao urged us to learn a lesson. But will the SAR Government learn a lesson? In fact, has the SAR Government learnt a lesson from the last financial turmoil and the economic crisis during the SARS outbreak?

We in the Confederation of Trade Unions (CTU) who represent the labour sector have learnt a lesson. We have learnt two lessons. The first is that "riding out the difficulties together" is a "rip-off". Again, John TSANG is now asking the working class to ride out the difficulties together. But every time after they had ridden out the difficulties together, there was always no return for the wage cut and sacked workers, and there was always no return for the slashed perks. So, the first lesson we have learned is that riding out the difficulties together is a "rip-off".

When facing imminent disasters, people in the entire community of Hong Kong would shift the crisis from one stratum to another stratum. Banks would shift it to enterprises; big enterprises would shift it to small enterprises; and property developers would shift it to enterprises by increasing the rent promptly but lowering it slowly. So, it is shifted from one stratum to another and then, enterprises would shift it to wage earners at the front line. Finally, the grassroots and wage earners would be hit the hardest. I am worried that the same is going to happen this time around. Now that the disaster has arrived, major enterprises have again resorted to shifting their burden to others by cutting wages, cutting fringe benefits, cutting staff, and making employees take no pay leave, and they are just repeating what they did during the SARS outbreak. As a result, it is still our wage earners who are hit the hardest.

The second lesson is that the Government invariably responds slowly. What has the Government done now? The SAR Government is taking steps to rescue banks and SMEs, but has it done anything to rescue the workers? It has not even exerted its utmost to rescue the SMEs and so, the SMEs are quite unlikely to be saved, and it has acted most speedily only to rescue banks. The workers are most pitiful. Secretary, will you introduce measures to rescue the workers? We can see that it is not their turn yet, as there is no measure to help them. Certainly, the Secretary may say later on that honestly speaking, we all understand that it is impossible for a minimum wage to be immediately introduced tomorrow, though I do hope that it would be introduced as soon as possible, but in any case, it is impossible for a minimum wage to be introduced immediately. Distant water cannot put out a nearby fire.

However, the whole mindset of the Government is most incorrect. Why does it refuse to rescue the workers? Because it has the mindset of always believing in the "trickle down theory", thinking that by rescuing the upper strata, the benefits would flow down bit by bit from the top to the bottom and would eventually come to the rescue of workers. But this was never the case every time such an approach was adopted, for the workers could never benefit from any trickle-down effect. However, the Government still insisted on boosting the economy or fixing up the "pie", in the hope that the benefits could flow down to the bottom, but this has never happened.

So, has the Government learnt any lesson from the past? If the "trickle down theory" does not worth its while, what theory should be adopted? The theory of "protecting the bottom". It is most important to rescue the lower strata and keep the lower strata out of harm's way. But will the Government do this? The large consortiums have invariably shifted the crisis to wage earners, making grass-roots wage earners bear all the risks. This is also what happens now.

President, sometimes I do feel very distressed. Even though I have shouted myself hoarse, the Government has turned a deaf ear to me. Frankly speaking, Secretary, for how many years I have discussed these issues with you, whether in this Council or on other occasions when we had a chance to talk? But this just happens every time. So, I am considering whether I should change my strategy. Because minimum wage has been discussed for a decade and finally, the Chief Executive has heard it, though it has taken us a decade. Although the "fruit grant" has aroused strong public sentiments, the Chief Executive still pulled a long face in making the volte face, as if he was very unconvinced.

However, I discovered that there is one person whose remarks can shake the entire Government immediately. Who is he? He is Premier WEN Jiabao, whose remarks can shake the Government. So, there is really nothing I can do. President, I can only make an appeal to Premier WEN here, calling on him to say something, so as to tell the Hong Kong Government to rescue the workers in Hong Kong. This is the way to make the Government take immediate actions.

Honestly speaking, President, when I said that, I was actually going against my own principles. There had been times when we demanded "a high degree of autonomy" and there had been times when we hoped that the Central Authorities would not interfere with the affairs of Hong Kong. But there is nothing I can do

now. The Chief Executive has told me that his bosses are Premier WEN and President HU and he would listen only to what they say; no matter how hard we try to make our voices heard, he would not listen to us; no matter what we say in this Chamber, he simply would not listen. So, I can only turn to Premier WEN for help, asking him to rescue the workers in Hong Kong by telling the Government to really take measures to "protect the bottom" and help wage earners in Hong Kong ride out difficulties in the future.

I have not yet heard the Government taking any measure to help the workers. In fact, we in the CTU have many proposals because we have accumulated many years of painful experiences. First, please speed up the introduction of a minimum wage. Insofar as minimum wage is concerned, I am very grateful to the Secretary, although there is a gap of 10 years. That said, the Secretary has really "delivered". I also thank the Secretary for extending the coverage from two sectors to all trades and industries. I think he has done his part, and I must sing praises of him. However, I hope that he will make ongoing efforts and table the bill in the Legislative Council as soon as possible. More importantly, I hope that the wage level will be sufficient to support the living of a family.

I do not understand why the Chief Executive has to point out in the policy address in such an awkward, deliberate manner that the level of minimum wage may not be sufficient to meet family expenses. He went further to say that even if family expenses could not be met, other kinds of back-up support should also be provided, such as assistance under the social security system in Hong Kong. But I would like to tell the Chief Executive and the Secretary that the social security system in Hong Kong simply cannot provide back-up support. The CSSA payment for low-income earners cannot help many people, as there are at present only some 10 000 recipients of this payment. Why? Because of the labelling effect, and the very stringent means test mechanism, and this is why assistance cannot be provided to the workers. Such being the case, there is not going to be back-up support.

So, firstly, I hope that the Secretary can introduce a minimum wage as soon as possible and what is more, it should be pitched at a reasonable level sufficient for meeting family expenses, so that our wage earners can live with dignity. The position of the CTU is very clear. We only demand that it should be set at the CSSA level, which means that it could support the living of two persons, plus an

allowance for transport expenses. That would actually add up to some \$6,000 only, which is very reasonable.

President, the second proposal is very important. It is also about the back-up support mentioned by me just now. The supplementary CSSA payment for low-income earners cannot provide assistance to low-income households because the labelling effect is too negative and the means test mechanism is too stringent. President, how is this done in overseas countries? They call it "make work pay". The approach of a minimum wage supplemented by a negative income tax is adopted in Britain and the United States. That is, the negative income tax will top up the shortfall. A worker who has a four-member family or five-member family may not be able to meet his household expenses, but with a negative income tax introduced by the Government, a worker whose wages are below a particular level will be given an allowance to top up the shortfall. This is what negative income tax means. I hope that it can be introduced into Hong Kong.

But before introducing it into Hong Kong, can the Government separate the CSSA payment for low-income earners from the CSSA system and relax the criteria of the means test and also change the name of this payment into low-income family assistance? If the criteria can be relaxed, the recipients can then take up jobs to provide for their family, and even if the minimum wage paid to them cannot cover their family expenses, there is still this supplement as back-up. I hope that the Secretary can really consider this, because it is most important to help the working poor.

Secretary, I have to raise another point which I consider greatly disappointing. The transport subsidy may in fact be helpful to the low-income earners to some extent, as those who earn a monthly income of less than \$6,500 can receive \$600 a month as transport subsidy, but this scheme is implemented in four districts only. Why can it not be implemented on a territory-wide basis? Moreover, the provision of this subsidy in these four districts will cease soon, as the scheme will come to an end in January next year. Rescue the workers, please! President, this is the easiest way because there is still \$300 million and not even \$100 million has been spent so far. With a balance of \$200 million, extending the scheme is really no big deal. Only this can be called a specific measure helping workers in Hong Kong. I really must ask: Under the current situation, is there one single measure introduced to help workers in Hong Kong? Is it that the Government cannot even do this for them? This is the easiest thing

to do. So, this is my third major proposal, and I hope that the transport support scheme can be implemented on a territory-wide basis as soon as possible. This can at least truly help low-income workers to meet some of the transport expenses.

President, the fourth proposal concerns collective bargaining. We do not understand why every time the employers are allowed to Some employers are really facing difficulties, but some do not have difficulties at all and they are just trying to fish in troubled waters. How to resolve the conflicts between employers and employees? The best solution is collective bargaining actually. Collective bargaining would require the provision of information to the workers' unions for discussion by both sides. Frankly speaking, from the angle of employees, if the employer really has difficulties, the employees will certainly be willing to ride out the hard times with their employer together, so long as it is not intended to be a "rip-off". For example, they can come up with some other measures through discussion, rather than cutting the wages of workers permanently, which is what happened all the time. If collective bargaining is an option, they could hold discussions and agree that transitional measures be implemented to ride out the difficulties together but the original conditions of employment should be reinstated after the hard times are over. Discussions should be held on all these.

Furthermore, a very important point about collective bargaining is that information can be obtained, and the information provided is true and accurate. Employers have to provide their accounts for discussion and only in this way can solutions be identified to problems. So, we very much hope to reinstate — President, you were involved in it back then. You were one of the executioners who repealed my law on collective bargaining during the time of the Provisional Legislative Council. I hope that this law can be reinstated as soon as possible.

President, another "old trick" which, I think, can be used immediately and which had been used during the SARS outbreak is reintroducing an unemployment training programme. How does this programme work? In short, workers laid off can join the training schemes to temporarily make ends meet. A trainee who has attended training for a month can receive \$4,000 as a temporary relief before he lands a job. This, I think, can be reintroduced.

President, it is also very important to create job opportunities. With regard to creating job opportunities, I must remind the Secretary that he had actually come up with a good idea, just that this good idea has ceased to be good, thanks to their effort. That is the Home-based Child Care Project which has nevertheless become anything but an employment scheme. I have made it clear again with the Director, Mr FISHER, that this was actually a brilliant idea, for it can promote mutual care in the neighbourhood. But how does it work? The hourly rate for the service may be \$20, of which \$2 goes to the organization and \$18 to the woman carer. Can the Government turn it into a real employment scheme? If the carer takes care of two children, it will be unnecessary to give her subsidies but if she takes care of only one child, can a subsidy be given by paying her some \$30? That would turn the project into an employment scheme, and it could be immediately implemented all over the territory without having to be pilot tested, thus instantly providing job opportunities to women. Can the Government do this?

On the contrary, government policies will need to be relaxed. Do not arrest hawkers in Tin Shui Wai or at dawn markets, since they do not cause obstruction to other people anyway. Do not arrest them so long as they cause no obstruction, so that they can sell ice-cream or rice rolls in a van. The rice rolls are quite tasty and I would recommend them to Members. These are what can be done. Why can the Government not do these? Increasing job opportunities and expediting infrastructure projects are some of the measures that can be taken.

So, President, we hope that job opportunities can be created, and efforts must be made to take this forward and come up with ways to achieve the objective. But much to our regret, the Government has paid attention only to setting up the Task Force on Economic Challenges, which means that they are going to indulge in empty talk again. Is it not better to really tackle the actual employment problems?

Lastly, President, I must talk about working hours. Working hours constitute the greatest pressure on wage earners. It damages families, deprives many wage earners of the fun of family life and depriving many wage earners of the opportunity to receive training. It all boils down to the working hours. I have had discussions on this with the Secretary for many years. I am not asking them to come up with an immediate solution to the problem but at least, can they give me a hope?

Perhaps some simple things can be done for the time being. For example, can stipulations be made to limit the working hours to eight hours for people who work shifts or the night-shift workers, so that they do not have to work 12 hours? Because the night shift is particularly laborious and may even cause cancer. As for public holidays, statutory holidays should be provided to wage earners immediately, so that they can have five more holidays to take a break from hard work and toil. That said, these are not the most thorough solution. Certainly, Members all know what the most thorough solution is. It is standard working hours to which I very much aspire. We can find this in places all over the world. Apart from this, workers should also be paid for working overtime. I understand that insofar as this point is concerned, the Government is not yet ready for it, but it must still speed up work in this respect. We hope that progress can be made in respect of working hours.

Lastly, President, I would like to briefly talk about the "fruit grant". In fact, what I consider most detestable about the Chief Executive is that he has confused "showing respect to the elderly" with "supporting the living of the elderly". Clearly enough, the "fruit grant" is meant to show respect to the elderly but he said no. He said that some elderly people may now rely on it to make ends meet and so, it is meant to support the living of the elderly and since it is meant to support the living of the elderly, it is not intended to be a "fruit grant". In order to support the living of the elderly, could he please properly improve the CSSA system to allow more elderly to apply for the CSSA payment for the elderly, and it would be best to change the name of the payment to avoid the negative labelling effect. For instance, it can be changed to "living supplement for the elderly", but it should be subject to a less stringent means test mechanism. The CSSA payment for the elderly can then be abolished. So, CSSA payment for the elderly would cease to exist and it would be called "living supplement for the elderly". Applicants who have passed the means test can receive some \$2,000 to make ends meet. This can solve the problem, and this is the way to really support the living of the elderly. The Chief Executive must not make it neither fish nor fowl, making the elderly go through the means test only to receive that \$1,000. This is so ridiculous indeed. Even if they can pass the means test, they still cannot make ends meet. So, this is what can be done.

But in the longer term, while the Chief Executive mentioned 2033, he does not dare to talk about universal retirement protection or a universal old age pension scheme. We have considered the problem of 2033 which is supported

by the assessments made by actuaries and yet, he does not dare to talk about it. But when it comes to the "fruit grant", he talked about 2033 with me. When I raised the problem of 2033, he nevertheless talked about how actions should be taken now to deal with the problem. I wish to tell the Chief Executive now that in 2033, the universal retirement protection scheme should be implemented.

President, I hope that the Secretary can really launch some initiatives to rescue the grassroots in Hong Kong and to rescue workers in Hong Kong immediately. I also hope that Premier WEN can hear what I have said and employ "verbal coercion" for me.

MS LI FUNG-YING (in Cantonese): President, it is no easy task for Chief Executive Donald TSANG to deliver his policy address this year, because just when the policy address was about to be released, the financial tsunami sent shockwaves across the world. The minibonds saga arising from the collapse of Lehman Brothers had caused an uproar in society. The general atmosphere in society had turned for the worse. Starting from the public's concern about the surging prices and the ever rising inflation rate to the plummeting of stock prices and the closure of casual wear chain outlets and large-scale retail groups such as Tai Lin, one of the oldest electrical appliances chain, the cruel reality had been telling the public that the economy was entering a cold winter. Faced with this sudden turn of social atmosphere, the Chief Executive had to reconsider the contents of the policy address and make additions or deletions in a short time. It was, therefore, difficult for the policy address to maintain coherence and linkage of some of the contents and this, I think, is inevitable. While I appreciate that the Chief Executive had written this policy address in some very extraordinary circumstances, this still cannot soften my grave disappointment with the policy address.

In this session, I will speak on two aspects to express my views on the policy address. One is the financial tsunami which is drawing nearer and nearer to us. The other is livelihood issues, including the "fruit grant" and minimum wage. In fact, these two aspects are interrelated, for the financial tsunami is an economic issue which has a direct bearing on the people's livelihood.

After the traumatic experiences of the financial turmoil in 1997 and the SARS outbreak, fear still lingers in the hearts of the people. With regard to the fast approaching financial tsunami, the policy address said this: "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". But what will the Government do to help people resist this financial tsunami? The Chief Executive stressed that he would "get the job done", that he would establish and chair a task force comprising top government officials, finance experts, economists and representatives of major industries to assess the financial tsunami and propose measures to address the challenges. President, a tsunami is primarily a natural disaster. To deal with natural disasters, the Government can certainly establish so-and-so committees and commission experts to monitor the situation and also study and assess the impact. But there are things that will definitely happen disregarding whether or not any committee is set up. One of these things is that a tsunami comes with howling winds and roaring waves. Its shockwaves will sweep across the shores and people who live in the low-lying areas will be hit the hardest. The case of the financial tsunami is just the same. It will happen irrespective of whether or not an expert committee is established, or whether or not it is chaired by the Chief Executive. This is why the jobs of wage earners will become totally unprotected; layoffs and pay cuts will incessantly put them under pressure as members of the ordinary public live from hand to mouth. These are sentiments felt closer to home by the ordinary public in the face of the financial tsunami. The policy address has not made the slightest mention of these problems affecting the public first hand and what is more, it even claimed shamelessly that its role is to formulate forward-looking policies and take decisive actions to stabilize the economy and rebuild people's confidence to ride out the difficulties. But without the support of concrete proposals, however much the Chief Executive would say about stabilizing this and stabilizing that could never stabilize people's confidence. Worse still, the result would be counterproductive, showing only more clearly that the policy address is hollow and devoid of substance, which would lead to greater dissatisfactions among the public.

Faced with the financial tsunami, the Chief Executive surely has a decent job to do, but numerous members of the public may not even be able to keep a petty job for which they are paid just a few thousand dollars a month. I call on the Secretary to specifically tell us in his response whether or not the Government has learnt the lessons of the financial turmoil in 1997 and the SARS outbreak and what specific measures have been implemented to rebuild people's confidence and help the public ride out the financial tsunami. President, this Council will debate the motion proposed by Mr Albert HO on assisting the public to overcome

difficulties in the financial tsunami early next month and this should have been made the focus of this year's policy address. Regrettably, the Chief Executive has failed to meet the public's expectation. I believe this is a major reason why the Chief Executive's policy address has not won public support.

As the economy goes downhill, public finance will be put under even greater pressure. The Financial Secretary already cautioned that a substantial increase in the budget deficit would be inevitable in the current fiscal year, but this should not be used as a pretext for the Government to refuse taking measures to help the public ride out the financial tsunami. The Chief Executive has said this: "Public opinion underpins the strength of our leadership. Enhancing people's well-being is the first order of business of good governance.", and so long as these remarks are not another jargon used by spin doctors, the Government can strike a balance between optimizing the use of public money and rebuilding people's confidence in some of the policies. I think firstly, the Government can consider suspending the provisional tax payment, or at least, consideration can be given to implementing this measure for the low- to middle-income group. In fact, many employees do not even know whether or not they can keep their jobs in 2008-2009, and the low- to middle-income group is far less resilient to unemployment than the middle- to high-income group. Suspending the provisional tax payment for the low- to middle-income group can alleviate their financial pressure and rebuild people's confidence effectively. I stress that suspending the provisional tax payment is not a waiver of this tax. If they can still keep their jobs in the financial tsunami and their pay has remained unaffected, they will have to pay the balance in the tax payable by them in the following year. In fact, this is just a slight adjustment of the Government's priorities of tax collection and should not have any substantive effect on the Government's revenue.

Moreover, since the financial turmoil in 1997, the Hong Kong and Kowloon Trades Union Council and I have urged the Government on various occasions to set up an unemployment loan fund. To most junior- and middle-level employees, unemployment is their greatest worry in times of an economic downturn. The grassroots generally make a low income and have very little savings. If they are out of job, they would not be able to support their living. We understand that it is unrealistic for the Government to immediately use public coffers to provide protection for the living of the unemployed. But if people must pawn and borrow to make ends meet or they must be penniless or their quality of living must drop to the level eligible for Comprehensive Social

Security Assistance before any assistance can be provided to them, it is tantamount to looking on the plights of the people with indifference and turning a blind eye to people living in dire straits. An unemployment loan fund can strike a balance between the two. On the one hand, it would not require an enormous commitment from the public coffers. On the other hand, employees would not suddenly be left with nothing to rely on once they lost their job, for there would be room for them to tide over the difficulties and rejoin society. We proposed this unemployment loan fund to Chief Executive TUNG Chee-hwa in 2001 during the Asian financial turmoil and we have since submitted this proposal to the Government consistently, but the Government has never given us a response. In view of the financial tsunami and a rebounded unemployment rate, the Government cannot neglect this call any longer.

President, there has been a dramatic development recently in relation to the proposals about the Old Age Allowance (OAA) in the policy address. I am pleased that the Chief Executive has finally heeded good advice by increasing the OAA payment to \$1,000 and not insisting on the introduction of a means test mechanism for the OAA. However, I feel angry about the Chief Executive's attempt in the policy address to completely change the nature of the OAA. By proposing an increase in the OAA payment as a bait, the Chief Executive actually intended to stress that the nature of the OAA has changed from a token of respect for the elderly to a supplement for their living, in a bid to introduce a means test mechanism for this payment. This change in the nature of the OAA is attributed to the lack of government support for the elderly. What the Chief Executive should do is to review the Government's mechanism for providing support to the elderly and relax the income and asset requirements for elderly applicants for CSSA, while giving consideration to implementing a universal retirement scheme, rather than using the adjustment of the OAA rates as a pretext to change the nature of the OAA of respecting the elderly. However strong the reasons the Chief Executive may have in making this proposal, changing the nature of the OAA in such a covert manner is disgraceful.

It is more regrettable that after the Chief Executive had made concessions in respect of the OAA, he said that his answering of the public aspiration this time around was the outcome of "rational policy debates being eclipsed by emotions". What do "rational policy debates" mean? That the Government failed to review its measures to address the lack of support for the elderly and attempted to cheat in the policy address and wield the axe at the OAA designed to show respect to the elderly is considered rational, while opposing these disgraceful attempts of the

Government is considered irrational. This is what the Chief Executive means by rational policy debates.

President, in paragraph 6 of the policy address under the title "Care for Society", the Chief Executive said, "In times of sustained economic prosperity, people from different strata will benefit from real income growth. It is a time when everyone strives ahead." This is sheer ignorance of the truth. During the period when there was sustained economic prosperity, only some people could benefit from income growth and the income of some grassroots was even on the decrease. This is why there were strong demands in the community for legislation on minimum wage and this also explains why the Chief Executive would introduce the Wage Protection Movement back then. If all sectors of the community could benefit from real income growth, why would the Government promote the Wage Protection Movement which has now developed to a stage where workers' wages cannot even be protected, thus making it necessary for a bill to be tabled in this legislative year to introduce a statutory minimum wage?

The Chief Executive's overall perception of minimum wage in the policy address does give cause for concern. He said, "..... wages are returns for employees' labour. As family needs vary, the minimum wage may not be sufficient to cover family expenses of all employees." It is true that family needs do vary but every family still has some basic and necessary expenses. The bigwigs and the middle-class households with abundant income can have greater flexibility in family expenses, while the grass-roots families, with an income that can barely support their living, have very little flexibility in spending. Marginal workers' make an even more meagre income and have no flexibility at all in family expenses. In mentioning necessary family expenses and family needs in the same breath, the Chief Executive's objective is clear: He does not wish to link the minimum wage level with the basic expenses of grass-roots households and he hopes to set the minimum wage at a level which is not sufficient for supporting the living of a family. I think this has completely defeated the purpose of a minimum wage, which is hardly acceptable.

President, while the proposals relating to the OAA and minimum wage are included in the part titled "Care for the People" (the Chinese title is "民心我心", which literally means people's wishes are my wishes), apparently there is a huge discrepancy between the community's wishes and the Chief Executive's. In fact, this huge discrepancy between the people's wishes and the Chief Executive's wishes can also be found in other parts of the policy address. The most obvious

example is the measures for addressing the financial tsunami. Apart from indulging in empty talk in a flamboyant manner, the policy address has not in the least provided any direction and policy to stabilize people's confidence. On the OAA, the Chief Executive has, quite rarely though, changed his previous position promptly to respond to public aspirations, notwithstanding that this is the only alternative to the Chief Executive. But in respect of other issues, I hope that the Chief Executive can also change his position, in order to narrow the gap between the people's wishes and his own wishes. Only in this way will Hong Kong be truly able to meet the future challenges.

Thank you, President.

MR TAM YIU-CHUNG (in Cantonese): President, this year's policy address has, in fact, mentioned quite a lot about welfare policies, including the Social Enterprises Partnership Programme, provision of short-term food assistance services, provision of additional subsidized residential care homes for the elderly places and day care places, expansion of training programmes for carers of the elderly, promotion of family-friendly work practices, the Neighbourhood Support Child Care Project, combating domestic violence and enhancing rehabilitation services. Coupled with the fact that the Government had subsequently heeded good advice by increasing the "fruit grant" without extending the means test arrangement, which means removing the means test requirement proposed by the Government earlier, this policy address can be considered to have given a full and comprehensive account of social welfare policies.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supports these measures which will benefit the people. That said, we still wish to point out some of the inadequacies. The DAB has consistently proposed to the Chief Executive and the Secretary time and again the removal of the absence limit for the Old Age Allowance (OAA), or the "fruit grant". This is actually a proposal that many elderly have called on the Government to consider. As we can see, the Chief Executive stated in the policy address that the Government would consider this proposal in the review at the end of the year. I hope that positive results could really come out of the Government's consideration. We all the more hope that the absence limit requirement can be abolished as soon as possible, so as to allay the worries of the elderly and obviate the need for the elderly to keep a home in both places, as they need to continuously keep a home in Hong Kong because they must come back to live in

Hong Kong for some time every year. If the absence limit is removed, they could fully settle down in the Mainland and spend their old age there. Besides, with the "fruit grant" that they can receive, their living may be better off in the Mainland than in Hong Kong, even though prices have also increased in the Mainland. Moreover, some elderly actually have many relatives, friends or family members in the Mainland and they have to travel to and from the Mainland. The abolition of the absence limit could save them the trouble of frequently travelling between Hong Kong and the Mainland. So, I very much hope that the Secretary can expeditiously consider this proposal which we have long made for the convenience of the elderly.

To tackle the problem of elderly in poverty, the Government must also address squarely a number of existing problems. Apart from relaxing the permissible limit of absence for elderly recipients of the OAA, there is another point that needs to be addressed and that is, under the current policy, elderly recipients of Comprehensive Social Security Assistance (CSSA) who wish to return to the Mainland for permanent settlement can continue to receive their CSSA payments in Guangdong and Fujian after approval has been given to them. However, this arrangement is applicable only to these two provinces and this, we think, is not enough. Recently, a group of elderly came to me and expressed the view that the Government should relax this scheme by allowing recipients who have settled in all provinces of the country to receive their CSSA payment continuously, because some elderly may not necessarily choose to settle in Guangdong or Fujian and they may live in Shanghai or other provinces and municipalities. They said that if it is necessary to prove that they are still alive, they can go to the relevant mainland authorities to obtain a certificate for the purpose, or they can call the Social Welfare Department in Hong Kong to prove that they are still living in the Mainland. These options would be viable. In this connection, I hope that the Government can provide convenience to these elderly and give them the choice of returning to their hometown to spend their old age and reunite with their family.

Moreover, the number of participants in this scheme has all along remained at around 3 000, which is proof that the scheme may not be successful and may have some problems. Apart from the limited coverage of the scheme, according to some elderly, the continued appreciation of Renminbi over the past couple of years has, in effect, led to a depreciation of their CSSA payment which has been devalued by over 20%. Under such circumstances, should the Government not review the portable CSSA scheme for the elderly? Apart from the problem of

limited coverage mentioned earlier, the review should also cover the medical and health care aspect to explore the feasibility of providing support and services to the elderly, in order to reduce their health care expenditure. On the exchange rate, in the event of movements in the exchange rate, can the Government compensate them for any reduction in income and increase in expenditure arising from changes in the exchange rate? Besides, what will be done to make up for their weakened spending power?

To address the problems faced by the elderly in poverty, the Government has all along relied solely on the CSSA system and the OAA. Insofar as the CSSA and OAA payments are concerned, the latter is certainly not sufficient to support the living of the elderly because the payment is meagre. But the CSSA payment also has a problem and that is, the eligibility criteria are very stringent and as a result, some elderly people are unable to meet the requirements for application. In this connection, should the Government consider the proposal consistently put forward by the DAB of introducing an elderly living supplement scheme on top of CSSA and OAA? Insofar as this elderly living supplement scheme is concerned, other than the DAB, various political parties and Members have also proposed similar ideas in the hope that between the "fruit grant" and the CSSA, another scheme with relatively more convenient procedures for application can be introduced and that the complicated means test mechanism would be replaced by a declaration system whereby elderly who meet the eligibility criteria can receive the payment. Certainly, the amount of this grant may be smaller than the CSSA payment but will be far higher than the "fruit grant". This middle-of-the-road supplement scheme may be able to help the elderly and truly assist elderly facing a certain degree of financial difficulties.

Furthermore, in respect of subsidies for the elderly, consideration can be given to providing assistance to the elderly by way of vouchers similar to those under the kindergarten voucher scheme. Recently, the Government has proposed to provide health care vouchers for the elderly and this, I think, merits more in-depth consideration, and efforts can be made to further extend the scheme and look into how it can help elderly in poverty.

To tackle the poverty problem, the Government has introduced a new initiative this year, namely, food assistance. This measure has, in fact, been proposed for months, and it seems that this was also mentioned in the last budget, but the details of implementation have yet been made available. We hope that this can be implemented early. Some enthusiastic voluntary agencies have now

set up food banks and hot food centres to provide short-term in-kind food assistance to people or families in need. But it is learnt that they have faced many difficulties in operation, including expensive food costs, inadequate donations to cope with the needs, and the service network being limited to only a small area. Therefore, in order to more effectively assist the people in need, the Government must give full play to its co-ordinating role, making use of the social service providers in various districts to distribute food vouchers directly to the people in urgent need of support, so that they can obtain food in the vicinity of their home without having to travel a long distance which would otherwise incur additional transport costs for them. Because if they need to travel to obtain food, the transport cost incurred cannot be offset even though food is obtained at low costs.

On the other hand, food assistance must be target-specific. For instance, new arrivals among the grassroots may face greater difficulties than CSSA recipients do. Most of them may not meet the residence requirement for the CSSA and so, given the lack of government support to them, they often have to scrimp and save to make ends meet. As for elderly in poverty, the Government must further increase the number of integrated household service teams. With regard to subsidies for meal delivery service, additional provisions should be allocated ahead of schedule according to the price index for food, in order to guarantee that the portion and quality of food will not be affected by surging prices.

The policy address has again stressed the need to encourage the development of social enterprises. But over the past year, there has not been significant progress in the development of social enterprises. Last year, the DAB specifically put forward a comprehensive package of proposals on the development of social enterprises, which include establishing a dedicated department to draw up strategies for the development of social enterprises, assisting social enterprises in financing, giving preferential treatment to social enterprises to facilitate their participation in public procurement, providing relevant tax concessions, considering introducing amendments to the Co-operative Societies Ordinance, following the practices of Britain of adopting new modes of operation, and encouraging enterprises to take on workers from the disadvantaged groups and the unemployed. However, there has yet been any major improvement in these areas. We hope that the Government can step up efforts in these areas to promote the development of social enterprises in Hong Kong, with a view to truly assisting the grassroots in employment.

I wish to take this opportunity to talk about the caring of demented patients, such as patients suffering from senile dementia and Parkinson's disease. I must say that Dr PAN who is sitting behind me should be the expert in this field, but I would like to discuss this issue from the angle of social welfare by looking at the provision of service and care. At present, the Government provides services to them under the category of general elderly service. As a result, this cannot improve their conditions on the one hand and their families have to bear a heavy burden on the other. The biggest problem is that the younger patients are not provided with the services because they are not eligible for elderly service. The DAB hopes that the Government can enhance the support for demented patients, such as establishing a subsidized service centre for the demented in each of the five major districts in Hong Kong, lifting the age limit for service users, developing training-based treatment services for early- and middle-stage patients to slow down deterioration, increasing the number of professional carers for demented patients, providing respite places in day care centres exclusively for the demented, providing subsidies to residential care homes by making reference to the education voucher system or directly buying places from day care centres for demented patients currently operating at a loss to alleviate the financial burden on families, and stepping up publicity on the symptoms of early- and middle-stage dementia, so that families of the patients can identify and understand the disease early and then actively seek assistance.

At present, while services targetting demented elderly people are provided in government day care centres for the elderly, improvement must be made to the manner and details of service provision. These centres should enhance the provision of training-based activities for demented patients, rather than just letting them sit idly in the centre for the whole day. The provision of care services for the demented and frail elderly should be separated according to their intellectual ability because their conditions are different. Certainly, it is essential to provide professional training for workers in residential care homes and elderly care centres where care services are provided to the demented. The Government should also provide additional resources to extend the service hours of day respite services and allow families of the demented to freely choose the services provided by different centres in the district. Dementia is an incurable disease and so, it is unnecessary for patients to submit a doctor's certificate annually which will otherwise add to the burden on doctors and cause inconvenience to the demented. In this connection, the Government must abolish the unreasonable requirement of annual submission of a doctors' certificate by demented patients for application for the disability allowance.

Although the Chief Executive has done a lot to improve welfare services in the policy address this year, as I said at the outset, given the drastic economic downturn, there will be increasingly higher demands and expectations for various social welfare services in society. Therefore, the Government must map out plans early in the light of the current needs and development in society, so that people in need can be provided with services. Thank you, President.

MRS SOPHIE LEUNG (in Cantonese): Today, I wish to talk about issues relating to the welfare policy and the elderly.

Recently, issues relating to the "fruit grant" have led to discussions on our support for the living of the elderly and respect for the elderly and elicited a great deal of reaction from society. The public generally agree that a distinction should be made between support for the elderly and respect for the elderly. As several Honourable colleagues said just now, the support for the elderly has to target people in great need.

On the support for the elderly, the financial assistance provided to them to support their living has to keep pace with inflation and I agree with this. I believe that in supporting elderly people, the assistance needed by this group of elderly people is greater than that required to show respect for the elderly. I think it is indeed a sign of progress of us in dealing with these two concepts separately. However, the Government should know that it is necessary for us to study the measures for supporting elderly people in greater depth and we have just started to do so. As regards how the policy on the elderly should be formulated to enable them to get genuine care and attention, it is necessary for us to study this in greater detail.

In the legislature, I have constantly advocated social enterprises and one of the services provided by social enterprises is to help take care of the elderly people in local communities. This is the "Community Soup Kitchen" that I talk about all the time. I hope the Secretary can look into the feasibility of this proposal in the whole scheme of things. Frankly speaking, our agencies in local communities have to enhance their quality of service in many areas and expand their scope of service. They should not stick to the service attitude adopted for more than a decade.

At the same time, the Chief Executive said in the policy address that supporting the living of elderly people is not solely the responsibility of the Government and I agree very much with this point. I believe that if we really want to achieve the goal of "giving the elderly a sense of security", we have to consider how the family can shoulder some of the work in this regard.

Elderly people are often neglected in modern families. If the Government really wants to promote the concept of family mainstreaming, it cannot just trot out some slogans. If we want to rectify the lack of a sense of responsibility among people and the younger generation for the elderly members of their families, we have to step up the publicity on respecting elderly people. In this regard, we still have to do a lot.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

I believe the Secretary can provide some figures to us from time to time on, say, elderly singletons who have children or even the number of elderly people abandoned in homes for the elderly or in hospitals. When carrying out work for the elderly, we also came across such tragic cases. In addition, through the provision of services for "ageing in the community" and carer training, I hope family-based support can be greatly enhanced.

Just now, Mr WONG Kwok-hing talked about the minimum wage issue in his usual tone and directed accusations at Mr Jeffrey LAM. He also deduced many causes for concern. I think Mr WONG Kwok-hing needs not be so worried. In fact, the speech delivered by Mr Jeffrey LAM yesterday only raised some causes for concern or noteworthy issues that may arise in reality frankly for Members' consideration.

The Secretary is now present. I believe that, just like me, Mr WONG Kwok-hing is well aware that the Secretary already has a course of action on how to bring about a minimum wage in his mind. Therefore, he does not have to accuse some people of obstructing the development in this regard so anxiously.

In fact, in the legislative process, I believe the most important point is to draw reference from the proven systems of other regions and consider how an even better job can be done. If all that we know is just to exhibit what we think

or what representatives of the labour sector think, this is being unrealistic. The most important thing is to find a balance, that is, even as we enhance our overall competitiveness, in facing the future — particularly given the economic situation we are now facing — that is, in this financial tsunami, in facing a process of structural changes, we have to look at the outcome of the changes in the future.

In addition, apart from being able to enhance competitiveness in the face of changes, we also have to preserve job opportunities for wage earners and this is the most important thing. I hope friends in the labour sector will also find this remark acceptable.

Meanwhile, I also hope that various family-friendly conditions can be introduced into Hong Kong. However, I want to reiterate that no matter how we talk about family-friendliness or the benefits this will bring, we must first find a balance in society. I hope that in this regard, various government officials and Honourable colleagues can first consider how this can be achieved first. If we merely make appeals unilaterally, we will not be able to achieve anything.

I wish to add one more point. Just now, Mr LEE Cheuk-yan said in his speech that he was very pleased to see the ambit of the legislation on a minimum wage being extended from two trades to all sectors. He asked whom he should be thankful to. I wish to tell Mr LEE Cheuk-yan that in fact, he should be thankful to the Federation of Hong Kong Industries because it reminded the Government that this issue had to be studied in a cross-sector approach.

Deputy President, the foregoing is the views that I wish to voice today. Thank you, Deputy President.

MR IP KWOK-HIM (in Cantonese): Deputy President, although the DAB has all along supported the Government in setting a minimum wage for the cleaning and security trades first, in view of the prospect of more people being able to benefit extensively from the full implementation of an across-the-board minimum wage by the Government, the DAB believes that this can indeed be considered a resolute decision made by the Government. To the low-income earners, this is also a milestone in the welfare for the low-skilled grassroots.

Since the Chief Executive has set the main direction, the most important task now is to ensure that appropriate legislation is formulated. On this, the DAB will raise the following concerns about a minimum wage:

The first is the composition and credibility of the Minimum Wage Commission (MWC) to be established. The DAB supports the Chief Executive's plan to establish an MWC with members drawn from the business community, labour sector, academia and government departments. The concept underlining the Government's decision to establish the MWC is mainly modelled on the Low Pay Commission (LPC) of the United Kingdom. However, the Government has not disclosed how the MWC will be formed and how the elects to this MWC conceived by the Government will be returned. I believe this is a decisive factor in the credibility of the future MWC.

The second concern is about the initial level of the minimum wage. According to what we learnt previously, the Government is considering following the example of the United Kingdom by adopting the lower limit of wages when determining the level of the minimum wage. The Government and the LPC of the United Kingdom stress that a minimum wage is the lower limit on wages, not a "living wage". Therefore, the initial minimum wage in the United Kingdom was set quite prudently.

In fact, as early as 2005, the DAB already published a detailed proposal on a minimum wage. We adopt an open attitude to the details of the legislation on a minimum wage. However, the DAB holds that the level of the minimum wage must be higher than that of CSSA payments. Otherwise, a minimum wage will not be able to induce recipients of CSSA to return to the labour market and this will seriously undermine the effectiveness of setting a minimum wage.

Another point I wish to make is that the future mechanism for reviewing the wage level will also be crucial to the future success or failure in implementing a minimum wage.

When a minimum wage was initially set in the United Kingdom in 1999, the hourly rate of wages was £3.6. However, this year, the newly set minimum wage has been increased to £5.73 per hour. That is to say, the increase in wages in a decade is as high as 59%.

For this reason, the DAB is also quite concerned about the details of the mechanism for reviewing the minimum wage.

Deputy President, at present, under the hammering of the financial tsunami, various trades and industries in Hong Kong are experiencing a contraction in

business and a tide of closures and layoffs will occur. Many Members have already mentioned this point. In future, the unemployment rate in Hong Kong will rise sharply and the employment situation will worsen again. In view of this, the DAB urges the SAR Government to formulate as soon as possible a new policy on job creation and retraining, so as to alleviate the problem of a mismatch in manpower and prepare for an "economic winter" that may be worse than the one experienced during the SARS outbreak in 2003. I so submit.

MR WONG SING-CHI (in Cantonese): President, originally, regarding the Motion of Thanks on this year's policy address, I would have proposed the following amendment: "That this Council expresses grave disappointment and strong dissatisfaction at the Chief Executive's disregard of the request of this Council and the public to increase the rates of the Old Age Allowance to \$1,000 per month; and this Council condemns that the Chief Executive departed from public opinion by seeking to abolish the Old Age Allowance on the pretext of considering the introduction of a means test mechanism, which in effect turns the Old Age Allowance, a token of thanks for the elderly for their contribution to society for many years, into a form of relief money, thereby trampling on the dignity of elderly recipients of the Old Age Allowance.". In fact, the wording of this amendment is quite strong and I also think it is very strong, but this cannot be helped. In fact, the public and many groups think that the Government should take some action, that is, the means test should be withdrawn. Moreover, we had also made an arrangement with several hundred elderly people and they were prepared to give us support today (in fact, the action began yesterday) by staging a sit-in and hunger strike at the entrance of the Legislative Council Building. In fact, we have made all the preparations.

I am very glad that in the end, I could withdraw my amendment and the hunger strike could be called off, so that we do not have to endure hunger. In fact, it is no big deal for us to endure hunger for the sake of the public. The most important thing is to get the rights to which they are entitled. Last Friday, the Chief Executive suddenly announced that the "fruit grant" would be increased to \$1,000 across the board and the means test would be shelved.

On 15 October, after the Chief Executive announced in the Legislative Council that consideration would be given to the introduction of a means test mechanism for the Old Age Allowance, the opposition and discontent from various quarters and the actions taken by them have never ceased. Members

made criticisms and raised queries in the Legislative Council and even the incident of Mr WONG Yuk-man throwing bananas happened. Of course, people have diverse views on this but in fact, many people think that Mr WONG Yuk-man's act should be applauded. What does this tell us? Obviously, the Government has to think about what it has done to arouse such great discontent among the public. Apart from the Legislative Council, political parties, academics, social workers, organizations and elderly people all organized social actions such as petitions, protests, forums and surveys to voice their opposition. As regards the mass media, reporters made follow-up news reports, phone-in programmes received phone calls and commentators wrote articles on this issue. The whole society was united in exerting pressure on the Government and they eventually made the Chief Executive change his mind 10 days after the delivery of the policy address. The public do not play any part in electing the Chief Executive, but we can influence decisions of the Government through civil society and this is most encouraging indeed.

Some people are concerned that in view of the change of tack made by the Chief Executive in 10 days' time due to public opposition, the Government's administration in future will be adversely affected. However, I personally think that this is a sign of the progress of society and the Government. Policies are made for the public. When the opinion of the whole society is obviously unanimous and all people are willing to give more to improve the quality of life of the elderly, if the Chief Executive revises his policy in response to the demands of the Legislative Council and the public, this course of action deserves more respect than to stick to one's gun for the sake of bureaucratic authority. If one does not correct one's mistake, is this being more rational or will this irk the public even more? Members can all see how the situation is like now. If the public actively express their views, this is a sign of their commitment to society. The Chief Executive, in responding to them and withdrawing his decision, is showing respect to the public and civil society and this is a sign of enlightenment. I hope this kind of positive interaction can continue in the future. Of course, we do not wish to see the Chief Executive being willing to be involved in interaction only when we really have to take radical actions.

However, I found the remarks made by the Chief Executive in announcing the withdrawal of the means test hard to accept. If he withdraws the means test, he should do so gladly. However, the comments made by the Chief Executive made us think that the Chief Executive was actually unwilling to do so and this also aroused discontent among the public. The Chief Executive considered that

the introduction of a means tests for the "fruit grant" was based on considerations of a long-term sustainable policy, that rational discussion on policies was overwhelmed by emotional reactions and that it was only for the sake of focusing on the development of the economy that he was willing to shelve the proposal of introducing a means test for the time being. However, he still firmly believed that respecting the elderly and introducing a means test mechanism were not mutually exclusive. Given time, when the conditions for discussing the policy concerned were more suitable, he hoped that the sustainability of the policy on providing subsidies to elderly people in view of the demography in Hong Kong could truly be examined. I think if the Chief Executive had not put things in this way, he would have won even greater public approval. Unfortunately, it sounded as though he was criticizing the public for irrationally demanding that he withdrew the means test mechanism.

In the face of so much public opposition to a means test for elderly people who receive the "fruit grant", the Chief Executive thinks this is emotional reaction overwhelming the rational discussion on policies. This indeed reflects a very poor opinion of the intelligence of the Hong Kong public. The quality of members of the public is very high and with the wealth of information available, they have a very deep understanding of various policies. The Hong Kong public have all along been very rational and they are not always generous when it comes to the provision of welfare by the Government. However, the Hong Kong public have a bottomline, that is, they are unwilling to see elderly people suffer and they also know that it is necessary to respect elderly people. They understand how important respect for the elderly is when the elderly receive the "fruit grant". Generally, the public are unwilling to see impoverished elderly people being subjected to investigations into how much assets they have for the sake of a thousand dollars or so. After the delivery of the policy address, the Democratic Party conducted a voice telephone survey on the issue of "fruit grant". The proportion of members of the public who opposed a means test mechanism stands at 60.4% and it is similar to that found by the University of Hong Kong, which also stands at 60%. Among respondents who are between 19 and 59 years old, the percentage of people opposed to such a move is even higher and it stands at 63.3%. It is even higher than the rate for respondents over 70 years old who opposed such a measure.

The "fruit grant" is paid out of public funds and tax revenue is used. It is impossible for the public to be unaware of this, but they would rather give more to enable the elderly to receive the "fruit grant" in dignity. This is a decision

made by the public after combining rational analysis with their emotional response. This is a decision made by the public. It is not just an emotional one and we are also being rational. Many members of the public have made various rational analyses and in contrast, it is the Chief Executive who could only see the amount incurred by the financial assistance and the balance of the books without regard to the feelings of the elderly people. This shows a lack of empathy, love and care, a human touch and the capacity to feel. That was why he put forward a proposal totally unacceptable to the public, thus making the public's satisfaction with Donald TSANG's policy objective fall sharply to just 22%.

In fact, the argument advanced in the policy address for a means test was even more irrational. The Chief Executive said that 25 years later, one would be an elderly person and another one a student under 20 years of age in every four persons in the population of Hong Kong, so the remaining two persons had to shoulder \$500 in "fruit grant" each month and the burden would be heavy. Is it because of the fact that the population will age in the future that we now have to target elderly people or those who are now 69 years of age, who will soon be eligible for the "fruit grant"? This is illogical.

For reasons of the public wanting to increase the amount of "fruit grant" but not supporting a means test for the "fruit grant", the Chief Executive thinks that the public have little regard for considerations of a "long-term sustainable policy", but this is unfair. What the Chief Executive has chosen to do is to turn the "fruit grant" into another kind of dole to let poor elderly people apply for it, with a view to reducing the potential number of recipients and overall expenditure.

However, another approach more acceptable to society is to implement universal retirement protection, so why is consideration not given universal retirement protection? This is also a long-term sustainable policy. The Democratic Party has also conducted a survey on this issue and 76% of the interviewed members of the public expressed support for this. Among them, the rate of support among people aged between 19 and 59 is 79%. We phrased our questions very clearly and the respondents knew that the universal retirement protection we were talking about would entail contributions from employers, employees and the Government and all elderly people would be entitled to it. Working-age respondents expressed their support for it, that is, it was supported by the working population. On caring for the elderly, the Hong Kong public are willing to share the responsibility together. It is in this kind of more lofty

socialist thinking that they differ from the Chief Executive, not that the public are not as far-sighted as the Chief Executive. In fact, all people have made rational analyses. I hope the Chief Executive will not underestimate the wisdom of the people anymore and use selective information and specious arguments to try to pull wool over the people's eyes.

In the conclusion of the policy address, the Chief Executive summarized his beliefs in governance. In it, there are many high-sounding words, for example, he said that "I firmly believe in justice, equality and liberty. We should steer the middle course in the best interests of the community." However, after studying them in earnest, one will find that the message therein is not really as lofty as it sounds.

Concerning the problem of poverty, the belief of the Chief Executive is, "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." The Chief Executive said most frankly that economic development would get priority and the needs of the poor were not really his prime concern. Of all the efforts to help the poor, education has value for money, so the efforts made in this regard are worthwhile and the only fundamental way of poverty alleviation is to help people help themselves. Why is self-reliance the only way? On the support from us professionals, if they really have the need and cannot achieve self-reliance, is it not also necessary for our Government to provide financial assistance? Regarding measures that do not have value for money and people who have difficulty in achieving self-reliance, for example, the hundreds of thousands of elderly people in poverty, what should be done? In view of such notions, the measures in the policy address to help the poor definitely are not well-conceived.

Even on the young people, on whom it is most worthwhile to make investments, the policy address has not taken proper care of them either. The measures to support young people are also inadequate. Even though the Chief Executive talked about "investing in education to promote social mobility", there is not any new measure on education in this year's policy address. I believe that later on, Mr CHEUNG Man-kwong of the Democratic Party will talk about this further with Members. Everyone knows that the expense on textbooks that are

purchased at the beginning of each academic year is a heavy burden for many poor students. We demand that textbook and stationery grants be provided to all students in Hong Kong. At the same time, the criteria of the means test under the Student Finance Assistance Scheme should be relaxed to ease parents' financial burden. However, the policy address makes no mention of all these but proposes the so-called "e-books" instead. It also says that it would be necessary "to study these issues in detail" and formulate "long-term measures". There is no knowing when students and parents will be able to benefit directly from "e-books". On another kind of education, namely, national education, the Chief Executive is far more generous and specific. On subsidizing secondary school students to join mainland study trips and exchange programmes and the number of people receiving national education, the number is increased from 5 000 people to 37 000 people in one stroke and even primary school students are also eligible for the funds for taking part in exchanges on the Mainland. There are many kids and poor students living in Tin Shui Wai who have never left the district where they live, so why does the Government not take care of their living in Hong Kong but set itself the long-term goal of helping them to visit and look at the Mainland? This is necessary but at least, the highest priority should be given to helping this group of poor students. Such great generosity is shown when funding students in visiting the Mainland to receive national education. However, such stinginess is shown when funding the travel expenses of poor people in Hong Kong. People in society demand that the cross-district subsidy be extended to other districts, so that all poor families in Hong Kong can benefit from it and people can be facilitated in working outside their districts. However, the policy address did not give any response.

One measure in the policy address marked by greater progress is the pledge to legislate on a minimum wage and I will talk about this in detail later. However, since the Chief Executive said that "the key to tackling the problem lies in boosting our economic development to bring about prosperity" and when determining the level of a minimum wage, the interests of employers are at stake, I believe it may not be easy to set the minimum wage at a reasonable level.

In the conclusion, there is a passage in which the Chief Executive talks about the third alternative, "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." To the Chief Executive, Donald TSANG, people with vested interests

and people in the business sector who can cast votes in the election of the Chief Executive, they have the status and room in the establishment to express their views and take part in policymaking, so of course, they hope there can be moderation and collaboration, but to poor people whose rights are not cared for and respected, who have no power to make policy decisions in the establishment, they must mobilize themselves and take actions to make society listen to their voice and demands. This is the only way they can influence government policy. I hope that when formulating policies, the Chief Executive and government officials will always bear in mind the unequal political power that various classes in Hong Kong have and compensate for this in their operation. I hope that officials and the Chief Executive can take the initiative to mingle with the various social groups, listen to the voices of the middle and lower classes and cater to their needs in effecting administration. Only in this way will it be possible to achieve social harmony and a win-win situation.

Deputy President, the Democratic Party welcomes the Government's efforts on labour issues, that is, it is prepared to amend the legislation to enhance the enforcement of Labour Tribunal awards and legislate on a minimum wage. The Democratic Party believes the Government can do a better job in these two measures.

In the past, the Democratic Party once proposed amendments to the legislation relating to the Labour Tribunal in the form of a Member's Bill to give a Judge the power to sentence a person, who wilfully and without reasonable excuse refuses to pay, to a fine and imprisonment. This measure will give better protection to the rights of workers.

I believe that in the entire policy address, the proposal to legislate on a minimum wage is the greatest cause for celebration. Members can all see how the results of the Wage Protection Movement (WPM) are like. The WPM only covered the wages of security guards and cleaners. Moreover, the participation of companies in the WPM is voluntary, so the number of people covered by wage protection is very limited. According to government figures, under the WPM, the wages of security guards and cleaners still remained at a low level and the wages of other low-pay jobs will only be lower compared with those of security guards and cleaners. For this reason, it is only by legislating on a minimum wage that the wages for low-income earners can be protected. The Democratic Party supports having a Minimum Wage Commission (MWC) to decide and set the relevant wage level in the future. We hope that the MWC will be able to set

a reasonable level having regard to the actual situation facing workers, so that our workers can lead a decent life. The Chief Executive emphasized support for the family in the policy address but no specific measure to promote family harmony is proposed in it. Why do I say so? Because he did not discuss the issue of long working hours. In fact, long working hours is a misery for us wage earners. Each day, apart from having meals and sleeping after work, they have no time to get together with their family members.

The University of Hong Kong Public Opinion Programme conducted a survey on the balance between life and work of working adults and the findings show that in 2007, the average weekly working hours of employees are 49.2 hours. Of course, those for Members of the Legislative Council are even longer. Basically, people in our working class do not have time to take care of their family or get together with their family members, so how can we talk about building a harmonious family? For this reason, apart from setting a minimum wage, there is also the need to legislate on standard working hours. Only by stipulating that the upper limit of weekly working hours of employees is 44 hours and that the wages for overtime work shall be no less than 1.25 times the normal rate can genuine protection on working hours be accorded to employees.

Finally, I wish to talk about youth development because at present, many enterprises and companies are closing down one after another and people are also being laid off. I believe the unemployment rate will soar in the future. For this reason, employment training and retraining have become all the more important. In last year's policy address, the Government also repeatedly voiced the need to review the existing career training services, including reviews of the Youth Pre-employment Training Programme (YPTP), the Youth Work Experience and Training Scheme (YWETS) and the now-completed strategic review conducted by the Employees Retraining Board (ERB), in particular, of the recommendation to relax the enrolment criteria set by the ERB to cover young people aged between 15 and 29 with academic qualifications at the sub-degree level or below starting from 1 December 2007. The Democratic Party has some concerns about this measure relating to the relaxation of criteria.

We are concerned that if agencies offering training to young people are not involved in any co-operation with the ERB, their resources may be reduced. I hope that the Government can do more in this regard and that it can continue to co-operate with agencies that have provided employment training to young people in the past, have shown commitment and are still working in this area. It

must not always give the highest priority to the work of the ERB, such that other agencies can continue to provide training for young people only if they co-operate with the ERB. Although the resources used in this area may overlap, I hope more agencies can provide proper training to young people, so that our future pillars of society can assume major responsibilities in society in the future.

I hope that the Government, having gained some experience in this exercise of the policy address, can truly listen to public opinion. If the public really have strong views, I ask the Government to withdraw its decision and it must not act in the way it did on this occasion. If it waits until the public speak, it will be too late. If the Government withdraws its decision only by then, it will be too late and it will not be able to allay public discontent even if it wants to. I so submit.

PROF PATRICK LAU (in Cantonese): Deputy President, although the dispute over the "fruit grant" for the elderly has been settled, Mr WONG Sing-chi has given a very clear and detailed analysis just now. At present, elderly people over 70 years of age can continue to receive \$1,000 in "fruit grant" without having to go through a means test. However, I am still concerned about whether the financial support for the living of poor elderly people is adequate. Since the Chief Executive is so concerned about the living of the elderly, I think the Secretary should conduct a review immediately and ameliorate the existing problem of inadequate financial support immediately. Most importantly, the "fruit grant" and a subsidy for their living should be clearly differentiated. The former is intended as a token of respect for the elderly and the latter is intended to provide financial assistance to elderly people in need.

The problem of elderly people in poverty is deteriorating. We can appreciate this just by looking at the scene of elderly people queuing up and jostling for free newspapers. This is because many elderly people have only a few dollars to buy food for their meals each day, so they are very reluctant to spend \$6 on a newspaper. Quite a number of elderly people will also get a few more copies of such newspapers, hoping to resell them as waste paper. In fact, at present, a lot of elderly people really have to supplement their income by selling waste paper, so is this not indicative of the fact that the financial assistance schemes for elderly people cannot completely cover the living expenses of elderly people living in poverty?

Deputy President, in the face of the hammering by the financial tsunami experienced by various trades and industries, even waste paper recovery yards are affected. For this reason, elderly people who rely on collecting waste paper, newspapers, cardboard paper and soft drink cans for a living will get into financial difficulties very quickly and they will have to rely entirely on the Government for financial assistance. Just as the Chief Executive said, in future, one fourth of the population will be elderly people over 65 years of age and if we want to assume all responsibility, we must formulate a sustainable system. For this reason, I think the Government should set up a fund dedicated to providing subsidies to support the living of needy elderly people and regularly review whether or not the amount of subsidy is adequate, so as to ensure that elderly people who used to make valuable contribution to society can have a sense of security and that there is protection for their living. In the long run, we should study the feasibility of introducing universal retirement protection as soon as possible.

Deputy President, the financial tsunami has come to close quarters and chain stores have closed down one after another. Small and medium enterprises are experiencing difficulties in their operation and even a prominent figure in the catering industry has jumped off from a building. The number of unemployed people is increasing and grass-roots workers are taking the brunt. Since the policy address says that the socially disadvantage groups have to be protected and social justice have to be upheld, a long-term policy on eradicating poverty should be formulated and different types of jobs should be created to provide more employment opportunities in local communities, so that the living of the socially disadvantage groups can get some protection. The Chief Executive and I are both Catholics. The late Pope John PAUL II once said that national economies should create appropriate conditions to promote business and guarantee employment. For this reason, in the face of the challenges posed by the financial tsunami, the Government should be forward-looking in taking counter-measures and it should formulate just and equitable measures to create job opportunities and lead Hong Kong people in overcoming the difficulties. Just as said in 1 Corinthians 10:13 of the Bible, "..... God will with the temptation also make a way out" I hope all of us will adopt a positive and proactive attitude in facing the present challenges. I so submit. Thank you, Deputy President.

MR CHAN HAK-KAN (in Cantonese): Deputy President, in the Chief Executive's Question and Answer Session, I asked the Chief Executive about the problems relating to youth employment. The Chief Executive said in reply that

people would all go through such a stage in life and the implication was that apparently, he had no clue about how to solve this problem. Therefore, I wish to talk briefly about this problem.

At present, basically, the employment service provided by the Government to young people consists of three levels: the first is the Youth Pre-employment Training Programme (YPTP), which provides pre-employment training; the second is the Youth Work Experience and Training Scheme (YWETS), which provides on-the-job training and the third is the "Youth Employment Start" (Y.E.S.), which provides one-stop support service on employment to young people in two centres. The past contribution of the Government in helping young people find employment cannot be negated. However, I believe the Government should think further ahead in this regard.

According to the figures of the Census and Statistics Department, in August, the unemployment rate for young people aged between 15 and 19 was 17.3%; that for young people aged between 20 and 29 was 4.8%. They are both higher than the present unemployment rate of 3.5%. We reckon that the unemployment situation of young people will deteriorate in view of the financial tsunami. Since the job skill, experience and qualifications of young people all have room for improvement, often, employers have reservation about their job applications due to these three disadvantages, so young people encounter great difficulties when looking for work. With the restructuring of the economy in Hong Kong into a knowledge-based one, in order to solve the unemployment problem among young people, we must tackle it by way of training. On upgrading the quality of our manpower, the DAB proposes that the Government actively recommend associate degree qualifications to SMEs and some companies. The Government should even provide some attachment opportunities to associate degree graduates or take the lead in recruiting them, so as to set an example for employers in employing this group of graduates.

I wish to stress that tertiary students and young people in Hong Kong have boundless creativity and potential. It is also mentioned in the policy address that an Internship Programme under the Innovation and Technology Fund (ITF) would be introduced 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 career in industrial and commercial R&D in the future. I support this measure. However in promoting the creative industries, the Government can also consider furthering the co-operation between universities or tertiary institutions and

companies but this should not be confined to R&D alone. We also propose that the Government continue to encourage and provide assistance to voluntary agencies in organizing the Youth Business Hong Kong to provide guidance and support to young entrepreneurs and assist them in realizing their dreams. Not only can this encourage them to turn their interests into careers, so that they can continue to work in areas in which they are well-versed after graduation and give full play to their creativity, thus reducing the mismatch in manpower in Hong Kong society, in the long run, this will also make the Hong Kong economy more diversified.

In addition, it is also very important to assist secondary school graduates in seeking employment. At present, the Government's practice is mainly to help young people find jobs through platforms outside the school and to let them participate voluntarily. However, in doing so, young people invariably begin to have access to information on job-seeking and employment only when their schooling is drawing to a close or after they have left school, so this is a bit too late. The Government should enable young people to be exposed to the relevant information at an early stage to let them plan for their future well in advance. The Government can consider providing pre-employment counselling to them before they graduate from secondary schools, for example, by teaching them resume writing and interview techniques or the general basic knowledge and skill necessary for finding jobs, and so on. In addition, the Government can also focus on promoting youth employment service in schools by, say, making reference to Canada. In Canada, students begin to receive systematic pre-employment counselling starting from junior secondary and through the referral of their schools or organizations, high school students can also take up internships in private companies before graduation, so that students can gain valuable working experience before graduation. More importantly, in this process, students can gain a good understanding of their own interest and abilities, so that they can find jobs suited to them more easily after graduation, thus avoiding total disorientation and a waste of their precious time.

Deputy President, I believe it is time we reviewed the existing youth employment service. Since the introduction of the YPTP and YWETS respectively in 1999 and 2002, it is true that a lot of young people have benefited from them. However, insofar as the YWETS is concerned, quite a number of young people have told us that they found the jobs offered by the YWETS to be diverse and it also enabled employers to provide attachments lasting half a year to them and for this reason, they approve of this scheme. However, under this

scheme, young people have an inadequate understanding of their employers, so a ludicrous incident once occurred, that is, a participant in the YWETS was exploited by his employer while working and was arrested by the Customs when sending some counterfeit goods by post. As regards the contents of the YPTP, since they are too theoretical and the recognition for the certificates issued under this programme was relatively speaking low, many participants are unable to join the labour market after finishing the programme. For this reason, we hope the Government will conduct reviews of these two programmes to remedy the foregoing shortcomings and improve the framework.

Deputy President, I also wish to talk about the importance of continuing education. Last year, the Government accepted the proposal of the DAB on implementing 12-year free education. However, the Government should still bear in mind that at present, a lot of people began to work in society before they had completed secondary education. Although they wish to pursue further studies, due to financial reasons and their work, they do not have such opportunities. With the restructuring of the Hong Kong economy, the requirements of the labour market on basic knowledge and skill are getting ever higher. In order to enhance the employability of these people, the Government should continue to encourage employers to provide on-the-job training to their employees and encourage people working in society to pursue further studies. The Government must also recognize the contribution and importance of evening adult education courses and increase the resources for this area, so as to raise the basic education standard of people with low educational attainment. At the same time, it also has to adopt measures to regulate the tuition fees, so as to prevent them from rising to a level unaffordable to students.

Deputy President, I believe that in order to solve the youth employment problem, it is necessary to provide additional resources, for example, by offering cross-district transport subsidy to low-income young workers to encourage them to work in other districts. Another example is to consider whether, in addition to the two existing Y.E.S. centres in Mong Kok and Kwai Fong, similar youth employment support centres can also be established in other districts. The Government has to understand that learning and employment must complement one another in order to enhance the efficacy of both. I am not playing down the achievements of the Government in providing youth employment service so far, but I believe that if the Government can think about this matter from various perspectives and formulate a more comprehensive youth employment service programme, the results will be even more pronounced. At present, basically, the

Labour Department has full responsibility over youth employment service but, as I said just now, it is best for employment service to begin on campuses. If the Education Bureau and the Labour and Welfare Bureau can consider setting up an inter-departmental working team to formulate a more comprehensive employment service programme to provide all-round guidance and support to young people, in the long run, this will benefit the young people and the economic development of Hong Kong.

Deputy President, I so submit. Thank you.

MR TOMMY CHEUNG (in Cantonese): Deputy President, I will first talk about the "fruit grant", an issue that the elderly care about the most because one can say that finally, there is some good news.

Deputy President, the Liberal Party is very pleased because, eventually, the Chief Executive desisted before it was too late, convinced to withdraw the proposal to establish a means test mechanism, so that the "fruit grant" intended as a token of respect for the elderly could be increased to \$1,000 with no strings attached.

The Liberal Party believes that as a measure intended to show respect for the elderly, it is acceptable to increase the "fruit grant" to \$1,000 for now. However, we must not forget that in society, there are really quite a number of elderly people who are leading a rather difficult life and they have to rely on the "fruit grant" amounting to several hundred dollars monthly to supplement their living. In addition, they have to rely on collecting cardboard paper and various items to make a living. Members can also see that recently, the recovery prices of junk have dropped sharply and even though old folks keep scavenging for junk for the whole morning, they can make no more than \$10. This is really a situation worthy of our sympathy and all of us feel bad on seeing this. For this reason, we think the Government should assist this group of needy elderly people by providing an additional means-tested old age supplement that imposes less stringent requirements, so that they can lead a better life.

In addition, an increasing number of elderly people have now settled on the Mainland in order to reduce their living expenses. This is a major trend in the integration of Hong Kong with China. In view of this, the present restriction on the period of absence from Hong Kong imposed on elderly people receiving "fruit grant" should be removed, or they should be allowed to return to Hong Kong to

stay for just a few days each year as a matter of formality, so that no matter where elderly people live, they can still receive their token of respect from the Government.

Deputy President, next I wish to express the Liberal Party's view on a minimum wage. The Liberal Party is very concerned about the problem of the working poor in Hong Kong. The Liberal Party also finds it unacceptable that workers cannot even support their families because they earn a monthly salary of only \$2,000 or \$3,000. The Liberal Party is very concerned about the problem of wealth disparity and does not want to see a growing wealth gap in Hong Kong. However, on the proposal put forward by many Honourable colleagues to solve this problem by means of a minimum wage, the Liberal Party takes a different view.

The original legislative intent of the Government is to try to follow the examples of other places in the world where a minimum wage is implemented, so as to replace its welfare policy with the legislation on a minimum wage, in the hope that after raising wages, a couple with a total income of \$12,000 do not have to apply for \$9,000 in CSSA. The Liberal Party strongly opposes this. The Liberal Party holds that in order to deal with the problem of the working poor, we should consider putting in place another safety net, so that employed people who cannot make ends meet can be assisted by means of social welfare. In this way, they can perhaps be better assisted in enhancing their productivity, so that they can secure better wages and working conditions and work hard to make money. This will be a more desirable course of action.

The reason that the politicians in many places, in particular, politicians from floundering political parties, support a minimum wage is that it is a tactic to win the support of voters and their support for a minimum wage is not founded on reasonable grounds. In fact, many studies have shown that after legislation on a minimum wage was enacted, not only was it impossible to achieve full employment, the wealth gap could not be narrowed either. On the contrary, the job opportunities of older people with a low level of education and skill were affected. Usually, economists hold different views on various issues but on a minimum wage, they all think that a minimum wage cannot solve the problem of poverty. For this reason, the Liberal Party is very concerned that if the Government uses a minimum wage to replace social welfare, the whole business sector will be made to assume the responsibility for poverty alleviation, that is, even though the minimum wage in the market obviously cannot reach the level

prescribed by the authorities, the relevant legislation will mandate that various sectors pay wages at a certain level. In that event, how many people will still come to Hong Kong for investments? How can Hong Kong compete with neighbouring regions such as Macao or the Pearl River Delta Region?

However, judging from the policy address and the recent comments made by the Government on the legislation on a minimum wage, we are very pleased to find that the ultra-left attitude of the authorities has changed and they are willing to take into account our concerns in setting a minimum wage, including:

First, ensuring full employment and that the job opportunities of older people with a low level of education and skill will not be affected;

Second, the legislation on a minimum wage will not be regarded as a welfare policy and if the income of some workers is still below the level of CSSA, the Government will still assume responsibility and provide subsidies to help the working poor; and

Third, ensure that Hong Kong's competitiveness will not be undermined.

If the authorities adhere to the foregoing three principles, this will represent a major alignment with the views of the Liberal Party on a minimum wage.

Finally, I wish to point out that the Hong Kong economy is entering a bleak winter and retail shops and restaurants are closing in succession. Many SMEs are finding themselves in deep water but recovery is not within sight. If legislation is bulldozed through in this Legislative Session or the next and various sectors have to raise wages despite the great difficulty they experience in operation, instances of closure will definitely multiply and the unemployment situation in Hong Kong will worsen. I hope Members will seriously consider if it is an appropriate time to implement this proposal in this Legislative Session.

Deputy President, I so submit.

MR WONG KWOK-KIN (in Cantonese): Deputy President, the FTU welcomes the Chief Executive honouring his promise of legislating for a minimum wage if the Wage Protection Movement does not yield marked results. What is even more praiseworthy is that the Government has decided to legislate for a minimum

wage for all sectors, so that all low-income employees in Hong Kong can be protected. The Chief Executive said in the policy address that a Minimum Wage Commission (MWC) would be set up early next year. The FTU believes that the Chief Executive is well-intentioned in doing so because he wants to expedite the work on a minimum wage. However, the FTU believes that the MWC should be given statutory status and be regulated by the legislation on minimum wage. In particular, the FTU believes that the proportion of members representing employees, employers and the Government, its terms of reference, the legal effect of its decisions or discussion outcomes, and so on, have to be clearly defined. Otherwise, the discussion outcome of the MWC may give rise to other disputes. If the discussion outcomes lack legal effect, they may lead to other disputes after publication. The FTU believes that this will not serve any good purpose.

Not only is it necessary for the MWC to set the wage level for the first piece of legislation, in future, it also has to review annually whether or not it has to adjust the level of the minimum wage or impose additional conditions. For this reason, the MWC should be permanent in nature and its status should be provided for in law. Only in this way will the matters discussed or decisions made by it have legal status and be respected.

At present, in order to speed up the legislative process and avoid posing any obstacle to legislation, the FTU does not oppose setting up a commission to discuss the relevant issues. However, before the relevant legislation is enacted, to name the commission to be established as the "Preparatory Committee for the Minimum Wage Commission" will avoid putting in place a commission before legislation has been enacted? The FTU considers it inappropriate for this Commission to be free from any statutory regulation.

In addition, of course, the sooner the legislation on minimum wage is enacted, the better. However, the FTU believes that before legislation is completed, there will perhaps be a lot of discussions or disputes for a rather long period of time in the legislative process. As Members all know, we face currently the hammering of the financial turmoil and it is expected that in the next or even two years, the economic situation confronting us will be quite grim.

In order to help grass-roots workers, we propose that in this interim, the Government should first do something to help grass-roots workers. For

example, we propose that the travel subsidy scheme be expanded. Transport fares in Hong Kong are high and use up a large proportion of the wages of low-income earners. To low-income earners with a monthly income of \$5,000 to \$6,000 or some \$6,000, transport fares may account for nearly 20% of their income. To them, it is quite a heavy burden. For this reason, the FTU believes that the Government should expand the coverage of the existing cross-district transport allowance. At present, only people living in four peripheral districts in the New Territories are entitled to the cross-district transport allowance. The FTU believes that the Government should extend it to cover all of Hong Kong, so that all low-income people are eligible to apply for a low-income transport subsidy if their income meets the criteria.

The second issue that we wish to talk about is that of wages in arrears. In view of the financial tsunami, the FTU foresees that more employees will face the closure of companies, the non-payment of wages, defaults on MPF contributions, defaults on severance payment, and so on. In the past, even if the Labour Tribunal ruled in favour of employees who were owed wages in arrears, employers would often still adopt a delaying tactic, or even completely ignoring the rulings of the Labour Tribunal or transferring their assets to somewhere else. After employees have won a case, they still cannot get the wages due. Although in recent years, the Government has paid greater attention to this problem, the FTU considers that no major improvement to this situation has been made.

Under the pressure exerted by the community, the Government finally promised last year to criminalize the deliberate non-payment of the sums ruled payable by the Labour Tribunal, so it seems employees can hopefully break away from their plight. However, the FTU believes that the Government should introduce the relevant legislation in this Legislative Session as soon as possible, so that employees can be given genuine protection in this regard.

In addition, for many years, the FTU has been lobbying for making changes to the "4-1-18" protection provisions in the Employment Ordinance. We hope the Government can make some progress in this regard, so that even part-time workers can also be entitled to rest days, statutory paid leave and annual leave, sickness allowance, severance payment, long service payment, and so on. At the same time, the deliberate evasion of the responsibilities stipulated by Employment Ordinance can also be prevented. Of course, we are also concerned about the difficulties encountered by an increasing number of pseudo

self-employed workers and pseudo workers of outsourced jobs. In the recent closure of Tai Lin, the problem in this regard was a typical case in point. The FTU believes that the Government should review the labour legislation as soon as possible to protect workers in a disadvantaged position.

Next, we wish to talk about issues relating to welfare. On welfare, of course, all of us are very concerned about the "fruit grant" and CSSA for the elderly.

In the policy address, quite a number of passages are devoted to discussing the "fruit grant" for the elderly. We are also pleased to see that the Chief Executive is willing to accept public demand and shelve the means test for "fruit grant" to avoid unnecessary disputes. However, at present, the actual increase is just some \$200 to \$300 monthly. To the elderly, these several hundred dollars will enable them to make considerable improvements to their living. With the changing demands of society and the elderly, we are facing ever more problems relating to the elderly. The Government often points out that by 2033, there will be one elderly person aged over 65 in every four persons. Hong Kong's population is ageing, but how much preparation has society as a whole made for this? At present, have we prepared for the rainy days by formulating an overall policy on the elderly? My impression is that there is nothing of the sort. Now, when we argue about welfare for the elderly, we are only talking about some small and petty favours. The authorities lack a complete policy on the elderly. For this reason, the FTU hopes that a review of the policy on the elderly can be launched as soon as possible to examine, for example, if it is necessary to establish universal retirement protection or provide health care, care and attention, housing for the elderly and perhaps even transport and barrier-free access for the elderly. It is necessary for the authorities to give all these matters holistic consideration.

Before universal retirement protection is introduced, the FTU believes that welfare for the elderly, such as the "fruit grant", is still important. For this reason, the FTU demands that the "fruit grant" be increased unconditionally before the introduction of universal retirement protection.

The issue of "fruit grant" also carries another problem. In recent years, an increasing number of elderly people have settled on the Mainland after retirement. However, due to the existing legislation, often, they have to travel long distances back to Hong Kong to live here for 120 days each year in order to

be entitled to the "fruit grant". This makes them feel most unhappy. Many elderly people no longer have any abode in Hong Kong and when they come back, they have to sleep in the living room of their children, which is most inconvenient for them and it also gives rise to a lot of complaints.

I believe Secretary Matthew CHEUNG, who is now present, is also well aware of this situation because I once went to Guangzhou with him to meet some elderly people from Hong Kong who had settled on the Mainland. They also complained about the miseries they face. In view of this, I wonder if the Government can remove the restriction on the period of absence imposed on elderly people as soon as possible when reviewing the policy on "fruit grant" at the end of this year. I believe this is the heart-felt wish of the close to 30 000 elderly people whom we estimate to have settled in the Pearl River Delta Region now.

Deputy President, I so submit.

MR IP WAI-MING (in Cantonese): Deputy President, in the past six years, the number of low-income grass-roots workers has increased dramatically. The number of people earning less than \$5,000 monthly was 236 000 in 2001 and by 2007, after discounting foreign domestic helpers, there were 300 000 such people. In fact, these figures reflect the fact that the number of low-income workers is on the rise. As we all know, the United Nations released a figure recently showing that the wealth disparity in Hong Kong was very great, the greatest in the world. This is the ground for our support for the introduction of legislation on a minimum wage.

Of course, some friends in the business sector may hold different views, but I hope all of us will understand that even though a minimum wage should not be regarded as a panacea for solving the problem of the working poor, it should not be regarded as an anathema either. We have to know that legislating on a minimum wage is only taking the first step in solving the problem of the working poor and we still have a long way to go.

For many years, the Hong Kong Federation of Trade Unions (FTU) has been lobbying for the introduction of legislation on a minimum wage, in the hope that workers can have better working conditions and an income enough to support their families. Yesterday, some Members from the business sector, for example,

Mr Tommy CHEUNG, expressed concern that introducing legislation on a minimum wage would lead to an even more serious unemployment problem. In June this year, my colleagues in the Labour Advisory Board (LAB) and I made a visit to the United Kingdom, where we had discussions with the representatives of employers, labour unions and the Low Pay Commission responsible for implementing the minimum wage. In our discussions with the employer representatives in the United Kingdom, I found that they also supported the legislation on minimum wage. Compared with employers in Hong Kong, they were much more enlightened.

(THE PRESIDENT resumed the Chair)

In fact, Members can make reference to the annual report of the Low Pay Commission of the United Kingdom. In this year's annual report, it is pointed out that since the implementation of the minimum wage in the United Kingdom, be it women, ethnic minorities or people with disabilities, no one has become unemployed on account of the minimum wage. Quite the contrary, their employment situation has seen sustained improvement. Meanwhile, there was no adverse effect on the profits and investment of companies or the establishment of new companies. In view of this, we think that the negative picture on a minimum wage painted by Members of the business sector, in particular, by Mr Tommy CHEUNG, was an overstatement.

Back to the policy address, just now, the Chairman of the FTU, Mr WONG Kwok-kin, already said that we welcome legislation on a minimum wage as proposed by the Chief Executive. However, what is rather disappointing is that there is a paragraph which I think is rather superfluous in the Chief Executive's policy address. In paragraph 66, the Chief Executive expresses his general views on a minimum wage. I do not know if, in saying "I would like to reiterate my views on the minimum wage issue", he wants to reiterate his personal views or those of the Government. He makes it very clear that "wages are returns for employees' labour. As family needs vary, the minimum wage may not be sufficient to cover family expenses of all employees.". Does this comment represent the Chief Executive's personal view or that of the Government as a whole? I hope Secretary Matthew CHEUNG can give us an account on this when he gives a response later.

We think that the Chief Executive as an individual certainly has his personal views, but on what sort of occasion should he voice his personal views? Is it an appropriate occasion or appropriate course of action to voice one's personal views in the policy address, which outlines the overall direction of administration in Hong Kong in the coming year? Will this comment made by the Chief Executive give one the impression that we will deliberately suppress the level of a minimum wage? If this is not his intention, what was the reason for his comment?

In fact, we think that this comment made by the Chief Executive in paragraph 66 will also jeopardize the Minimum Wage Commission (MWC) to be set up in the future. In doing so, does he want to take somebody else's job into his hand, is he trying to profit from a chaotic situation, or does he want to exert pressure on the future MWC? In view of this, we hope the Government will clarify this because on the one hand, the Government is saying that the MWC should be tasked with determining the level of the minimum wage and the criteria; and on the other, the Chief Executive has made such comments. So will this exert some pressure on the future MWC? Of course, we hope this will not be the case but objectively, such an effect may have been created. Therefore, before the Chief Executive has introduced legislation on a minimum wage, he has already compromised the credibility of the MWC and cast a shadow on the minimum wage, before legislation has been introduced or even before a bill has been tabled to the Legislative Council for scrutiny.

Next, I wish to talk about the issue of working hours. We in the FTU have always advocated standard working hours. Working hours are getting ever longer and this is affecting the health and family life of workers in Hong Kong. Many Honourable colleagues have already talked about this and we hope the SAR Government will address this problem squarely. In 2006, over 540 000 people had to work more than 60 hours weekly. On the basis of working six days a week, that means they had to work over 10 hours a day. With such long working hours, the balance between their work and their life is lost. They have to go to work immediately on waking up and on reaching home, they have to go to bed, so how can they have the time to get together with their family members or to pursue studies? Is the lifelong learning advocated by the Government just an empty slogan?

To cite an example that I am familiar with, among the complaints received by the Staffs and Workers Union of Hong Kong and Civil Airlines, to which I belong, those relating to long working hours are the most numerous. Recently,

we received some complaints from the workers of an airline catering services company. Some of them pointed out that workers had to work six days a week but their working hours were as long as 60 to 80 hours and sometimes, they even had to work as long as 16 hours a day. What regulation has the Government imposed in this regard? In fact, such instances of long working hours have given rise to serious relationship problems between the workers concerned and their family members. Why do numerous youth problems occur? Why do some parents — with the exception of some special cases — have to leave their children unattended at home? I hope the Government will address these problems seriously.

Concerning the situation of pseudo outsourcing mentioned just now, our Chairman also said that we hope the Government could take the trend of pseudo outsourcing seriously. We are concerned that after the legislation on minimum wage is introduced, more instances of pseudo outsourcing will occur. We hope the Government can face this issue seriously and we also demand that the Government, in particular, the Labour Department, make a greater effort in dealing with this problem of so-called pseudo outsourcing. It should not shut the door on such complaints and refuse to handle them as soon as it hears the word "outsourcing". Recently, when we were handling the case involving the employees in the maintenance and constructions sections of Tai Lin, this kind of situation arose. We hope that when the colleagues in the Labour Department handle such cases, they will not shut the door on them once they hear the word "outsourcing".

President, on welfare, I wish to focus my discussion on the development of social enterprises. This year, the only passage relating to social enterprises in the policy address is paragraph 67. In the past year, the Government supported the start-up of new social enterprises through the Enhancing Self-Reliance Through District Partnership Programme and the Community Investment and Inclusion Fund. According to the information provided by the Government to the Panel on Welfare Services of this Council in this month, so far, the Government has approved over 70 social enterprise projects and created 1 300 job opportunities for the socially disadvantaged groups. The original intention of social enterprises was to create employment and training opportunities for the socially disadvantaged groups. Although the implementation of these projects has so far created on average over a dozen job opportunities in each of the social enterprises, the goal of social enterprises in creating jobs is obviously not clear enough. Otherwise, the job opportunities created could have been even more.

Social enterprises encounter quite a lot of difficulties in developing their business. Since social enterprises do not have abundant capital, coupled with the fact that the social enterprises are just taking their first strides, they meet some obstacles when looking for business opportunities. Although the Chief Executive proposed a pilot scheme in the summit on social enterprises last year to give priority to qualified social enterprises in bidding for government cleaning contracts, apart from cleaning, priority should also be given to social enterprises with regard to various kinds of government services, so that the room for the survival of social enterprises can be enlarged. Moreover, various social sectors should be encouraged to support social enterprises. Only in this way will social enterprises be given enough room for survival. At present, social enterprises often give people a rather negative impression. An affiliated union of the FTU has set up a social enterprise in Yuen Long, but the people in it feel that people in the neighbourhood have a rather negative impression of them, that it is more of a project of poverty alleviation than job creation. The Government should step up its publicity on social enterprises to make the public understand that social enterprises are intended to provide job opportunities and training, so that people in socially disadvantaged groups can acquire enough skills to face the challenges in society.

Lastly, I wish to talk about the issue of community child minders. In the last meeting of the Panel on Welfare Services, I conveyed a complaint relating to the wages of community child minders to the Secretary. At that time, the Secretary said in response that the aim of the home-based child carers scheme was to promote mutual help among neighbours and volunteer work, so people should not be calculating, otherwise, it would be difficult for the scheme to continue to operate. I hope Secretary Matthew CHEUNG will understand the nature of home-based child carers and I hope all the more that the Government will make society or this Council understand the nature of home-based child carers.

According to newspaper reports, the agency which was the target of complaint said in reply to enquiries made by reporters that the Social Welfare Department had only provided a service framework to them without stating formally that the home-based child carers were volunteers. Moreover, it even said that doing so was intended to give the agency some freedom, so that these people could have an employment relationship with the agency concerned. In fact, the Government itself could not sort out, or the Government was unable to enable the agency to sort out clearly whether its relationship with these

home-based child carers was an employment relationship or a volunteer relationship, that is, whether these home-based child carers were recruited as volunteers. Nevertheless, since the agency concerned was worried that classifying these home-based child carers as volunteers would affect recruitment, it defined the relationship between the two as an employment relationship. In other words, the agency defined its relationship with home-based child carers as an employment relationship on its own.

In view of this, I hope the Government can explain clearly to us what home-based child carers actually are. If their relationship with the service agency is that of a volunteer relationship, I think the party being calculating was not the home-based child carers or people who serve as such, but the Government. If they are serving as volunteers, why did the Government not take out insurance policies for them? Why did it deduct \$2 from the \$20 that it charges service users in order to take out insurance policies? Who is the calculating party?

If the relationship is one of employment, we have to look at the issue of a minimum wage, which is the issue being discussed now. The minimum wage advocated by the labour sector is \$33 per hour, whereas the Government or people in the business sector advocate \$22 per hour. This being so, why do we still allow jobs in a government-sponsored scheme to offer a rate of \$18 per hour? Therefore, so far, I still cannot figure this out clearly. I really hope the Government will tell me clearly what home-based child carers actually are.

I hope the Government will not consider home-based child carers as a way to help the Government save resources under the pretext that home-based child carers are volunteers or that they are intended to promote a neighbourly spirit, thus exploiting our workers under such a pretext. I agree with some Honourable colleagues' comment that it may be better for the Government to transform this scheme directly into a community employment scheme, so as to assist more people in finding work and in working as home-based child carers.

I so submit. Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, today, a friend working in the mass media conducted an interview with me. He asked me why the policy address of the Chief Executive had used "Embracing New Challenges" as its title

instead of "Facing New Crisis". On reflection, I think that he had a point. Why did the Government not use "crisis" to replace "challenge" but the other way round?

My understanding is that "challenge" means that everyone is already doing quite a good job, only that it is still not good enough and one can do even better, so one has to take on more challenges. This is just like an athlete who can already run 10 km per hour but he still wants to do better and wants to attain 20 km per hour. In order to take on this challenge, he has to undergo training. However, it is different if one encounters a crisis. We often use the analogy of a dangerous building. How should we deal with a dangerous building? Of course, it is necessary to take action as quickly as possible. Otherwise, the building will collapse. Why does a building become dangerous? A building becomes dangerous because the building materials are poor.

For this reason, I believe the reason for the Chief Executive using the word "challenge" instead of "crisis" is that he cares a lot about his face. If it is said that there is a crisis, this is tantamount to admitting that a poor job has been done on the so-called policy objectives or strategies implemented in the past few years, thus resulting in a crisis. If one calls it a challenge, then it is different. It means that one has done a reasonably good job in the past, only that now some problems have arisen and one hopes that one can do an even better job, so one has to take on the challenges. President, if the Chief Executive really thinks this way, this will be bad because if he is unwilling to admit that the present problem is a crisis and if he only treats it as a challenge, he really will only turn a blind eye and a deaf ear to many things and disregard them.

Today, everyone knows that the financial tsunami facing us is even more formidable than a turmoil. In fact, on many matters, it is necessary to prepare for rainy days by making advance preparations as soon as possible. Unfortunately, it turned out that the policy address is silent on many of the problems. For example, just now, many Honourable colleagues asked what the first problem after the occurrence of the financial tsunami was. It is not just investors who have encountered problems; even some companies are also facing the problem of closure or retrenchment. Unfortunately, in the face of this crisis, the entire policy address did not discuss it in any way. In it, no passage was devoted to the problem of unemployment. No account whatsoever has been given on the ways to handle these problems.

As we all know, recently, many large-scale or long-standing companies and even large corporations have closed down one after another and this phenomenon is not just confined to small enterprises such as restaurants alone, as we said in the past and this is where the problem lies. In the past, we found that unemployed people mainly were the middle-aged or non-skilled workers but this is different now because the middle or senior managers in large companies are also facing the unemployment problem. How should we deal with this? During the SARS outbreak, even Mr TUNG knew that he had to establish the Commission on Poverty and create some jobs for the unemployed to alleviate poverty. However, what has our Chief Executive done? He has done nothing at all and the biggest problem is that he still insists on continuing with the scheme for admission of talents.

I said just now that at present, people facing unemployment or layoffs were not confined to non-skilled low-income employees alone, rather, people at the middle tier or the management level and even professionals are facing the same problem. However, our Government is paying no heed whatsoever to this, still treating the situation like a free market which will take care of itself. To put it in a mean way, people have to fend for themselves. He has never thought about scrapping the admission scheme and hiring local employees instead, so I think this is a great failure. However, there is nothing we can do now because in fact, he has never sensed that this is a crisis, so it has never occurred to him that such things must be done. I really hope that the Secretary, unlike the Chief Executive, can really see that this is a crisis, that the unemployment problem must be tackled and something has to be done as soon as possible, including suspending the admission of talents or the import of workers. Moreover, the outsourcing of work by the Government must also stop because outsourcing will definitely reduce the need for manpower, thus causing unnecessary unemployment, so outsourcing must stop. More importantly, it is necessary to create jobs. The experience of the SARS outbreak tells us that when there are problems with the economy, often, it is necessary for the Government to create jobs to give the economy a hand because in such a period, it is quite difficult to rely on the market to create jobs on its own. For this reason, I hope the Secretary can find ways of job creation using public resources as soon as possible to enable unemployed people to find work expeditiously.

I believe that in order to prepare for the rainy days, the most important thing is to consider introducing unemployment assistance and perfect the Protection of Wages on Insolvency Fund. At present, there is still \$1.4 billion in

this Fund but I find that recently, a steady stream of workers have made applications to this Fund and I am worried that it will be exhausted very soon. In addition, since we want to ensure that workers can also receive payment in lieu of leave, the amount of money incurred will also increase accordingly. I hope the Secretary can tell us that should the money in the Fund become inadequate, the Government will still foot the bill, so that employees facing unemployment can put their mind at ease. I hope the Secretary can do something about this.

Another even more important issue is that of the prices of daily necessities. As we all know, apart from the unemployment problem, often, in such circumstances, not only will wages not increase, they will even be reduced. However, of late, the prices of daily necessities have not fallen and they have still remained high. For this reason, I think the Government has the responsibility to suppress prices. Otherwise, to the grassroots, their onerous burden will only grow even heavier. This is also very important and I hope the Secretary can make some effort.

In addition, I am also concerned about another issue, so I hope the Secretary can make an undertaking to us here. This issue is related to the "levy on foreign domestic helpers". Concerning the "levy on foreign domestic helpers", the President will rule whether Mrs Regina IP will be allowed to propose her amendment. Should her amendment be approved and should it be passed by the legislature, the retraining offered by the Government will encounter difficulties because the Government once told us that without the "levy on foreign domestic helpers", no funds would be available. In that event, problems in providing retraining would arise. I once asked the Secretary if, should this situation really arise, the Government would inject funds to ensure that efforts in retraining could continue. As we all know and as I said just now, economic problems have arisen and many people are now unemployed or semi-unemployed. The aim of retraining is to help employees transform or upgrade their skills or abilities, so retraining is very important at such a time. If the "levy on foreign domestic helpers" is no longer available, what should be done? I hope the Secretary can tell us that there is no cause for concern because the Government is committed, that it recognizes the great importance of the work undertaken by the Employees Retraining Board (ERB) at present, so even if the levy no longer exists, it will still inject funds. I hope the Secretary will make this undertaking in his reply later. This is very important. If the ERB has no money, may I ask how it can carry out retraining?

President, lastly, I also wish to talk about the issue of "fruit grant". I think the "fruit grant" is only a kind of a transitional measure intended to show respect to the elderly. However, as some Honourable colleagues said, the long-term approach is that we must introduce universal retirement protection to cover the entire society, so we should not dispute whether or not a means test should be introduced. This is a long-term task aimed at replacing the existing unhealthy and unreasonable MPF system. All of us can see clearly that under the financial tsunami, the existing MPF system has made many employees surrender all their hard-earned retirement funds to other people. In fact, few countries would do as Hong Kong did by introducing legislation to force us to let consortia make money. But this is exactly what our Government is doing, that is, it introduced legislation to force us to make investments. The money we invested has been all surrendered to the consortia and financial companies and employees have now lost all their money.

I have told the Secretary many times that employees who retired in the past two years are really miserable because they originally thought that they would have tens of thousands of dollars to support their living in old age. Hardly has it ever occurred to them that almost all of the money would be lost, so they do not know how they can support their living in old age. Therefore, the long-term strategy should be the implementation of universal retirement protection, so that we will not feel uneasy in the face of retirement. I hope the Secretary can really consider this long-term solution. This is better than constantly wrangling over the "fruit grant" and the MPF, as we do now. This is because not only will the MPF incur losses, also, it cannot afford any protection or benefit some housewives. For this reason, I hope this kind of retirement protection can be introduced as soon as possible. Moreover, I remember that in the last Chief Executive Question and Answer Session, I also raised this point with the Chief Executive and he also said that discussions on this issue could be opened anew. I hope the Secretary can lead the legislature in conducting discussions on universal retirement protection.

President, I so submit.

DR PAN PEY-CHYOU (in Cantonese): President, to introduce legislation on wages is a goal for which the labour sector has been campaigning for many years. In 2006, the Chief Executive launched the Wage Protection Movement (WPM) and pointed out that legislation would be introduced only if the WPM did not

yield marked results after its implementation for two years. After two years, the Chief Executive finally admitted in the policy address that the results of the WPM were not satisfactory and undertook to legislate on an across-the-board minimum wage. This is a major breakthrough in the labour sector's campaign for a minimum wage for many years and we feel greatly encouraged for this. In fact, the labour sector knew long ago that to encourage employers to voluntarily pay employees a minimum wage would not produce good results. The WPM was only intended to cause delays and its result is just as expected. Now, the Chief Executive has announced the activation of the legislative process. Although it is a bit late for the SAR Government to do so, it is still better than doing nothing, so we have to praise the Government's action in this regard.

Now that the Government has undertaken to introduce legislation, many employer groups are concerned that the minimum wage level would be set at too high a level, so they suggest that the hourly rate of wages be set at \$22. In fact, this figure is unreasonable because presently the hourly rate for toilet cleaning workers is on average \$22, whereas the hourly rate for cleaning workers in general, at \$25.5, is higher. That for security guards, at \$28.3, is even higher. In view of this, if the legislation sets the minimum wage at \$22, which is even lower than the two kinds of jobs just mentioned, we can foresee that the result will be an immediate suppression of wages.

The spirit of the legislation on minimum wage is fairness and justice and to prevent employers from exploiting employees by offering wages at unreasonable levels. We demand that workers be given a reasonable and respectable reward for their work and the wage level must at least enable a family to scrape by, so one can say that the hourly rate of \$22 is really too low and too disgraceful. Precisely because a minimum wage is intended to uphold justice, a minimum wage has been introduced in over 80 countries throughout the world. In fact, a minimum wage system was also introduced long ago in our Motherland, mainland China, and countries and regions in Asia considered to be well-developed, including Singapore, South Korea and Taiwan, have all introduced minimum wage systems.

Last week, the United Nations announced that Hong Kong is the region in Asia with the greatest wealth disparity. Many Honourable colleagues have mentioned the Gini Co-efficient in Hong Kong a number of times in this Chamber, so I am not going to repeat it here. I only wish to point out that this figure is far higher than the danger level. If the Hong Kong public reflect

seriously on this, they will also feel very uneasy. The GDP of Hong Kong was over \$230,000 in 2007 and this is not a low figure. However, this is only a veneer and Hong Kong is the place with the greatest wealth disparity in Asia. If the business sector proposes \$22 as the level of the minimum wage, this will only widen the wealth gap. Do Members consider this acceptable? Is doing so appropriate?

In addition, I also wish to talk about the problem of employment for young people because this problem is really very serious. At present, the unemployment rate of young people is 16.4% and the overall unemployment rate without regard to age is 3.2%. In view of this, the unemployment rate of young people is more than five times the overall unemployment rate. Why do young people become unemployed? Because they have no academic qualification, no skill and no experience. With these "three naughts", it is already quite difficult for young people to land jobs. Coupled with the prevailing financial tsunami which is hammering and ravaging Hong Kong, we believe it will become all the more difficult for them to find jobs.

In the policy address, the only mention of the youth employment problem is related to the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme (YWETS) of the past. The Youth Pre-employment Training Programme can defer the time when young people will become unemployed and give them more time to learn, but over the long term, it cannot solve the youth employment problem. Moreover, there are also instances of employers abusing the YWETS. Often, employers will not hire the young people concerned after the trial period and such cases do happen from time to time.

In fact, these short-term training cannot really help young people find employment. This kind of short-term training programmes has been implemented in the United States for over 30 years, but what are the results? To take the JobStar programme in the United States as an example, the outcomes of research indicated that in respect of young people who had taken part in the programme, there was no marked change in their employment rate, income level and their proportion among recipients of social security four years later when compared with those figures before their participation in the programme. In the final analysis, this is because the job openings in the employment market are inadequate.

Another point that arouses our serious concern is that both the Chief Executive and the Hong Kong Government think that Hong Kong can rely solely on the financial industry. However, if we only develop the financial industry to the neglect of other industries, this will lead to an inadequate supply of jobs at the elementary level and here lies the danger. For example, last year, there was competition between van drivers and taxi drivers for business. In fact, this was attributable to the oversupply of grass-roots people with low qualifications or professional knowledge. For this reason, if we want to help young people find jobs, it is necessary to develop a diversified economy with diversified industries because it is only in this way that more jobs can be created to help young people. I so submit.

MS AUDREY EU (in Cantonese): President, in fact, this session is where the highlight can be found because two major points in this year's policy address can be found in this part and they are the legislation on minimum wage and the "fruit grant".

Concerning the legislation on minimum wage, the Civic Party welcomes it because this is a breakthrough. However, the breakthrough does not lie in the fact that legislation will be introduced, but that an across-the-board piece of legislation will be introduced. The Civic Party is the only political party among a number of political parties in the Legislative Council that has all along insisted on an across-the-board minimum wage. The only thing we have reservation about is the comment in paragraph 66 of the policy address, that the minimum wage may not be sufficient to cover the family expenses of all employees. We are worried that this may leave a loose end concerning the level of the minimum wage. However, since we do not have enough time to discuss this today, I will wait until the legislation has been tabled to discuss this further.

President, another part has to do with the "fruit grant". Originally, the Civic Party was strongly opposed to the proposal in the policy address to introduce a means test for the "fruit grant". President, last week, I received a letter sent to me by an 83-year-old person. In the letter, there was a cashier's order. At first, I thought it was a donation to the Civic Party. Subsequently, I found that it was made payable to the "Government of HKSAR". I then wondered why money intended for the Government had been sent to me. It was only on reading the letter carefully that I learnt that this 83-year-old person, on learning that a senior official had said that the "fruit grant" was intended to show

respect for the elderly and they were encouraged to get it that he had all along been receiving the "fruit grant", which he donated in its entirety to the church. However, when he heard the Chief Executive, Donald TSANG, say that the "fruit grant" was intended as dole to elderly people, he felt very angry. He said he did not want to be humiliated in old age, so he entrusted me to return all the "fruit grant" he had received to the Chief Executive in the form of a cashier's order and he also set out all the dates of receipt and the amounts received. Therefore, President, on the day after I had received this letter, I wrote to the Chief Executive and attached the cashier's order to the letter. However, President, I have not yet received a reply or a receipt, so I wish to say to Secretary Matthew CHEUNG in particular that I hope he will make sure I can get a receipt.

Certainly, I believe it was not due to this letter alone but other reasons as well that I heard the Chief Executive announce on the next day the withdrawal of the proposed means test. President, I welcome the Chief Executive's action very much. However, his withdrawal of the proposed means test has given us in the Civic Party a big headache. Originally, we decided to oppose this Motion of Thanks because one can easily find a hundred reasons to oppose it. When Mr Ronny TONG rose and spoke on the first day, he already cited many reasons and Mr LEE Wing-tat even asked him if he had a split personality because even though he had advanced so many reasons against it, in the end, he said he was inclined to considering supporting it.

President, there are really many grounds for opposing this policy address and there are also many inadequacies in it. However, ultimately, we have to understand that the Chief Executive has taken a major step forward. Be it at the political level or on the issue of "fruit grant", he has taken a major step. We think we cannot oppose it irrespective of whether there is any means test or not. Anyway, we have to give him some encouragement and we have to give some encouragement both to the executive and the legislature. Therefore, after careful consideration, we believe that this time, we really may have to support this Motion of Thanks.

However, President, through you, I also wish to raise another very important issue with the Chief Executive and the Secretary, that is, the issue of the "levy on foreign domestic helpers". In fact, this is no less important than the issue of "fruit grant". President, in fact, there is already a consensus in society on the issue of the "levy on foreign domestic helpers", so there is no reason to deal with it in this way. In 2003, when the Civic Party had not yet been

established, the Government put forward the proposal of a "levy on foreign domestic helpers" and at that time, we already strongly opposed it. President, our ground of opposition is that when the Employee Retraining Ordinance was enacted in 1992, it was only applicable to imported workers. We also found in the record that in the Legislative Council meeting on 28 June 1995, the then Secretary for Education and Manpower had, in response to a question on whether the Administration would consider levying retraining charges on employers of foreign domestic helpers, said that foreign domestic helpers came under a separate scheme which was different from the Labour Importation Scheme and that foreign domestic helpers were imported on the basis of the local demand with no special charges levied or quota set for such employment. In view of this, President, throughout, be it the legislative intent or the established policy and position of the Government, foreign domestic helpers are different from imported workers. In 2003, the Government adopted a very blatantly unreasonable tactic by linking the "levy on foreign domestic helpers" to retraining. This is why we opposed it so strongly at that time and it is the principle that we oppose.

For this reason, President, on this issue, I wish to advise the Government, in particular, the Chief Executive, Donald TSANG, to desist before it is too late. President, I do not wish to make you meat of the sandwich in this issue because our Bills Committee has already reached a consensus and holds that an amendment should be proposed to request the Government to rescind the "levy on foreign domestic helpers" altogether. If this matter is turned into a legal issue which is referred to the President for a ruling, I think Donald TSANG is really making the President meat of the sandwich, so that you have to make a political decision for him. If things really come to such a pass, I hope Chief Executive Donald TSANG will bear in mind that in fact, this issue is just like that of the "fruit grant" and society already has a very strong consensus on this. Moreover, the abolition of the "levy on foreign domestic helpers" is legal, reasonable and justified. In view of this, I hope Secretary Matthew CHEUNG will convey this issue to him. Thank you, President.

MR RONNY TONG (in Cantonese): President, originally, I wanted to wait until the fifth session before I spoke, but there is something that makes me very uncomfortable if I do not speak out. President, yesterday, after I had spoken, some newspapers said that although I criticized the Government severely in my speech, I said that I would consider casting a supporting vote and they queried if I had early psychosis. President, perhaps I really have early psychosis but I think

the perception of the mass media of our debates is in fact much too simplistic. President, I do not think that a Motion of Thanks is simply all about voting for or against it. In conducting a debate for three days and nights, we want to find out the inadequacies in the policy address. Even our State leaders have also said so. There are indeed many inadequacies in this policy address and after listening to the debate here for almost a day, I found the speech given by Mr Frederick FUNG, who is not present now, the most moving. After listening to his speech, I began to wonder if I should vote against the motion, as suggested by the *Wen Wei Po*. It really is necessary for me to rethink my position on this Motion of Thanks.

However, President, before I make a decision, we should continue to identify the inadequacies. At this stage, there is a very serious inadequacy, that is, the inadequacy in the efforts on poverty alleviation, as pointed out by Mr Frederick FUNG. However, an even greater inadequacy is that in the entire policy address, no attention or passage whatsoever was devoted to people with disabilities. In the policy address, there are two passages with less than 200 words on this issue, but their drift can be described with just one word, that is, perfunctory. President, one demand for which people with disabilities have kept lobbying is half-fare concession. The aim of this sum of money is not simply for them to go out and watch a movie, rather, it will enable the integration of people with disabilities into society, broaden their network and increase their social capital. What is social capital? The Government probably knows about this. President, we have lobbied for this for many years, but there is still no response. This is a great inadequacy.

Another inadequacy can be found in the legislation on minimum wage. The Government did not say how it would deal with the problems relating to people with disabilities. Many people have said, and so has Mr Tommy CHEUNG, that a minimum wage will make people with disabilities unemployed. President, we definitely do not subscribe to such a view. First, we have the Disability Discrimination Ordinance in Hong Kong. If a minimum wage will really cause unemployment among people with disabilities, one can say that this piece of legislation has failed. However, more importantly, I hope the Government can learn from the experience of Australia. According to the experience of Australia, people with disabilities are granted exemptions according to their capability. For example, people with only 50% capability can get at least 50% of the minimum wage. This is very reasonable and I think society will also accept this. However, if it is stipulated that all people with disabilities

are not entitled to a minimum wage, we definitely will not accept this. Therefore, we are very disappointed that the Government made no mention of this point.

As regards the "fruit grant", President, I am not going to say anything further because many Honourable colleagues have already talked about it. This is also an area with which we are greatly disappointed. In view of this, so far, I think there are many inadequacies in this policy address.

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now call on the public officers to speak.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I must express my thanks to Members for putting forward so much constructive and valuable advice on labour, manpower and welfare issues.

Let me first give a concise reply to their views on labour issues. That Hong Kong can become a relatively affluent society is largely attributable to the concerted and strenuous efforts of both employers and employees to maintain our productivity and competitiveness. With the advent of the global economy and the recent outbreak of a financial crisis, the business environment in Hong Kong will inevitably worsen, however. At present, economies all over the world are battered by the financial tsunami, so Hong Kong will be no exception. The recent spates of company closures and layoffs can all indicate the gravity of the situation. It is expected that the unemployment rate will continue to rise in the very near future. Under such a situation, I sincerely hope that employers and employees can remember that they are in the same boat, adopt a pragmatic attitude and help out one another in meeting the difficulties. As for those employees affected by the financial tsunami, the Government will certainly do its utmost to safeguard their statutory rights and benefits and assist them in securing employment again.

In the policy address this year, the Chief Executive made a clear undertaking to submit a bill on a minimum wage level within the current Legislative Session. We will proceed with the enactment of legislation at full speed. I wish to emphasize that the implementation of a minimum wage level for all sectors is a major policy decision, and it can demonstrate the SAR Government's political determination and decisiveness. It represents a major breakthrough made by the authorities to safeguard the rights and benefits of grass-root workers and demonstrates the Government's determination to build a harmonious and just society.

We will go about the enactment of legislation in three directions. The first direction is about the preparatory work required. This will cover the categories of workers to be included in the legislation; the formulation of special measures to cater for the needs of the underprivileged, such as people with disabilities as mentioned by Mr Ronny TONG just now; the definition of a statutory minimum wage level; the formulation of a mechanism for setting and adjusting the minimum wage level; and, the enforcement framework and penalties consequent to the introduction of a statutory minimum wage level. Our objective is to submit a bill to the Legislative Council within the current Legislative Session.

Second, we think that a minimum wage level must be set on the basis of sufficient statistics and thorough analyses. The departments concerned are right now exploring how to improve the existing methodologies of data collection and analysis as well as the introduction of new statistical survey practices, with a view to getting all the required information. In other words, at this moment, we still do not have sufficient statistics and data for setting a minimum wage level. For this reason, it is too early to discuss what the minimum wage level should be.

Third, we have already launched the preparatory work for establishing a Minimum Wage Commission (MWC). The MWC will comprise representatives from the labour, commercial and academic sectors as well as government departments. It will be vested with sole responsibility for exploring how to set a minimum wage level and formulate a review mechanism. This is the most important point. In the future, all relevant statistics and information will be referred to the MWC for prudent and objective analysis and discussions. I wish to emphasize that although the MWC is for the time being a preparatory committee, it will eventually be included in the legislation and given statutory status. I must reiterate one point about the setting of a minimum wage level.

While it is very important that we must protect grass-roots workers by avoiding an unacceptably low wage level, we must at the same time make sure that there will be no massive disappearance of low-wage jobs. We must maintain Hong Kong's overall economic growth and competitiveness. It is therefore necessary to strike a balance.

The Government is extremely concerned about the problem of some employees being unable to recover their wages even after winning their cases before the Labour Tribunal. This is a complex problem, a long-standing and major problem which is very difficult to solve. It has been vexing the labour sector and the Government for nearly two or three decades. After collecting the views of all stakeholders and analysing the various improvement proposals they put forward, the authorities finally identified the way forward with a new mindset. In July this year, the authorities recommended three improvement measures to the Legislative Council Panel on Manpower: criminalizing non-compliance with the orders of the Labour Tribunal; empowering the Labour Tribunal to make orders requiring an employer in default of award payment to pay additional monies to the employee concerned; and, empowering the Labour Tribunal to order an employer in default of award payment to disclose his financial status.

Preparations for the legislative amendments concerned are in full swing, and we are holding discussions with the Department of Justice on the details of enforcement. It is hoped that the relevant bill can be tabled before the Legislative Council within the current Legislative Session.

The business environment is difficult, but this does not mean that defaults in paying employees' hard-earned wages can be tolerated. The Government has always attached very great importance to this problem, and it has implemented an active and proactive strategy to tackle the problem at source. The Labour Department (LD) will take stern enforcement actions against intentional defaults in wage payment by employers. If there is sufficient evidence, the LD will certainly institute prosecutions. If the employer is a limited company, we may consider the possibility of prosecuting its directors and other persons in charge, in addition to the company itself.

Mr LEUNG Yiu-chung has also expressed concern about the financial position of the Protection of Wages on Insolvency Fund (PWIF). I wish to point out here that as at the end of September this year, the accumulated surplus of the

PWIF was \$1,405.5 million. During the SARS outbreak, the annual payment from the PWIF could be as high as \$500 million. Therefore, if the PWIF is to continue to perform the function of significantly reducing the impacts of company closures on employees, care must be taken to prevent its being abused. The LD and the Protection of Wages on Insolvency Fund Board will continue to closely monitor the financial position of the PWIF and do their utmost to prevent intentional wage defaults from developing into applications for *ex gratia* payments from the PWIF.

I can appreciate Mr WONG Kwok-kin's concern about whether "pseudo self-employed persons" or "pseudo outsourcing contractors" can enjoy any protection under the Employment Ordinance and the PWIF. I must stress that whether a person is an employee or self-employed person must depend on the actual circumstances of each case. If there is a *de facto* employment relationship between both sides in a dispute, then even though a person is a self-employed person in name, he can still enjoy protection under the Employment Ordinance and the PWIF. There is no need for him to wait for any legislative amendments. The LD has published leaflets on the distinction between an "employee" and a "self-employed person". Employees are reminded specifically that they must ascertain their own status, so as to avoid any misunderstanding or dispute.

With the onslaught of the financial tsunami and its adverse impacts on the local employment situation, the demand for training and retraining has been increasing. In this regard, the Employees Retraining Board is now actively playing its important role.

Ms Audrey EU, Mr LEUNG Yiu-chung and some Members who spoke during the first debate session all proposed the total abolition of the employee retraining levy. I must say that this proposal will not only produce far-reaching impacts on our training and retraining policies and services, but will also impose a financial burden on the Government. It must be considered very prudently.

The Legislative Council has always wanted to have detailed discussions on major topics involving the enactment of legislation. It has always tried to avoid any haste. As a matter of fact, there are still divergent views on the abolition or otherwise of the levy, both in society and also in the Legislative Council.

In a bid to relieve the financial burden on employers of foreign domestic helpers, the Government already introduced a two-year moratorium on the levy on 1 August. I think the pragmatic approach is for us to thoroughly examine the whole issue during the two-year moratorium, so as to ensure that we can strike a proper balance between the imposition of the levy on the one hand and the needs for providing local workers with continuous retraining and maintaining Hong Kong's competitiveness on the other.

Some Members are of the view that the Transport Support Scheme should be extended to all of Hong Kong and lengthened in duration. Mr Fred LI has also mentioned this point. I must reiterate once again that the objective of the scheme is to encourage unemployed persons and low-income earners living in four remote areas with few employment opportunities to seek jobs and secure employment in other districts. Actually, the eligibility requirements and duration of the scheme were relaxed and lengthened respectively as recently as July this year, with a view to benefiting a greater number of low-income earners living in remote areas. We will continue to monitor the operation of the scheme following the relaxation. In case of necessity, we will conduct a review one year after the relaxation.

I now wish to give a concise reply to the views expressed on social welfare. The first issue I want to talk about is domestic violence. The Government attaches very great importance to this problem. It is especially worth mentioning that over the past few years, we have introduced many active measures and put in more resources to tackle the problem. These measures include manpower increases, the promotion of "social capital", "early intervention", enhanced corporate governance and social worker training and support. So far in the year of 2008-2009, the Government has allocated more than \$1.58 billion for the purpose of providing various services to victims of domestic violence and families in need. In the coming year, we will further enhance the direct support for these people on the present basis.

In regard to food assistance, the Government understands that price rises of consumer goods (especially foodstuffs) have exerted immense pressure on grass-roots people. For this reason, we have been introducing a series of relief measures since the beginning of this year. In July this year, the Chief Executive even allocated \$100 million to the Social Welfare Department, so that it can invite non-governmental organizations to operate short-term food assistance services. Such services can provide assistance to single-parent families, new arrivals and those poor people who have not been benefited by any government relief

measures over the past one year, such as the people of "10 No's" mentioned by Mr WONG Kwok-hing earlier. We will reach out to all these people, in the hope of providing them with immediate and direct assistance. In this connection, we do not preclude the possibility of issuing food vouchers to them. Next month, we will consult the Legislative Council Panel on Welfare Services on the services concerned. If we can receive the approval and support of the Panel, we will expeditiously apply to the Finance Committee for funding, in the hope of introducing the services as soon as possible.

Regarding the support for persons with disabilities, we will continue to upgrade the existing rehabilitation services and increase the places of pre-school training, day training, vocational training and institutional care, so as to cater for the needs of persons with disabilities at different stages, enhance their abilities and assist them in social integration. We will also increase the manpower for medical social services, with a view to providing mental patients, chronic patients and their families with appropriate and timely welfare services and assisting patients in early rehabilitation and integration into the community. At the same time, we will also join hands with the rehabilitation sector to step up the work of safeguarding the rights of persons with disabilities and implement the United Nations Convention on Rights of Persons with Disabilities which has recently been applied to Hong Kong. In brief, we will step up our efforts.

With respect to the support for elderly persons, I must point out that with the ageing of our population, we have been seeking to enhance our support services for elderly persons. In the policy address this year, many new measures are announced to step up the support for elderly persons and carers. While looking after elderly persons, we must bear in mind that carers are equally important. These measures include:

- a continued increase in the number of day-care and home-care places for frail elderly persons spending their old age in the community;
- a continued increase in the number of subsidized residential care places to meet the increasing demand of frail elderly persons or other elderly persons in need of institutional care for various reasons; and
- an extension of the District-based Trial Scheme on Carer Training introduced last year to the whole of Hong Kong, with a view to upgrading the capabilities of carers and relieving the pressure on them.

We have also attempted to tackle the issue of ageing population with a new mindset, and the promotion of active old age is one of the very important initiatives. We have been working with the Elderly Commission to promote this idea, so as to encourage elderly persons to live a rich life in their old age. For example, we are currently pushing ahead with the Elder Academy Scheme and have received the support of seven tertiary institutions.

I want to emphasize that the Government's elderly policy is based on four major principles: (1) to encourage elderly persons to age in the community; (b) to advocate sustained care for the elderly; (c) to promote active old age; and (4) to focus resources on helping elderly persons in great need. We will continue to provide elderly services according to these fundamental principles and look after elderly persons in need.

In the long run, a sustainable mode must be developed for the provision of elderly services. For this reason, we have been working with the Elderly Commission to explore how a long-term plan can be formulated for the provision of elderly services. In the middle of this year, the Elderly Commission already commissioned a consultancy study on this matter. It is expected that the study can be completed in the first quarter of next year.

The issue of Old Age Allowance (OAA) has recently aroused many discussions in society. The several directions of reviewing the OAA put forward in the policy address are all based on the perspectives of long-term policy sustainability and financial commitments. The aim is to stimulate in-depth social discussions on how we should allocate more resources to helping elderly persons in financial needs when our population is fast ageing.

However, in view of the worsening economic impacts of the financial tsunami, the Government has now come to the view that we should focus on dealing with the financial tsunami. At the same time, in order to avoid adding to the worries of the public, especially elderly persons, and also to answer elderly persons' aspiration, the Chief Executive announced last Friday that the proposed introduction of a means test for OAA eligibility would be shelved, and that the sustainability of this policy in the face of population ageing would be reviewed again only when objective conditions turn more suitable. He also undertook that the OAA for elderly persons aged between 65 and 69 and also for those aged 70 or above would be uniformly raised to \$1,000 under the existing system. We will submit the proposal to the Legislative Council Panel on Welfare Services for

discussions on the 10th of next month. The proposal would then be put before the Finance Committee. It is hoped that the proposal can be implemented early next year.

We will also review whether the residency requirement for elderly persons should be relaxed. Several Members also raised this request just now.

We have received the cheque from the elderly gentleman mentioned by Ms Audrey EU. We will issue a reply letter to him later on.

Although several Members who spoke have already left the Chamber, I still want to give a brief reply to the issues they discussed. Mr CHEUNG Kwok-Che mentioned that the issues of lump sum grant and long-term welfare planning were not given any treatment in the policy address. This is not quite the case in reality. We have actually attached very great importance to these two issues. First, the review of the lump sum grant arrangement by an independent committee is now in full swing. It is hoped that it can submit a report to me in the very near future. Second, the Social Welfare Advisory Committee has already launched a consultation exercise to gauge the views of the sector on long-term welfare planning. It is hoped that the many views collected can help us identify a new direction.

As for home-based child carers, several Members, including Mr IP Wai-ming and Mr LEE Cheuk-yan, also expressed their concern. I have to clarify that the scheme concerned is just a pilot scheme. It is only in the initial days of operation, so there is still room for improvement. We can always make adjustments along the way. I wish to clarify that the primary objective of the scheme is to promote mutual assistance in the community, so that women can stay home to look after the children of their neighbours and receive pay for that. For this reason, pay is not the primary objective. It is just an associated reward under a scheme that can bring forth benefits in several ways. While looking after their own children, women can at the same time earn some income by looking after others' children. In actual operation, some organizations treat the women concerned as their employees. What I mean is that if a woman works in a certain centre, then she is an employee. But if she stays home to provide the service, then she is a service provider. There is some kind of difference here. I agree that we should make adjustments along the way, in the hope of improving and perfecting the whole scheme.

Finally, I wish to say a few words on the problem of youth unemployment. This is a concern of many Members. I wish to emphasize that we do attach very great importance to this problem. The Youth Pre-employment Training Programme was launched in 1999, when I was the Commissioner for Labour. And, I also took part in formulating the Youth Work Experience and Training Scheme. That is why I know very well that the one-stop services provided have already provided many youngsters with training opportunities. I admit that there is still room for improvement, but I must point out that the overall effectiveness of these schemes must not be questioned, for they are effective on the whole. These schemes are well received by employers and parents alike. They are popular in the community. But, naturally, we must not thus think that there is no need to improve these schemes. That is why in the very near future we will launch a comprehensive review of the Youth Pre-employment Training Programme, the Youth Work Experience and Training Scheme, new youth employment services and the complementary work of the Employees Retraining Board. It is hoped that this can improve our work on youth employment.

President, Hong Kong is now facing tall challenges. I hope that members can understand the objectives and limitations of the various government measures and support the long-term directions set in the policy address. I so submit. Thank you.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, Secretary Matthew CHEUNG has given a comprehensive response to Members' remarks, explaining in detail the concept of a "caring society" expounded in the policy address. The main responsibility of the Home Affairs Bureau in this respect is to promote a caring culture in society, one which can foster our traditional virtue of mutual care and assistance. As we are being battered by the global financial tsunami, it is especially necessary for us to emphasize the need for strengthening ourselves in times of adversities and helping out one another.

Mrs Sophie LEUNG and several other Members have mentioned the significance of family values and expressed the hope that efforts can be made to promote them. The Family Council is at present in the process of formulating a publicity programme under which the importance of cordial family relationships and family values will be advocated through the help of the mass media and community networks. The various social sectors will also be encouraged to work together as partners in the promotion of core family values, so that in times

of financial hardship, members of families can still understand and help out one another.

In order to build a family-friendly environment, the Family Council is exploring the possibility of further encouraging the commercial sector to provide a family-friendly working environment and implement employment measures which can enable employees to strike a balance between work and family life. The Family Council will also work with the relevant government departments and advisory committees to conduct studies on how best to help the public understand the challenges at different stages of one's life, with a view to preventing the occurrence of family problems in a more effective manner.

Several Members have raised the issue of social enterprises. The SAR Government's promotion of social enterprises is aimed at creating employment opportunities in the community for young people and also other community groups. It is hoped that people can be helped to stand on their own feet, thus fostering the emergence of a caring culture. Given the possibility of an economic decline, we are clearly aware of the increased importance of promoting the development of social enterprises.

In a bid to further enhance people's understanding of social enterprises, we now plan to organize publicity activities in all 18 districts and continue to find out more examples of success, with a view to creating an environment conducive to the sustained development of various social enterprises.

Although the development of social enterprises is still a relatively new idea in Hong Kong, we have still approved a total funding of \$76 million for some 80 new social enterprises under the Enhancing Self-Reliance Through District Partnership Programme. These enterprises are given funding for their initial operation, and some 1 400 posts are provided. This is of course very different from the case in Spain mentioned by Mr Frederick FUNG. But I think the two cases must be looked at as two separate matters.

Earlier this year, the Home Affairs Bureau launched the Social Enterprises Partnership Programme. So far, it has succeeded in helping commercial organizations to team up with non-government organizations to form more than 10 cross-sector social enterprises. Besides, the Bureau has also matched eight social enterprises with commercial organizations or even relevant professionals for a nine-month mentorship period. We will continue to promote cross-sector co-operation on this platform.

I am very glad that a most welcome trend has emerged. Many charitable organizations are no longer satisfied with simply receiving grants and subsidies on a regular basis. Rather, they now wish to operate as social enterprises to respond to community needs. Commercial organizations, including several large enterprises, are very happy to provide preferential treatment for the purpose of fostering the development of social enterprises. Consumers in the communities can also see the advantages of social enterprises and are very happy to patronize them.

The success of social enterprises depends mainly on the nurturing of social entrepreneurs. To this end, we have commissioned the Centre for Entrepreneurship of The Chinese University of Hong Kong to work with eight other tertiary institutions to organize the Hong Kong Social Enterprise Challenge 2008 this year, a business plan competition for tertiary students. Responses from students have been enthusiastic. So far, more than 120 teams comprising 470 tertiary students have registered for the competition.

I sincerely hope that Members can continue to support the development of social enterprises, foster community solidarity and promote cross-sector co-operation. That way, we will be able to overcome the challenges posed by a worsening economy in the future.

Thank you, President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the financial turmoil will certainly cause a considerable impact on government revenue. At the same time, in the wake of the deteriorating economy, government spending, such as welfare spending, is facing an upward pressure. With regard to the formulation of the budget, we will face a considerable challenge in the coming year. Of course, in this year's policy agenda, we undertake to continue to adhere to the principle of "keeping expenditure within the limits of revenues" in drawing up the budget, and to strive for fiscal balance and avoid deficits. However, to achieve this principle, we should also take into account the long-term GDP, the corresponding expenditure, and the economic challenges in the coming year.

In 2007-2008, the Government registered an enormous surplus, so when the Financial Secretary delivered his budget for this year, he launched a series of

measures to promote long-term economic and social development, support the disadvantaged social groups, leave wealth with the people, as well as to provide for future challenges. As a result of these measures, at that time, it was estimated that there would be a budget deficit of 7.5 billion for this year.

Over the past few months, Hong Kong's economic environment had taken a sharp turn for the worse, and in the second quarter of 2008, the economic growth was only 4.2%, with 3.1 percentage points less than the 7.3% in the first quarter. Economic growth in the next few months is not optimistic. Hong Kong's revenue from land sales was less than expected due to the impact of the deterioration of the economy, and as at August, premium income was only \$9.7 billion, which was much lower than the \$43.1 billion forecast for this year. It is believed that other sources of income, such as stamp duty, will be affected as the turnover value of property and stock transactions dwindled.

On the other hand, inflation in Hong Kong earlier this year continued to rise, with the Composite Consumer Price Index in June and July having increased by more than 6% over the same period last year. In order to alleviate the pressure of living of the grass-root people under high inflation, the Chief Executive introduced a series of short-term relief measures in July, costing as much as \$11 billion.

Under the double impact of the fact that revenues would be less than expected but spending is higher than estimated, we forecast that the consolidated deficit for the year 2008-2009 will be much higher than the original estimate of \$7.5 billion.

For a period in future, under the impact of external factors, Hong Kong's economy is expected to slow down further. Major government revenues such as profits tax, salaries tax and stamp duty will be affected in tandem with the deterioration of the economy. The financial tsunami will inevitably wash away next year's investment income from the fiscal reserve. On the expenditure side, welfare spending will see an upward trend at times of an economic downturn. All of these will bring fiscal pressure on the Hong Kong Government in future. However, at present, members of the public need not worry too much about it, as the Government has sufficient fiscal reserves and confidence to cope with difficult times ahead.

We will carry on with our prudent financial management principle of keeping expenditure within the limits of revenues, and adhere to the three beliefs in financial management, that is, our commitment to the community, fiscal policy must be sustainable and pragmatic. At the same time, we will take into account the long-term interests of Hong Kong, allocate resources properly, and prepare well for the challenges ahead.

The Financial Secretary will shortly consult Members of the Legislative Council, representatives from all sectors and the general public on the 2009-2010 Budget. As always, we will sincerely listen to the views of Members, groups of different sectors in society, as well as the general public. In considering the budget measures, we will adhere to the principle of fiscal prudence and to work in the overall and long-term interests of Hong Kong, so as to tide over the difficult times together with each sector in the community.

Thank you, President.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): The third debate session ends. I now suspend the Council until 9 am tomorrow to proceed to the fourth debate session.

Suspended accordingly at twenty-one minutes to Nine o'clock.