

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 17 December 2009

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

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

THE HONOURABLE LEE CHEUK-YAN

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

MEMBERS ABSENT:

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

THE HONOURABLE JAMES TO KUN-SUN

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

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

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

PUBLIC OFFICERS ATTENDING:

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

CLERKS IN ATTENDANCE:

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

PRESIDENT (in Cantonese): Good morning. The meeting will now resume and the debate on "Formulating operational standards for public organizations" will continue.

MEMBERS' MOTIONS

FORMULATING OPERATIONAL STANDARDS FOR PUBLIC ORGANIZATIONS

Continuation of debate on motion which was moved on 16 December 2009

DR RAYMOND HO (in Cantonese): Good morning, President. At different times and under different circumstances, many public organizations were established in Hong Kong, each with its unique objectives outside the Government in order to enhance flexibility. While enjoying the operational autonomy that they need, many of them operate under commercial principles, and some operate in the form of subvented organizations. These organizations have appointed quite a number of independent individuals from the community to their managing boards, and some of them are required to undergo value-for-money audits of the Audit Commission. However, the governance problems of these organizations have still aroused the concerns of society from time to time.

The Director of Audit, through value-for-money audits, has revealed a lot of administrative problems with these public organizations, and examples are too many to enumerate. These include some cases that happened several years ago, such as the extravagance and chaotic management of the Tourism Commission, the spending of \$180,000 by the Hong Kong Applied Science and Technology Research Institute Company Limited on fengshui matters, and other governance problems. A more recent case was the one concerning the Hong Kong Productivity Council, in which three high-ranking officers transferred from the civil service or subvented bodies were found to be enjoying double housing benefits, and large quantities of fixed assets were found missing. These examples have aroused a public outcry.

Such endless public organization scandals are similar in nature, often involving expenses on remuneration, chaotic administration and waste of public money. It is difficult to convince the public that they are just isolated cases

having nothing to do with the structural problems of public organizations. As these organizations are all funded by the public coffers, the Government has the responsibility to adopt suitable measures in order to ensure that their governance can live up to public expectations.

Even though these public organizations are outside the government bureaucracy and enjoy operational autonomy, representatives are still appointed by the Government to sit on their management committees. These representatives are obliged to meticulously and closely monitor the operations and decision-making processes of these organizations in order to ensure that their decisions comply with and manifest their founding objectives and tally with the community's overall interests. As for those which operate in accordance with commercial principles, the Government's monitoring is particularly important. As the remunerations of the high-ranking executives of some individual public bodies are linked to profits, they may place too much emphasis on profitability and business development at the expense of their founding objectives.

The audits by the Audit Commission on public bodies have been playing an important role. Apart from disclosing their various problems, more importantly, such audits can enable the organizations to identify their specific problems, thus prompting them to roll out improvement measures for ensuring the proper use of public money. As far as I know, public organizations which do not receive recurrent funding are not subject to the Director of Audit's monitoring. Although these organizations have put internal audit mechanisms in place and are required to appoint independent auditors from the outside to carry out audits, regular value-for-money audits by the Director of Audit should still be an appropriate arrangement for enhancing their transparency.

In order to ensure that the operation of public organizations can live up to public expectations, the Government should enhance their accountability and transparency. While enjoying operational autonomy, they should also uphold the spirit of accountability.

President, I so submit. Thank you.

MR WONG TING-KWONG (in Cantonese): Good morning, President. I think that the motion debate moved by Mrs Regina IP is a very timely one, and I also maintain that it is necessary to enhance the supervision of some public organizations because there are dozens of public organizations in Hong Kong with portfolios involving various aspects, sectors and industries, and the operation of many of them is far from transparent. Therefore, speaking of the 10 wrongs of public organizations mentioned by Mr WONG Kwok-hing last night, I think we should draw a lesson from them. Nevertheless, I think we should not take a lopsided stance, so I also want to put in a fair word.

Recently, following all the media reports, we all know that the Audit Commission has pointed out that the internal management of the Hong Kong Productivity Council (HKPC) is very chaotic. But the other side of the story is that the HKPC has been providing a lot of assistance to various industries. In particular, it has assisted many manufacturers in the Pearl River Delta in resolving problems connected with their upgrading, restructuring and production, apart from helping them resolve many other thorny problems. I think we should put in a fair word for them.

Today, President, I would like to focus on the issue of competing with the private sector for profits mentioned in the original motion. In my opinion, the difference between competing with the public for profits and serving the public lies in the word "public". Who are the "public"? Does the word "public" refer to the service recipients, or just a small group of people?

The case of the Hong Kong Trade Development Council (TDC) is an example. I think the exhibitions and trade fairs organized by the TDC for the various trades and industries are in fact welcomed by them. The TDC's services are good, charges are low and the effect is excellent. However, some exhibition companies consider that the TDC is competing with them for profits. Will this lead to allegations of collusion between business and the Government? The provision of services to a small number of exhibition companies On the other hand, the majority of direct service recipients, that is, manufacturers, think that its services can meet their needs. Therefore, in this respect, I think it is necessary to clarify the difference between serving the public and competing for profits with the public. I hope that Members in this Chamber will know the difference.

Another point I wish to raise is the issue of collusion between business and the Government, which has been mentioned time and again by some Members. In my opinion, the cooperation between business and the Government will play an active role in promoting the development of our economy. Therefore, I consider it necessary to make a distinction between competing with the public for profits and serving the public, and tell the difference between collusion between business and the Government on the one hand and co-operation between business and the Government on the other.

President, I so submit.

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

MR ANDREW LEUNG (in Cantonese): President, I am glad that Mrs Regina IP has moved this motion, which can enable us to discuss the operational standards for public organizations.

As a matter of fact, many of the points raised by Mrs Regina IP in her original motion are true. Since public organizations are funded by the public coffers, they should operate according to very high standards in an open and highly transparent manner. The rationale is that all organizations using public money must discharge this responsibility. However, in many cases, a public organization is meant to serve a unique purpose conducive to the public interest, rather than being meant to operate commercially. Government departments operating on a commercial basis include the Electrical and Mechanical Services Department and the Hongkong Post. Operating on a trading fund, they are capable of competing in the market.

The example cited by Mr WONG Ting-kwong is very appropriate, and he is right in saying that public organizations have the duty to serve the public. I must make a declaration of interest at this juncture. I am the incumbent Chairman of the Vocational Training Council, a Board Director of the Hong Kong Mortgage Corporation Limited, a Council member of the Hong Kong Trade Development Council and a member of the governing councils of several public organizations.

I used to be the Chairman of the Board of Governors of the Prince Philip Dental Hospital (PPDH). The PPDH is an institution founded with the purpose of providing dental students of the University of Hong Kong with five years of internship training, and it has been operating on public funds. Private-sector dentists have been grumbling that there is unfair competition. But if the PPDH is made to operate in a fair-competition environment and charge the full costs, there will be no patients for its dental interns. In that case, the purpose of serving public interests through the training of dentists will be defeated.

This is also the case with the Hong Kong Housing Society, of which Mr Frederick FUNG is a member. If the flats under the Home Ownership Scheme and the Sandwich Class Housing and Loan Scheme are all sold at market prices, many lower-class and middle-class people will be unable to fulfil their dreams of home ownership. Therefore, we must be very cautious when formulating a competition law.

The Hong Kong Trade Development Council (TDC) mentioned by Mr WONG Ting-kwong just now was founded to offer assistance to small and medium enterprises (SMEs), with particular emphasis on helping manufacturers to open up overseas markets. The efforts made by the TDC since its inception are clear to all. During the onslaught of the financial tsunami last year, in my capacity as the Chairman of its Finance Committee, I proposed to allocate \$120 million for the purpose of assisting SMEs in opening up markets, so that overseas buyers, especially those from emergent markets, could be invited to Hong Kong. This is precisely what the TDC is supposed to do — helping SMEs to do a better job and open up new markets. In recent years, the TDC has also been assisting SMEs in opening up the mainland market and venturing into emergent industries, such as the wine industry, the aviation industry and green industries, so that more business opportunities can be made available to them. Therefore, it will be unfair to the TDC if it is lightly brought under the ambit of a competition law. The reason is that the full compliance with Mrs Regina IP's seven proposals will pose very great hindrances, for we are supposed to look after both employees and SMEs well enough but are at the same time required to pay heed to fair competition. On its part, the TDC may well say that with fair competition, it will have to charge SMEs higher exhibition fees. Is this what SMEs want to see?

Two Members have talked about the poor management of the Hong Kong Productivity Council which I once chaired. What I want to say is that if

Members are to compile the value-for-money reports for the Audit Commission, things will be much better. The main problem is that the Audit Commission is not concerned so much about value for money. Its only intention is to find fault with people and "punish" them. It simply uncovers all the inadequacies without mentioning any merits and achievements. How was the Hong Kong Productivity Council like when I took over its chairmanship seven years ago? It was a bureaucratic organization with a history of 30 years. Everyone there thought that they were government bureaucrats. However, it has by now become an organization willing to embrace the market. As rightly pointed out by Mr WONG Ting-kwong, many SMEs now receive its assistance and welcome its existence. The Hong Kong Productivity Council has made huge efforts in various areas, especially in the emergent fields of environmentalism, aviation and car manufacturing.

Therefore, I hope Members can note that while there are things which public organizations must do, they must not be expected to do everything. And, not all organizations are capable of doing the same things.

I so submit.

MS AUDREY EU (in Cantonese): I am very glad to see Mrs Regina IP's original motion on formulating operational standards for public organizations and the amendments put forward by Members. President, the Civic Party supports all the proposals on formulating operational standards for public organizations contained in the original motion and the amendments.

We maintain that public organizations must not become independent realms and compete with the public for profits. However, in this speech I deliver on behalf of the Civic Party today, I must raise one special point relating to the principle of "big market, small government" mentioned in point (g) of Mrs Regina IP's original motion. President, I believe that Members will not find this principle unfamiliar, because the Government frequently flaunts it as a "shield". Whenever it does not want to do anything, it will flaunt the principle of "big market, small government". We can observe that this very principle has created many problems in Hong Kong. One example of such problems is that the markets, car parks and shopping centres under the Housing Department have all been turned into the private property of the Link REIT. Very often, when

problems emerge, the Government will say that it can do nothing because it upholds the principle of "big market, small government".

In addition, we can observe that owing to the same principle, the mode of "build, operate and transfer" is adopted for both the Eastern Harbour Crossing and the Western Harbour Crossing, with the operating rights in the hands of private companies. However, it can be seen that although the turnover has been very low most of the time, tolls must still be increased incessantly because the tunnel concerned is operated by a private enterprise and its profits must be maintained. Similar, under the principle of "big market, small government", many conservation problems have also arisen. For example, the conservation of the former Marine Police Headquarters in Tsim Sha Tsui was awarded to a private property developer, with the result that the top of the hill has been levelled to make way for a hotel, and members of the public are not even allowed to enter this monument for taking photographs. And, because of the principle of "big market, small government" once again, the Government has withdrawn from the housing market, totally ignoring the aspirations of society, especially those who cannot buy their first flats. All these people hope that the Government can resume the construction of Home Ownership Scheme flats. But the Government simply does not agree with them.

President, Members are also aware of an extremely unreasonable phenomenon. Many Hong Kong people want to stand on their own feet, hoping that even after they have been laid off, they can still operate a small business or take part in promoting the local community economy. But the Government's relevant policies are very rigid. For example, the Government's policies on cooked food stalls and mobile ice-cream vans are very rigid. I am very glad that the President has mentioned shoeshine workers because I have learnt that a letter will be sent to them tomorrow, telling them that they may apply for a business licence. This is something very rare, or even a miracle. In general, the Government will only seek to stifle small businesses. Therefore, very often, we must ask, "Is it really 'big market, small government'? Or, should it simply be 'big enterprise, small government'?" Many SMEs and Hong Kong people wishing to stand on their own feet all think that the policies of the Government are unable to cope with the needs of society.

President, first, I want to clarify that the Civic Party is not against the market-led principle. History has already proved that the market is normally

cleverer than the government when it comes to resource distribution. And, the market economy is also superior to the planned economy. However, in the present context, the market must not be left entirely alone as taught by economic textbooks and dogmas, because the market is after all not omnipotent. In many cases, various factors, such as externality, public interests, insider news and market monopoly, may result in market imbalance, thus necessitating a certain degree of protection from the Government.

Many Hong Kong people agree to the Government's non-intervention policy. They have an "infatuation" with the policy of positive non-intervention advocated by Philip HADDEN-CAVE, thinking that Hong Kong's successful economic take-off in the 1970s was due to his policy of positive non-intervention. However, these people are not aware of the 10-year housing construction programme at that time, a programme which Mr Alan LEONG loves to talk about so much. This is also a classical example of government intervention in the market. Besides, there were also the Home Ownership Scheme, the provision of nine-year free education, the legislation on protecting labour rights and also the establishment of a social security system. All these were meant to address the livelihood and education problems that the market could not fully take care of at that time. The purpose was to ensure that there were equal opportunities for all people to give full play to their abilities, and that society could thus develop more healthily.

As for how Hong Kong can manage to make itself a happy home for its people and attract foreign investors and immigrants, the key must be the adoption of a mixed mode, whereby the market-led principle is supplemented by an appropriate degree of regulation. It is only in this way that the Government can respond to the needs of the times, making adjustments in response to any new problems arising in the course of time. Therefore, the Government should enhance the implementation of this mixed mode, rather than indulging in the two extremes. It follows that when reviewing the operation of public organizations, we must be very prudent and avoid going to the extreme, lest a lack of control or even transfer of benefits may result.

Most public organizations were founded with their unique objectives, meaning that they are supposed to play certain roles that the market cannot assume. They are also supposed to serve the interests of the public. For this reason, any review of the operation and governance of public organizations must

not affect their role of making good market failures. However, there must not be excessive freedom lest they may compete with the public for profits. The right approach should aim to increase the transparency of public organizations and establish a mechanism for preventing transfer of benefits. And, the reward for their remunerated directors and senior management must be placed under strict monitoring, so as to minimize the incidence of abusing powers for personal gains and competing with the public for profits.

I also wish to mention that very often, when it comes to the environmental and climate problems we discuss, there is actually a very great need for government subsidy in the private market. It is only in this way that the waste recovery industry in Hong Kong can develop soundly, the problem of warming can be alleviated and Hong Kong can become a quality city. Thank you, President.

MR ALBERT HO (in Cantonese): I think it is undeniable that public organizations do serve very important functions in society. In this connection, as Ms Audrey EU said, in a free and open economy, many essential social responsibilities cannot be fulfilled by relying on private enterprises for support, and at the same time, it may not be appropriate for government organizations to directly fulfil or promote these responsibilities either. For this reason, these objectives may be achieved through a more flexible means of establishing publicly-funded public organizations for the purpose.

However, the problem that has emerged in Hong Kong Society has long since reached the consensus that the effectiveness of public organizations should be evaluated using criteria similar to those put forth by Mrs Regina IP, but why have there still been so many actual cases that are far below public expectations? The most important reason is the lack of good governance standards. Good governance standards should include the criteria applied by the Government in appointing the management of these public organizations. This is the first point. Second, good governance standards also include the standards adopted to ensure adequate transparency and accountability in the public organization framework. This is the second point. Third, there are also the criteria or procedures to be adopted to ensure that when the governance team of a public organization fails to meet its founding objectives, resulting in a great discrepancy between public expectations and the plans drawn up by its

governance team, the organization can always be held accountable. This means stating what the consequences will be, and under what circumstances one should be replaced or disciplined.

Regarding these several points, I am sorry to say that all is just a complete failure. Perhaps because of the serious deficiencies in the system, many public organizations have grown into independent kingdoms. There are all sorts of problems, such as serious wastage of public money, an unsatisfactory system of declaring personal interest and even worries of possible corruption and transfer of interests. And, this is not to speak of what some Members mentioned yesterday and earlier today — some public organizations have stepped beyond their purviews, entered the private market to compete with the community for profits and made use of their unique advantages to influence market operation, thus leading to unfair competition.

There are some 60 public organizations in Hong Kong, and certain public organizations are mentioned in the audit findings published by the Audit Commission every year. We see that more often than not, the operation of public organizations is disappointing and astounding. There are various administration problems, ranging from administrative blunders to the waste of public money as I mentioned earlier, and even complete malfunctioning of governance in many cases. There are countless instances of dereliction of duty, such that we do not think it is so easy for us to analyze the problems with all organizations one by one in the debate today.

Some colleagues have already commented on and examined individual organizations. The Trade Development Council (TDC) mentioned by Mr Andrew LEUNG earlier has drawn an avalanche of criticisms. I would like to highlight the point that the proceeds from the exhibition business are actually the main source of revenue for the TDC as a whole. The percentage of such revenue has increased gradually from 43.81%, or \$670 million, in the year 1999-2000 to 62.81%, or \$1,243 million, in the year 2008-2009. In other words, the TDC has made considerable profit from the exhibition business. However, President, every year, the TDC still obtains a subsidy of some \$300 million to \$400 million from the Government, which accounts for 18% to 26% of the overall revenue of the organization. On the other hand, since the bulk of its revenue is generated from the exhibition business, it is exempted from the audit of the Audit Commission. This has created great problems. Many market participants have in fact criticized the TDC for its monopolistic advantage in the

exhibition business. The TDC is criticized for taking advantage of its competitive edge to organize various exhibitions, such as the supplementary houseware and gifts fair held in July 2003, thus creating fierce and vicious competition in the exhibition business throughout the year. Members of the industry are of the view that the TDC, as a public organization, should not be engaged in any vicious competition, and even unfair competition, with the trade.

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

There were other complaints that the TDC somehow seemed to be able to foresee the Government's lifting of the red wine duty and was thus able to organize a large-scale red wine exhibition just a few months after the duty had been lifted. Members all know that it is impossible to hold an exhibition of such a scale without year-long preparations. Hence, there were complaints that the TDC was getting lots of insider's information. Certainly, regarding these incidents, the TDC should actually defend its case before this Council (if there is an opportunity, that is), and give an explanation to the public.

Therefore, a mechanism has to be put in place for conducting detailed analyses of how these organizations operate, and the reasons for exempting them from a fair competition law (*The buzzer sounded*). These are the subjects we must examine in future.

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up. Does any other Member wish to speak?

MR LEE WING-TAT (in Cantonese): Deputy President, I am glad that Mrs Regina IP has proposed this motion. Actually, in the past few years, I also brought up the issue from time to time during the Budget debates. At that time, Prof KC CHAN was not yet a Director of Bureau. I know that many services in Hong Kong do not have to be provided by government departments. There are reasons for this, the most notable one being the fact that some organizations have considerable flexibility in various aspects, such as staff recruitment or service enhancement. The arrangement has its merits, so I may not always oppose it.

However, the Secretary must bear in mind that while tasks can be outsourced, the responsibilities concerned cannot. This point is crystal clear. Hence, I hope that government officials will not seek shelter from statutory organizations after establishing them, thinking that they no longer have to shoulder the responsibilities concerned. Whether in the case of the Trade Development Council (TDC), the Hong Kong Productivity Council, or the Equal Opportunities Commission, the Secretary will ultimately be held accountable whenever problems are found in these organizations. This point is perfectly clear.

I have been observing the operation of these organizations for a decade or two, and I notice that the most serious problem is the lack of consistency in their practices. In fact, the requirement of a high degree of transparency for organizations in general is something very simple — they should let the public understand and participate in their operation as much as possible, and hold themselves accountable to the public and the Government. Such are generally the responsibilities that must be discharged by organizations required to undertake public responsibilities.

Such organizations only talk about holding open meetings. In the past, I used to say that while the Housing Authority held opening meeting, the Hospital Authority did not do so. In the end, all is just like doing a show, and the public can observe the conduct of only one or two meetings every year. However, having listened to the tape-recording of those meetings, I notice that the issues discussed at the open meetings were not of any controversial nature, and if any contentious issues had to be discussed, the meetings would not be open to the public. I believe most of these organizations will not open their meetings to the public, and they will only publish annual reports every year. However, their accountability mechanism is vastly different from those adopted for the Legislative Council and government departments. I think one most incomprehensible point, which I have all along believed to be the cause leading to the failure of these organizations, is their highly secretive approach of appointment. I always use the word "homogeneous" to describe the appointment approach adopted for these organizations. To put it a bit crudely, this is "inbreeding". I have told the Permanent Secretary under the Secretary a number of times that the establishment of such organizations is actually meant to facilitate Government's policy implementation Actually, apart from implementing policies, the Government may also gauge the views of the public.

I recall that in 1991, when I was appointed by Sir David ARKES-JONES of the colonial administration to the Housing Authority as a member, I told him upfront, "I don't toe the party line." And, he replied that this was exactly why he had selected me. Among the 25 members on the Housing Authority, only Frederick FUNG and I would mock, or criticize, the Government from time to time. The arrangement was good, for at least two members among the 25 members would hold dissenting opinions. But, when Honourable Members look at the statutory organizations at present, they will observe that all members have homogeneous opinions. Members may look at organizations like the TDC. Can they hear any dissenting voices? Is this good to the Secretary and the Permanent Secretary? When they make any mistakes, they must themselves take the blame. But I have told the Secretary a dozen of times that if the Secretary The Secretary actually asks for it, and this is unforgivable. He himself identified such people who hold homogeneous views for appointment as members of committees, so when problems arise, he can only take the blame himself.

But the Government has not made any changes. Why? The Government has not shown even the slightest bit of tolerance, and it does not even allow the existence of just a small number of people holding dissenting views in a committee. It is even less tolerant than people in the colonial era. It seems to be afraid that if people of this sort are appointed to the committees, they may "make noises" with the information they have. But will such noises kill? Even if the members concerned remain silent, when the issue is brought to the Legislative Council eventually, someone will still voice their opinions. The case of the TDC is an example. Early this year, it announced the implementation of the Phase 3 extension project. Then, at the start of the summer vacation, people started to query how works would be carried out in the first two phases, how the relevant works contracts were signed, and why the other parties were given such favourable contract terms. Has anyone on the committee, or any Member of the Legislative Council, ever questioned these issues? No, no one has ever done so. It was only after the strong rebuke from the public that they hastened to take a remedial action, talking about disclosing the relevant information, explaining how the works in Phase 2 would be carried out, and clarifying that a decision on the Phase 3 project had not been made. Initially, the consultation exercise on the Phase 3 project was scheduled between October and November, but the plan has been halted. Why? Secretary, you only need to think about this example and you will know the answer. Precisely because of the homogeneous views of

committee members, precisely because of "inbreeding", precisely because of the Government's intolerance of minority dissenting views, problems have emerged. Honourable Members, what do you think the TDC should do now? Since the public have already leveled criticisms at the TDC, any action it takes are bound to be half as effective only.

Deputy President, I consider it worthwhile to carry on the debate this time around. I think just one or two debates will not enable us to tackle the issue thoroughly. I think Paul TSE will talk about the case of the Hong Kong Tourism Board (HKTB), so I am not going to talk about it now. I am sure he will mention the case.

I would like to talk about the Mortgage Corporation, a subject I am familiar with. Just now, Regina made a very good point when she commented that the Mortgage Corporation had not been doing things in the right way. I once told the Mortgage Corporation that it should spend its money on something the market in general did not want to do. Hong Kong is a in the mortgage market, low-priced buildings and old buildings are generally considered as the most difficult market segment. Bankers are not interested in this market segment. I once talked to David LI and commented that he would offer mortgage for deluxe properties only. No one is willing to offer mortgage for the old buildings in Yau Ma Tei, Tsim Sha Tsui and Tai Kok Tsui, that is, those buildings owned by the elderly and only worth some \$500,000, \$600,000, or even \$1 million, because the profits are very small and one just does not know when they will collapse.

Therefore, although the market is in good shape The Mortgage Corporation, however, does not want to enter such market segments and engages only in the provision of services generally provided by banks. But what is the point of offering such services? We have proposed the provision of reverse mortgage, which will enable elderly persons who possess properties to spend their savings bit by bit instead of relying on Comprehensive Social Security Assistance. However, these corporations simply do not conduct business in this respect; they only provide general services that are already available in the market. If so, why do we have to set up these corporations? The situation is aptly described by a Chinese idiom — the numerous problems cannot be recorded even by exhausting all bamboo strips. To put it crudely, one cannot stop scolding, for the problems are really numerous.

A certain organization has spent several dozen thousand dollars on hiring a Feng Shui master. This incident is bad enough. But I do not think it is the worst, for the organization concerned only wasted several dozen thousand dollars. Some public organizations have even spent tens of billions of dollars on making certain large organizations provide services that are already available in the market. What role is the organization concerned supposed to play? What function is it supposed to perform?

I would like to commend the Housing Authority. Over the past ten years or so, its performance has improved, probably because it has been frequently criticized by us. It has carried out some urban renewal projects and certain pioneer projects relating to the provision of housing for the elderly and other aspects. The organizations concerned should carry out work the Housing Society and the Government will not undertake. But many organizations are now doing things that can actually be done by the market. Why do these organizations do so? Hence, I hope that after this debate, Regina (*Ringling of phone*) Wow, telecommunications service providers are really something; they even manage to call here. (*Laughter*) What I want to say is that a forum should be provided for continuing the discussions on the issue till the problems are settled, because these problems are not confined to one or two organizations. The statutory organization framework as a whole is beset with these problems. The gravity of the problem is already beyond our imagination. I hope Members will work together on other occasions Maybe, we should set up a committee to study the issue in the future, so that we can follow up all the problems mentioned above. Thank you, Deputy President.

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

DR PRISCILLA LEUNG (in Cantonese): Deputy President, I think the original motion proposed by Mrs Regina IP is really very good. Early this year, my team and I also held discussions on this topic, and we considered the idea of proposing a similar motion. But eventually, we decided to discuss the development of West Kowloon. Hence, I am glad that Mrs Regina IP has given us an opportunity to discuss the subject today.

My points are straightforward. Many colleagues have said a lot about the monitoring and transparency of public organizations. What I can remember most vividly is the Kowloon-Canton Railway Corporation incident years back, the dispute involving Samuel LAI Man-hay. The salaries of the staff concerned were later published in newspapers. We learnt that the annual salary of an ordinary public relations officer was as large as seven-digit, while that of a senior public officer even amounted to \$1 million to \$2 million. We university people commented that even the president of a university could not earn such a handsome pay. An employee of such organizations could earn as much as \$4 million.

Another incident which I can remember vividly is related to the Hong Kong Jockey Club (HKJC). Back then, the HKJC persuaded Members to support the introduction of new betting types on the grounds of business difficulties and tight finances. To our surprise, when we examined the case, we discovered that the salaries of HKJC staff were also exceptionally high. I think Directors of Bureaux will probably envy them, for the salaries of many middle-management HKJC staff members are already on a par with those of Directors of Bureaux. I do not think that this should be the case. However, during the discussion, we remained open-minded. We asked the HKJC whether it was really necessary to introduce additional betting types, whether its finances were really very tight, and whether it had ever considered "slimming" itself, conducting an internal pay review and making adjustments on the basis of market conditions. But I really wonder why no one has ever brought up the issue even though the salaries of HKJC staff are higher than market levels.

My remarks are not targeted on any individuals. However, it is a fact that the salaries of public organization employees are as high as described above, even in the case of the Equal Opportunities Commission. I totally agree that a mechanism should be put in place, for this will at least be fairer to taxpayers. I think that there is inadequate monitoring in respect of the salaries, operation and work practices of public organizations. In my opinion, the Government must introduce corresponding measures, for this is the only reasonable approach to the public.

Therefore, I very much agree to the original motion and amendments proposed by the Members concerned today. I hope that before these public organizations apply for funds from this Council in the future, or once again tell us

their finances are tight, they can first examine whether their expenditures are reasonable. Thank you, Deputy President.

MR PAUL CHAN (in Cantonese): Good morning, Deputy President and Honourable colleagues. I have to thank Mrs Regina IP for proposing this motion this morning, which gives us the opportunity to have an in-depth discussion on the operation of public organizations. Many colleagues have talked about the objectives, functions and merits of setting up public organizations, so I am not going to make any repetition. I believe Members have listened to many speeches, and they are aware that the annual audit reports issued by the Director of Audit invariably contain a lot of criticisms against various public organizations, such as the Applied Science and Technology Research Institute, the Hong Kong Tourism Board, the Equal Opportunities Commission and more recently, the Hong Kong Productivity Council. Over the past few years, we have not seen any improvement on the part of these organizations. This gives people the impression that the many public organizations have already grown into independent kingdoms marked not only by the wasteful use of public money but also by chaotic administration. Certain public organizations have even stepped beyond the objectives and terms of reference laid down at their inception.

Deputy President, when I joined the Legislative Council last year, I had the opportunity to join the Public Accounts Committee. Having read two audit reports, I turned very concerned about the corporate governance of public organizations. I therefore wrote to the Chief Executive, stating that any sole reliance on the codes of practice and guidelines issued by the Government could not adequately tackle the problems with the governance of public organizations. The Government should require public organizations to submit self-assessment reports, so as to make the managing boards of these organizations realize that apart from understanding the guidelines and requirements issued by the Government, they must also conduct self-assessment to check whether their organizations have strictly adhered to such guidelines and requirements in operation. If any non-compliance or inadequacies are identified, they must be pointed out in their self-assessment reports. This arrangement is in line with the requirement applicable to listed companies, under which any failure to follow the code of practice and guidelines on the corporate governance of listed companies issued by the Hong Kong Exchanges and Clearing Limited must be disclosed in

the annual report of the listed company concerned. If the listed company has any justifications for non-compliance, a full account must be given. After a public organization has submitted its self-assessment report to the authorities concerned, the relevant policy bureau can follow up the case. In case there is any problem, it can be identified before the Director of Audit conducts an audit, and prompt rectification can be made. Since there are many public organizations, if we rely solely on the audits conducted by the Audit Commission, it may take at least ten years, or even more, to audit all public organizations one by one. I believe the public will definitely disallow such wastage of public money, nor will they accept the turning of public organizations into a "malignant tumor" of society, to put it a bit crudely.

Deputy President, I am of the view that besides requiring the submission of self-assessment reports to facilitate appropriate follow-up actions, we must also conduct studies on some other issues. One of the issues, which has also been mentioned by Members, concerns who should be appointed to the managing boards of public organizations. The sound operation of public organizations is after all decided by the quality of their managing boards and senior management. I very much agree with those colleagues who said earlier that appointments should be based on the meritocratic principle, and capable persons and persons with vision should not be shut out for reasons of divergent political convictions. I hope the Government can seriously consider how improvement is to be made.

Another point is that as mentioned in Mrs Regina IP's original motion, issues related to the declaration of interests, handling of conflicts of interests and exit control of the Board of Directors and management of public organizations should be dealt with seriously. I hope Secretary Prof K C CHAN will give his response to this issue later.

Regarding the self-assessment reports mentioned by me earlier, I am glad to receive a letter of reply from the Secretary on behalf of the Chief Executive, which tells me that my proposal has been referred to the Financial Services and the Treasury Bureau and the Efficiency Unit for follow-up. I earnestly hope that the follow-up work can be completed expeditiously and the proposal can be implemented.

Concerning the proposals in the original motion, I have reservation about two of them. First, it is proposed that all public organizations must be subject to the regulation of a fair competition law. I think that such an across-the-board approach may not necessarily be the most desirable approach. Besides, at the present stage, no fair competition law has been confirmed. I do not mean that a fair competition law will not be passed. I only mean that the specific content of such a law has not yet been confirmed. Hence, I think this proposal is inappropriate. Hong Kong is after all a city rather than a country, so I think this across-the-board approach of subjecting all public organizations to the regulation of a fair competition law is impracticable.

Another point is about the original motion's proposal that public organizations must be subject to value-for-money audits by the Director of Audit (D of A) on a regular basis. I agree that public organizations must be subject to the value-for-money audits of the D of A, but I do not think that this should be made mandatory. The reason is that it is stipulated unequivocally in the Basic Law that the D of A shall have full autonomy and independence in deciding which organizations or departments he or she will audit, as well as the means and approach to be adopted in writing up reports. I think we should respect this requirement. After all, there are only some one hundred staff members in the Audit Commission, and if it has to undertake all the work in this respect, it will encounter great difficulty. Though it is true that certain public organizations have much to be condemned and criticized, many organizations are performing well. I think if a mandatory requirement is laid down for conducting audits on a regular basis, resources may be unable to cope. Alternatively, since public organizations have to appoint their own auditors to carry out annual audits, I think the authorities may consider enhancing this arrangement. Regarding the ultimate solution to these problems, as mentioned by many Members earlier, it all depends on who are appointed to the managing board, the appointee's ability, availability of time and commitment as well as how they declare their interests. I think the crux of the problem lies in these issues.

Thank you, Deputy President.

MISS TANYA CHAN (in Cantonese): Deputy President, according to of public administration theories, a traditional government bureaucracy is characterized by an emphasis on procedures, and this in turn brings forth a rather complex

hierarchical relationship. The provision of public services by a government bureaucracy may sometimes be short of efficiency, failing to cope with the needs of economic and commercial development. In view of this, the Government has established a number of independent public organizations that adopt a more flexible management system and incorporate the flexible practices of the commercial market, hoping that better and customized public services can be provided to the community.

In the nineties of the past century, the Government reorganized the former Medical and Health Department into the Department of Health and the Hospital Authority (HA), handing over the delivery of most public health care services to a public organization. The Government also set up the Hong Kong Monetary Authority to assume the role of the central bank of Hong Kong. These are classical examples. It is a pity, however, that there have been spates and spates of criticisms against public organizations ever since, making the public feel that they must suffer before they can even enjoy any benefits.

Practically every value-for-money audit report submitted by the Director of Audit (D of A) since 2004 singles out at least one public organization for criticisms. Examples range from the English Schools Foundation and the Society for the Aid and Rehabilitation of Drug Abusers to the Hong Kong Tourism Board (HKTB) and the Equal Opportunities Commission (EOC), which have provoked extensive discussions in town. The latest case is related to the Hong Kong Productivity Council. I will say that all public organizations are involved with no exception. The shortcomings of public organizations have caused the grave concern of the public.

We know that, as mentioned by many colleagues earlier, there is much room for improvement in the mode of operation of public organizations. The original intent of providing public services through public organizations is for efficiency enhancement, but this seems to be wishful thinking in the case of the HA. The Audit Commission once discovered that HA staff members were ineffective in recovering outstanding medical fees from patients, particularly non-local patients, thus inflicting a revenue loss tens of millions on the HA. Had public organizations adopted the mode of operation of private organizations, the incidence of ineffective recovery of outstanding medical fees would definitely have been reduced.

The EOC is another example. The Chairperson of the EOC has to take up the work of Chief Executive Officer at the same time. But the purpose of creating the posts of the Chairman of the managing board and the Chief Executive officer is to ensure check and balance. Now that all the power is concentrated in one person, there is no check and balance in any sense. From the angle of modern corporate governance, this standard is hardly acceptable.

Another controversial issue is the personnel and financial management of public organizations. Two years ago, it was revealed that the HKTB had not followed the established human resource guidelines on the recruitment of staff, and the former Executive Director of the HKTB had taken out a big medical insurance policy without prior approval. As for the Hong Kong Productivity Council (HKPC), which has been brought before the hearings of the Public Accounts Committee, blunders like granting double housing benefit to one of the Directors have been revealed. In view of all these problems, how can the public have any confidence in public organizations? When even the HKPC, which plays the role of assisting enterprises in efficiency enhancement, is so messy in administration, how can the public help being disappointed?

In view of the spates of shocking news about public organizations, we have no alternative but to consider how the regulation of public organizations can be reinforced. However, since the independence of public organizations must be maintained and it is inappropriate for the Government to exercise direct supervision, all must depend on the efforts of the government representatives on the boards of public organizations and the Audit Commission.

Many public organizations have government representatives on their managing boards. Theoretically speaking, these representatives should properly monitor the operation of public organizations on behalf of taxpayers. However, as pointed out in a number of audit reports in the past, the attendance of government representatives at meetings of the managing boards of public organizations was on the low side. The cases of the Applied Science and Technology Research Institute and the Society for the Aid and Rehabilitation of Drug Abusers are typical examples. Even if government officials do participate, the role they can play is very limited. Honestly, have we ever seen any of the Directors of Bureaux on the managing board of the Mass Transit Railway Corporation Limited speak for the public? It is really necessary for government officials to think about how they can do a better job.

The Audit Commission is another gate-keeper. All along, the expenditure of the Audit Commission has been maintained at around 0.03% of government expenditure. I do not know why its expenditure has to be maintained at this percentage. However, in my view, since the Audit Commission has audited many public organizations and put forth criticisms and improvement proposals in respect of the governance, administration and financial management of the organizations concerned, the Government should consider providing additional resources to the Audit Commission, so that it can assist a greater number of public organizations in improving their performance.

Deputy President, I would like to talk about the participation of public organizations in the commercial market. I agree that certain public organizations have participated in the commercial market too extensively, that their market share is very substantial, and that this may result in an unsatisfactory competition environment. The case of Hong Kong Trade Development Council (TDC) mentioned by many Members is an example. The TDC is responsible for the promotion of Hong Kong's external trade. This duty is stipulated very clearly in the law. And, the TDC possesses the most important exhibition facility in Hong Kong, the Hong Kong Convention and Exhibition Centre. But the TDC is also the largest exhibition organizer in Hong Kong, occupying the prime exhibition time slots every year. In the past, members of the trade reflected to me that the HKTB was providing one-stop service like a travel agent. Some colleagues mentioned earlier that the TDC should render assistance to small and medium enterprises. This is right, and we will not prevent it from fulfilling this purpose. Purely from the perspective of fair competition, the exhibition business is the only major area that should be brought under a fair competition law. The TDC can continue to offer assistance to small and medium enterprises.

According to a research report on the present market situation of the exhibition trade published earlier by The Chinese University of Hong Kong, the TDC accounts for more than 40% of the market share in the exhibition market in Hong Kong. In contrast, similar organizations in overseas countries like Japan and Singapore and so on only account for several percentage points. It is small wonder that many private exhibition organizers have been grumbling so much, in the hope that this particular trade can also be brought under a competition law. Next year, that is, 2010, the Government will submit a fair competition law to this

Council. I hope that we can then examine thoroughly which public organizations are suitable for regulation under a competition law. The governance of public organizations must not be like that of the traditional government bureaucracy, but we must also seek to perfect the entire system, so that better services can be provided to the public.

Deputy President, I so submit.

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

MR PAUL TSE (in Cantonese): A number of colleagues have put forth different views. Surely, this motion is worthy of support in principle. It provides us with an opportunity to review how the Government approaches the governance of public organizations. It is especially worth pointing out that the formulation of clearer criteria will be beneficial and helpful to all parties. However, I would like to bring up several observations of mine here.

First, the nature of individual public organizations should be considered, for they are involved in vastly different fields. Some public organizations are responsible for public services and are not involved in anything commercial in nature, one example being the Equal Opportunities Commission. In the case of some others, it may be of a half-and-half nature, the Hong Kong Trade Development Council (TDC) being one example. Apart from promoting the trade of Hong Kong, the TDC also organizes exhibitions. Some organizations are in fact more of a private organization in nature, but they are empowered to discharge certain responsibilities and thus possess public or even governance authority. The Travel Industry Council (TIC) is an example of such organizations. Though the TIC is not a public organization, it actually possesses certain power and authority, and this gives people the impression that it should also be subject to the kind of regulation and monitoring under discussion.

The first point I would like to make is that if an across-the-board approach is adopted to require all public organizations to be measured by the same standards, more often than not, some inappropriate practices may result. We may look at the TDC as an example. On the one hand, we require it to perform

well in promoting trade development; but on the other, it must compete with its rivals in the market. Members all know that if the TDC is considered as a "public" organization, in many cases, it can indeed adhere rigidly to established standards, go slow, follow a fixed tempo and maintain an abundance of manpower. However, when it is viewed as a "private" organization or from the commercial perspective, in many cases, for the sake of efficiency and competitiveness, it will be forced to curtail manpower here and there, reduce the room for development and shorten the decision-making timeframe. Members should understand all these difficulties. For this reason, we may as well consider adopting a mechanism with greater flexibility, classifying public organizations into different categories according to their nature. Under such a mechanism, some organizations may have to submit to relatively stringent regulation because they are fully "public" or close to a government organization in nature. In the case of these organizations, the regulation imposed may be more meticulous and stringent, and the yardsticks applicable to the Government should be used.

Some organizations are, however, completely commercial in nature. Such organizations were established simply because no one was interested in the fields concerned. Therefore, in order to encourage market participation and promote the development of certain types of enterprises, the Government was forced to set up such organizations. The Government must take the lead. The Hong Kong Disneyland is one such example. We may need to assess these organizations from a more commercial perspective, for only this can enable us to strike a more proper balance. I hope that when formulating any standards of assessment or other relevant criteria, the authorities can think in this direction.

Deputy President, the second point I want to put forth is that these public organizations should not be perceived as interminable once they are formed, as if it is impossible to conduct regular reviews, cease their operation, or restructure and even transform them from public operation to private operation. It now seems that once anything is established, it must be maintained and preserved forever, rather than being improved regularly in the light of the prevailing situation. However, some organizations that were set up at the very beginning to encourage market development may already be obsolete, and their existence is no longer necessary. At a certain point of time, when the missions are completed, such organizations should be dissolved. In this connection, the Government should conduct regular reviews to identify public organizations

belonging to this category, so that their operation can be handed over to the market in phases. In this way, it will not be necessary to keep the "framework" or such a mechanism.

I will now come to the third point. I agree with Mr Albert HO's earlier remarks on the several indicators used to assess the effectiveness of public organizations. These indicators cover appointment, transparency and benchmarks. These are indicators of success in attaining targets. And, there are also the issue of sanction, that is, the issue of what actions to take in case targets are not achieved.

A number of colleagues mentioned the case of the HKTB earlier, and I will come back to this later if I have time. However, in regard to these several points, I mainly want to say that one reason for the frequent criticisms is that such organizations are often regarded by people as similar to the feudal system in the Zhou Dynasty. At that time, the king gave a lot of land to each of the feudal lords, and in times of emergency, these feudal lords had to return to the capital to save the king once they heard the whistle. We understand this approach. Surely, the Chief Executive or other administrative heads for that matter all hope that the feudal lords under them will come to the Government's rescue when the whistle is blown, and that they will not start a fire behind them. This is understandable. However, if fair and transparent criteria are completely absent, many cases of political rewards may ensue. As a result, people may think that the whole regulatory mechanism is just a means of transfer of political benefits or exchange of benefits. This will undermine the credibility of public organizations. I do not want to name any organizations for criticisms. But I think that certain organizations are of this nature. I think it is very bad that people have such an impression about these organizations. I think a balance must be struck in this respect. I am not trying to uncover anything. Nor am I trying to prevent the appointment of anyone sharing the political vision of the authorities. However, it should not go overboard. As in all other cases, we should strike a right balance and take a middle course.

Deputy President, I mentioned the HKTB earlier. But in the case of those organizations that are not measured according to the so-called productivity indicator, we should be especially cautious, particularly when it comes to the last paragraph of Mrs Regina IP's motion (which may actually be the most important paragraph), for it requires the pegging of directors' remuneration with the seven

indicators set out in the motion. If certain organizations cannot be measured in terms of "dollars and cents", or an indicator in money terms, the authorities must examine more carefully whether the application of the relevant criteria is appropriate.

I also mentioned another scenario earlier, a scenario related to an organization like the HKTB. On the surface, it is not a public organization, but in actual fact, it is an organization that can exercise substantial public authority. For this reason, it is necessary to review whether such an organization should be classified as a public organization that is less "public" in nature. As I said at the very beginning of my speech, public organizations should be classified into different categories according to their nature, their involvement in the public sector and the need to engage in commercial competition, and different criteria should be adopted accordingly. Some criteria may be modest, some may be stricter; some may be more lenient, while some may be harsher, so that the different situations of such organizations can be taken into account. I think the direction of such an approach is more appropriate.

Basically, I have to express my support again for Mrs Regina IP's motion and the amendments proposed by other Members (*The buzzer sounded*) but I have reservation about the amendment proposed by the Deputy President. Thank you, Deputy President.

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

MR JEFFREY LAM (in Cantonese): Deputy President, I heard the views expressed by a number of Members on the operational standards for public organizations. Recently, there have been lots of discussions on the operation of public organizations in newspapers and the legislature, and some principles on conducting reviews have been put forth. I agree that we do have to pay more attention to public organizations and put forward more suggestions on improving their management system. However, I heard some Members comment on the operation of public organizations, saying that they fail to provide quality services to the public or organizations. Some even said that these public organizations are totally incapable. I cannot agree to these remarks. Our focus should be the areas in which public organizations are able to provide the public and the

industries concerned with quality service at a reasonable price. When evaluating the performance of public organizations, we should not confine our attention narrowly to minor mistakes. We should consider their overall contributions to the history of Hong Kong and the various trades and industries, and explore ways to maintain an overall balance. This is likewise of great importance.

First, certain Members criticized the Hong Kong Trade Development Council (TDC) for competing with the people for profit. Let us look at the manufacturing industry and export industry in Hong Kong. At a time when these industries were in dire need of market promotion, how many private companies or individuals were willing to come forward — I have just learnt this phrasal verb — come forward to help these industries to carry out market promotion work? I did not see any. At that time, the Government set up the TDC, hoping it could help these industries to carry out promotion work. Over the years, the TDC have been organizing exhibitions or promotion activities, and with the support of these exhibitions, many small and medium enterprises have grown into companies of considerable scale.

At present, the TDC organizes a lot of exhibitions every year, not only in Hong Kong but everywhere around the world. It has earned a wealth of experience over the years and has built up an enormous customer communication network accessible to exhibitors. Moreover, the TDC also provides a extensive platform to assist Hong Kong industries in Hong Kong in promoting their business and exploring the markets overseas and on the Mainland. According to our observation in recent years, many entrepreneurs, businessmen and industrialists hope that a public organization similar to the TDC can be set up to help them with the promotion of their industries and trades. Am I saying that that no private organization engages in this type of work? I am not saying so. But private organizations are after all profit-oriented. Without a public organization to balance the situation, those private organizations may easily withdraw from Hong Kong when better terms are offered in other places. We have to strike a balance in this area.

(THE PRESIDENT resumed the Chair)

We may also look at the financial tsunami, which caused us a lot of problems in the past year. The TDC allocated \$80 million for the payment of

subsidy to overseas buyers attending exhibitions in Hong Kong, so as to assist Hong Kong enterprises in identifying potential buyers of their products. Will private organizations spend such a large sum on assisting small and medium enterprises in Hong Kong without a cause? I cannot rule out this possibility, but I am extremely doubtful about that. It is evident that public organizations do play an important role in maintaining the balance in this respect.

Let me cite the Hong Kong Export Credit Insurance Corporation (HKECIC) as another example. After the outbreak of the financial tsunami last year, I approached many export credit insurance providers, but they simply "shut the umbrella in times of rain". When enterprises approached them on insurance coverage, they would generally refuse on the excuse that the quota had been exhausted or that they did not have adequate understanding of the credit status of the buyers. To sum up, they were reluctant to handle their cases and refused to offer insurance coverage. At that time, the HKECIC did not "shut the umbrella"; quite the contrary, it provided more services to help Hong Kong enterprises and exporters to ride over the difficult times. But at that time, some people still queried that the HKECIC was competing with the private sector for profit. I do not think this is fair.

As for management, I think the authorities should step up their efforts of monitoring public organizations and provide more advice to them. However, since numerous services are provided by public organizations and many sectors are involved, I think it will be difficult to subject all public organizations to regulation across the board. If too many restrictions are imposed on public organizations, their flexibility and independence will be affected, and so will their work. And, the various sectors in Hong Kong will also be affected by this across-the-board regulatory approach. This will in turn affect the development of the business and industrial sector in Hong Kong, as well as the future development of the economy of Hong Kong.

President, I so submit.

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

MR RONNY TONG (in Cantonese): President, I think Mr Jeffrey LAM was a bit taking a part for the whole just now.

President, public organizations are indeed a weird product. In the 1980s, guided by Thatcherism, the British Government promoted the downsizing of the British Government on all fronts by trying to privatize a host of public services. It is, of course, very difficult indeed to privatize all public services, and a large number of public organizations were thus formed. These organizations provided public services by operating independently of the government bureaucracy.

President, such a structure is marked by at least two major shortcomings. First, monitoring is difficult, and second, these organizations will compete with the private sector for profits. Many people may ask, or so may Mr Jeffrey LAM, why monitoring is necessary and what difficulties there will be. President, the main reason is that most of these public organizations operate with public resources and are funded by the Government, and only a small number of them operate on a self-financing basis. They mainly provide the public with services closely related to the daily living, and some of them operate on commercial principles. All the employees of these organizations are not civil servants but with regard to management, strangely enough, they often like to take on retired senior civil servants or accountability officials, which is why these organizations are ridiculed by many people as a club for retired senior officials. More importantly, these organizations take up many important functions in Hong Kong, so in a way the Government has devolved its duty of providing public services. When there are problems with certain public services, these organizations will act as an important shield for the Government, thus helping it avert many political crises. However, the cost of this devolution of duties is very high — with a level of resource commitment higher than that of commercial operation, what we get in return is that these organizations can simply stay out of the monitoring system.

President, regarding the monitoring of some public organizations, the public in fact do not quite know what they can do. We have seen varying degrees of confusion in the management of many public organizations and even situations where their operation contradicts the founding objectives. What we have seen most commonly is the wanton spending of public money by public organizations or the abuse or wastage of public resources as a result of administrative confusion in the organizations. Fortunately, there is the Audit

Commission which has in recent years repeatedly disclosed these incidents, such as the case of theft that happened in the Hong Kong Productivity Council, and the case of the Science Park procuring the service of a Feng Shui master with public money some time ago. All these incidents led to a public outcry. But despite the revelation of these grossly absurd cases of administrative confusion, we do not have too much power to completely eliminate these cases. The Audit Commission can submit only two reports annually, and in each of the reports only six to seven government departments or public organizations are audited. So, it follows that the blunders that can be revealed may only be the tip of the iceberg.

President, there are numerous examples of public organizations squandering public money or falling outside the scope of public monitoring. The organizations involved include the Hong Kong Monetary Authority, the Hong Kong Tourism Board, the Hospital Authority, the Equal Opportunities Commission, and so on, and many colleagues have already mentioned them. This can aptly reflect how futile it is to depend solely on government officials in these organizations as government representatives to perform the task of monitoring. Even in the case of the Public Accounts Committee of this Council, all it can do is to request the Government to submit a report to this Council, but after the report is submitted Apart from issuing the results of the review to officials at various levels and to the management of statutory bodies by way of a General Circular, we cannot see what determination the Government has shown for carrying out extensive reforms to step up the monitoring of statutory bodies. I venture to predict that with the current extent of monitoring or under such a system, news about the messy management of statutory bodies will simply keep emerging.

President, another problem which has aroused concern is certainly the problem of statutory bodies competing with the private sector for profits. Insofar as this problem is concerned, the case of the Trade Development Council (TDC) is the most conspicuous. Over the past few years, the TDC has been monopolizing the exhibition business in Hong Kong. Every year, it receives a funding of \$370 million from the Government — President, it is \$370 million. This, together with its ownership of the major exhibition venue in Hong Kong, once enabled it to take up a market share of as high as over 60% in the exhibition industry. While this percentage has dropped in recent years, it is still as high as 45%. This very lucrative industry, in which the participation of non-public sector organizations or private companies should be predominant, has come to be

monopolized by the Government, which is indeed baffling. Small and medium enterprises are thus indirectly suppressed, and this is against the free market principle.

President, such being the case, we must establish some rules and regulations to monitor these statutory bodies, and the enactment of a fair competition law is obviously a means to this end. President, I have repeatedly asked the Government to stamp out these unacceptable situations through the enactment of legislation, and I think that even statutory bodies set up by the Government should not be exempted from the regulation under a fair competition law. However, what the Government is studying now is not how these statutory bodies can be brought under monitoring but how these they can be exempted from regulation. And, it is using this as a pretext to put off the legislative procedures over and over again. That is why no progress has been made so far. President, here, I must register my strong dissatisfaction with this.

President, taking an overview of the experience of countries worldwide, we will see that although many countries have the mechanism or regulations for granting exemption to public organizations, generally speaking, there are three key factors which are indisputable. First, whether the functions of the organization are of a commercial nature and if yes, it should be regulated by legislation; second, whether the activities in its operation will jeopardize the market and if yes, it should be regulated by legislation; and third, whether the activities are in the public interest, and this should be considered and monitored from a competition angle. President, before such a piece of legislation is enacted to impose regulation, statutory bodies in Hong Kong will in fact be wasting the public money of Hong Kong and creating unnecessary and unacceptable confusion every day.

President, public organizations have played a role of great significance in society. The problem of their governance should be addressed squarely as early as possible. Here, I urge the Government to establish a task force to conduct a comprehensive review of the operation and *modus operandi* of public organizations and lay down sound management principles for compliance by these organizations.

President, thank you.

DR SAMSON TAM (in Cantonese): President, I heard different Members express their views on public organizations earlier. I also thank Mrs Regina IP for proposing this motion. Let me first declare an interest. I have held various posts in some public organizations, one example being the Deputy Chairman of the Hong Kong Productivity Council. I very much agree that the governance of existing public organizations can be improved in some ways. Many Members have proposed ways to make improvements, and I also agree to their views, particularly those views on enhancing the mechanism for appointing directors and performance monitoring. All this will definitely enable public organizations to perform greater functions.

However, I would like to speak from another angle. Are these public organizations truly making great contributions to society in what they are doing? Mr Ronny TONG talked about the Trade Development Council (TDC) earlier, and in fact, I have been in the business sector for more than two decades, and I have heard many views of both sides. Many small and medium enterprises say that Hong Kong has a very good TDC and that all other places around the world want to follow the example of the TDC, but they have not been able to establish such a good platform. So, we must not negate their roles and functions by asking the Government to stop providing funding to some public organizations or forcing them to engage in market competition. In this connection, I hope Members or government officials can treasure our public organizations, so that they can continue to perform their functions.

Certainly, there is the question of whether they are in conflict with private organizations. On this point, I think discussions can be held, so as to ensure their co-existence. It is because if we rely solely on private organizations, we cannot expect them to help the disadvantaged, and this is especially the case with small and medium enterprises. Therefore, if private organizations cannot also assume this role, any sole reliance on the market may not necessarily work.

The second point is about the Audit Commission. Mr Andrew LEUNG has said that the Audit Commission will only "punish" people. In fact, punishment is not really that bad, because problems can thus be identified for alleviation. But more often than not, I observe that the auditing approach of the Audit Commission may be a bit too narrow in perspective or outdated, for it focuses only on minor problems or whether or not the procedures are adhered to. Can it adopt a more macroscopic or better auditing method to gauge the effectiveness of the organizations? When assessing an organization, we should

not focus on compliance and minor problems. Rather, we should adopt the more efficient approach of examining how much public money it has spent and whether it can achieve the objective of benefiting the organizations or enterprises using its service. With regard to the Hong Kong Productivity Council, for instance, and particularly, for the purpose of assessing some knowledge-based organizations, the Audit Commission should adopt a new knowledge-based approach for conducting audits. I urge the Secretary to consider how the Audit Commission's capability in conducting audits can be upgraded, rather than just focusing on the very minor things or some very restrictive perspectives.

Lastly, I urge Members to look at this issue rationally. In particular, on the question of whether public organizations should be brought under a fair competition law across the board in future, I have reservations about it. President, I so submit.

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

(Mr Paul TSE raised his hand)

MR PAUL TSE (in Cantonese): I have to declare an interest. During my speech earlier, I did not declare that I am currently a member of the Equal Opportunities Commission.

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

(No member indicated a wish to speak)

PRESIDENT (in Cantonese): Mrs Regina IP, you may now speak on the three amendments. You may speak for up to five minutes.

MRS REGINA IP (in Cantonese): Thank you, President. I thank Mr Frederick FUNG, Ms Miriam LAU and Dr PAN Pey-chyou for proposing their amendments. I also thank Members for speaking in the debate and putting

forward many valuable opinions on the contributions and shortcomings of public organizations.

I thank Mr Frederick FUNG for pointing out in his speech that many public organizations, including the Housing Authority, the Housing Society, the Hong Kong Export Credit Insurance Corporation (ECIC) and the Hong Kong Applied Science and Technology Research Institute Company Limited, were established to fill the gaps in the market. Their establishment is the result of the market's incapability to deliver certain services, which means that the market is incapable of performing its functions. As Mr Jeffrey LAM has said, the high-risk loans guaranteed by the ECIC are loans that banks simply do not want to offer.

In economics, when the market fails to work, the Government will need to establish some public organizations to assume important roles. But I think the Government must consider when these public organizations should enter and when they should withdraw from the market. In other words, if the market is already mature, many different organizations are able to play a certain function. For example, in respect of exhibition services, has the Government noticed that as the Trade Development Council (TDC) is heavily funded by the Government and it is the owner of exhibition centres, this has created a monopolistic or unfair competition environment? If the Government considers that we need only the TDC to provide exhibition services, why has it invested \$2 billion on the AsiaWorld Expo? Why should the InvestHK launch overseas campaigns to explore more global sources for holding exhibitions in Hong Kong?

We must also note that that after these public organizations have operated for decades, particularly when their operation is of a business nature, will their executives become obsessed with making profit rather than truly performing the functions expected of the organizations upon their establishment? Let us look at the TDC as an example. I have long experience in working with the TDC, because I started to become familiar with them during my office as the Secretary for Trade and Commerce and the Director-General of Industry. However, I have received complaints from small and medium enterprises (SMEs). The jewellery trade placed a full-page advertisement in 2007, criticizing the TDC for making them purchase a full package of service from the TDC if they wished to take part in the jewellery exhibition. They were required to undertake to participate in other exhibitions held by the TDC and place advertisements in the Trade Magazine published by the TDC. This means that they had to spend almost

\$400,000 before they could take part in the exhibition. This was why they put up that full-page advertisement in protest. Subsequently, the TDC accepted their views by canceling the service package and transferring away the staff member who was minded to make profits only.

Therefore, we must pay attention to those public organizations providing services of a commercial nature, for they may sometimes become obsessed with making profits to the neglect of the objectives laid down upon their establishment. In fact, other SMEs have also lodged complaints to me. They said that they had participated in some very successful jewellery exhibitions before, but the TDC often reserved the best exhibition booths to large corporations, and it would be impossible for small enterprises aiming to expand their business to be allocated with good exhibition booths. They have asked me to convey to the TDC their wish for booths to be allocated by drawing lots or by ballot as in the past.

Turning back to the topic under discussion, President, I agree that since some public organizations provide services of a commercial nature and some are established to fill up gaps in the market, they cannot be brought under the regulation of a fair competition law across the board. However, I hold that they still need to be subject to value-for-money audits on a regular basis. It is very difficult for me to support Mr Frederick FUNG's amendment but I can support the amendments proposed by Ms Miriam LAU and Dr PAN Pey-chyou. So, I will support these two amendments.

Thank you, President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I wish to thank Mrs Regina IP again for proposing this motion for debate, which gives us a valuable opportunity to discuss this interesting and yet important topic. I also thank Members for their valuable input on ways to formulate operational standards for public organizations. As this motion debate is multi-faceted, my reply may have to be quite long. I would like to give a response to a number of major proposals.

As I pointed out in my opening remarks, before the establishment of a public organization, the Government must consider all relevant factors and clearly set out the objectives to be met by the organization as well as the powers that should be conferred on it. While the operational autonomy of the public organizations will be respected, the relevant policy bureaux will review, on a need basis, the effectiveness of the organizations in service delivery, including whether the objectives of the establishment of the organizations have been effectively achieved. In fact, some of the criteria proposed by Mrs Regina IP are already included in some guidelines of the Government. However, as each organization is unique, it may not be appropriate to rigidly apply a particular set of standards to all public organizations. For instance, with regard to the criteria suggested by Mrs Regina IP relating to the fair competition law and principles of free market economy, I think it is very difficult to apply them to such organizations as the Equal Opportunities Commission and the Hong Kong Arts Development Council.

Mrs Regina IP considered that as profitability is a criteria adopted by some public organizations in determining the pay and bonus of the management, these public organizations will fully strive to expand and compete with the private sector for profits. I would like to stress that each organization has its objective upon its establishment and depending on their different operational needs, some organizations operate as government-subsidized bodies whereas some operate on prudent commercial principles, with varying percentages and modes of subvention and even sources of funding. With regard to organizations operating on prudent commercial principles, the composition of the board or management committee, the terms of reference as well as operational principles are regulated by the relevant legislation. In drawing up the operational strategies of the organization, the board or the management committee, apart from taking into consideration the objectives laid down upon the establishment of the organization, will also have regard to public interest because the organization itself is a public organization. Some public organizations will, in the light of their specific nature and operational needs, adopt profitability as a criterion for measuring the performance of the management of the organizations, in order to ensure the operational efficiency and performance of the organizations. This, I think, is understandable.

In her amendment Ms Miriam LAU urges the Government to strengthen the monitoring of the operation and finances of various public organizations. I believe Members all understand that an important reason for establishing public organizations is that these organizations can operate with greater flexibility to meet public demands. Excessive regulation may, therefore, run counter to the original intention of setting up these organizations. Certainly, this does not mean that the Government should entirely give these organizations a free hand in their operation. As a matter of fact, the Government attaches great importance to sound corporate governance and good management practice. Strengthening corporate governance of public organizations will contribute towards the overall efficiency and effectiveness of the public sector, and is an integral part of the Government's initiative to strengthen public sector management. We do appreciate the concern of Members and the public about the operation of public organizations, especially as many public organizations are funded by the Government or authorized by the legislation to impose levies.

Before the establishment of a public organization, the relevant policy bureau will carefully consider what mode and framework of governance would be most appropriate. For instance, the policy bureau will generally enter into a Memorandum of Administrative Arrangements with the subvented organization and monitor the financial position and work progress of the organization through regular reporting and progress review meetings, to ensure that public money is put to good use.

The Government published in December 2008 the guidelines on governance of public organizations to explain the broad principles of a governance framework for public organizations for reference by Directors of Bureau and Controlling Officers responsible for the management and control of these organizations. The guidelines clearly point out that a proper governance framework should have three key elements and they are:

- (1) clarity of objectives and priorities;
- (2) clear delineation of accountability and clear division of responsibilities; and
- (3) robust internal control and reporting/monitoring systems.

Some Members proposed that the Government should strengthen the monitoring of the finances of public organizations to ensure that they exercise

prudence in financial management and make effective use of public funds. The Government issued the relevant guidelines on funding for subvented organizations in September 2004 for reference by policy bureaux and Controlling Officers in the discharge of their role in the management and control of these organizations. To sum up, the guidelines require an organization to prepare a budget annually for examination by the Controlling Officer and submit audited financial accounts to the Government. In using government funding, the organization is required to have in place an appropriate system of cost control and monitoring, ensure prudent budgetary practices, enhance cost-effectiveness by all means, reduce cost and upgrade productivity, thereby ensuring that public money is used properly and cost effectively.

Some Members mentioned that public organizations must meet the overall interests of the community. This is undoubtedly true. Apart from meeting the overall interests of the community, all enterprises in a mature economy should also make utmost effort to discharge their social responsibilities, irrespective of their scale of operation or whether they are publicly or privately run. In other words, in the process of policy-making and actual operation, they must take into full consideration the implications on society, the environment, consumers, employees, and other relevant persons, and strike a reasonable balance among business development, making profits and meeting moral standards recognized by the community. Many public organizations are currently taking up the responsibilities of a corporate citizen and have from time to time participated and supported various activities to promote environmental protection, personal growth and community well-being, in the hope that by taking up a leading role, other enterprises will be encouraged to follow suit. For instance, the Urban Renewal Authority (URA) formulated in May 2009 environmentally-friendly policies which have been implemented in its projects.

Each public organization has clear objectives laid down upon its establishment. These organizations, being public organizations, absolutely will not act against public interests. The board or management committee of an organization must develop strategies and plans in accordance with the objectives of the organization, while the relevant policy bureau will from time to time review and monitor the performance of the organization to ascertain whether it is promoting its work in line with the objectives of its establishment. However, given that the concept of corporate social responsibility is rather vague and general and in the absence of universally recognized definition and standard, we,

therefore, consider it difficult to rigidly make this an operational requirement to be met by public organizations. It is more appropriate to encourage public organizations to consider the relevant factors in all aspects, including the overall interests of the community, when developing the strategies and plans for their work.

Dr PAN Pey-chyou proposed that public organizations must implement a good staff management culture. The Government has all along attached great importance to corporate governance of public organizations, and good staff management is crucial to this end. We encourage public organizations to make ongoing efforts to improve the channels for communication with their staff and also put in place a mechanism for employees to express their views.

Through diversified publicity and promotional activities, the Labour Department encourages employers in both public and private sectors to adopt good staff management practice and culture on the "people-oriented" principle and fulfil their responsibilities towards the employees and their families by ensuring that their employees are provided with reasonable salary, job stability, reasonable workload, suitable training opportunities and fair treatment. The Labour Department will continuously inject into its various promotional activities the concept of corporate social responsibility in the context of employment.

Earlier on a number of Members mentioned the competition law. Over the past year, the Government has followed up the views received during the public consultation conducted last year on the detailed proposals of the competition law and addressed the problems in the Competition Bill in relation to the main policies as well as legal and technical arrangements, including the institutional arrangements under the Bill. Our target is to introduce the Bill to the Legislative Council during the legislative session in 2009-2010.

According to the information provided by the Commerce and Economic Development Bureau, in the Government's public consultation conducted last year on the detailed proposals of the competition law, the majority of respondents accepted that it is appropriate to grant exemption under the competition law, provided that the anti-competitive conduct does not substantially undermine economic benefits or it helps achieve other social objectives. As a number of Members have pointed out, many public and statutory bodies in fact provide necessary and important public services only, and many of them play the role of a watchdog and discharge specific social functions. These activities which do not

affect market efficiency should not be the target of the competition law. In this connection, the proposal under the competition bill of exempting statutory bodies from regulation unless otherwise stipulated will help the regulatory authority to effectively utilize resources to focus on anti-competitive conduct in the market by private sector organizations in future. On the other hand, in implementing the policy on competition, the Government will continuously ensure that the activities of government departments and statutory bodies are in line with the principle of fair competition.

Some Members questioned whether there is a mechanism for declaration of interests for public organizations. In fact, it is a statutory requirement for many statutory bodies to put in place a mechanism for declaration of interests. Moreover, the Home Affairs Bureau issued a notice as early as in August 2005 to provide guidelines on declaration of interests for various advisory and statutory bodies, while many organizations have adopted the two-tier reporting system for declaration of interests of the Independent Commission Against Corruption to prevent real or potential conflicts of interests or transfer of interests. Public organizations will develop a mechanism for declaration of interests in the light of their operational needs, such as issuing a code of practice for employees, to lay down clear stipulations on conflict of interest and require employees to make a declaration as necessary. The employment contract will also include, among others, provisions on confidentiality and exit arrangements to prohibit employees from disclosing classified information to other people during their employment or after the cessation of their employment.

Mrs Regina IP considered that all public organizations should be brought under the scope of audits by the Audit Commission. As I said in my opening remarks, most public organizations, including those which receive more than half their income from public money, those which are subject to funding requirements, or those which are authorized by the relevant legislation, are incorporated into the scope of "audited organization", which shall be subject to the value for money audits by the Director of Audit on a regular basis.

As for public organizations currently not being subject to value for money audits by the Director of Audit, such as the URA, many of them operate as a business on prudent commercial principles. Given that their nature of business and mode of operation are different from the general government departments or subvented organizations, these public organizations will make reference to the best market practices in formulating the code of practice for corporate

management and the risk management system, with a view to achieving effective and prudent management. They generally adopt the system of internal control and audit of private enterprises, including the setting up of an internal audit department to conduct audits on the effectiveness and efficiency of internal control on a regular basis and submitting reports to the audit committee specifically set up by the board or appointing external auditors to conduct independent audits on the annual financial reports. The audit reports will then be submitted to the board or the management committee.

A great part of the discussion today was dedicated to "big market, small government". On the view that public organizations shall not jeopardize the principles of "big market, small government" and free market economy, it has all along been the Government's economic policy to uphold the principles of "market leads, government facilitates" and "big market, small government". Basically, the market should be allowed to do what it is capable of doing, while the Government's role is to create the most favourable environment for private enterprises to give play to their spirit of entrepreneurship, promote economic development and facilitate the restructuring of the economy in a high value-added direction. However, the Government upholds pragmatism and takes an objective attitude in coping with economic changes, rather than being led by dogmas or blind faith in free market economy. The Government will ensure that public organizations and the market are complementary to each other in their operation, in order to maximize the benefits to the public. In fact, some public organizations are intended to assist the operation of the market and promote market efficiency, whereas some are to make up for the inadequacies of the operation of the market.

Members mentioned the functions of the Government in the discussion earlier. In promoting the development of the market, what are the functions of the Government? Some people hope that the market can play a bigger role while some hope that the Government can play a bigger role. I believe members of the public do have expectations of the Government, especially in promoting economic development, facilitating the restructuring of enterprises and equipping Hong Kong in the face of new challenges. In tandem with these expectations, the Government has taken forward the development of the economy. I think it is appropriate to promote the development of the market through the functions of certain public organizations in the market.

In the discussion earlier Members repeatedly mentioned the work of the Trade Development Council (TDC). The TDC has over the years endeavoured to open up overseas market for the local small and medium enterprises and recently, efforts have been made to develop the Mainland market. Through a diversity of services for developing the overseas and Mainland markets, together with the holding of exhibitions in Hong Kong, the TDC has served as a supply chain to provide assistance to the business sector in exploring business opportunities.

I have recently noticed that the TDC has done a lot of work in respect of restructuring with the objective of promoting the entry of the local service industries into overseas and Mainland markets; and even in respect of the financial services industry, let me mention in passing that the TDC and the Financial Services and the Treasury Bureau will co-organize the Asian Financial Forum next month. This is an initiative to support the policy of the Government to promote the restructuring of the service industries, thereby enhancing the marketing and promotional capacity of Hong Kong. I believe these initiatives are in line with the development of the market functions of public organizations under the policy of the Government as a means to promote the development of industries.

In the debate earlier, another public organization repeatedly mentioned by Members is the Hong Kong Mortgage Corporation Limited (HKMCL). I must point out that apart from providing mortgage insurance plans to promote a wider home ownership in the market, the policy objectives of the establishment of the HKMCL also include acquiring assets to provide a reliable source of liquidity for banks, enhancing the stability of the banking sector and the financial services industry, and facilitating the growth and development of the debt securities and mortgage-backed securities markets in Hong Kong. These functions cannot be performed by a company in the private sector.

During the past financial turmoil, the functions performed by the HKMCL have shown us the unique role played by a public organization. In the later part of 2008 after the collapse of Lehman Brothers, a number of banks negotiated with the HKMCL on selling to the HKMCL mortgage loans amounting to about HK\$30 billion. While the HKMCL finally purchased mortgage loans at HK\$11.5 billion only as the market later became more stabilized, this loan

amount is about four times of the HK\$2.4 billion-worth assets purchased by banks on an average per annum. This has reflected that in times of financial instability, the HKMCL can provide liquidity for banks to reduce the risks faced by our financial system, thus meeting the policy objective that the HKMCL was expected to achieve upon its establishment.

Lastly, Ms Miriam LAU suggested pegging the pay and bonus of the remunerated directors and senior executives of public organizations, as well as the appointment and removal of the chairmen of public organizations and members of their management boards or management committees to certain criteria. As I have repeatedly reiterated, public organizations have the autonomy to manage and control their own affairs, and rigidly drawing up a set of standards for them may not suit the conditions of individual organization and may even impede the effective operation of the organization. However, we appreciate the concern of the public about the level of remuneration for managerial personnel in public organizations. To strengthen the monitoring and regulation of the remuneration of the top three-tier executives in subvented bodies, guidelines were issued by the Government in March 2003 stipulating that subvented bodies which receive more than 50% of their total income from the Government are required to report annually to the Director of Bureau overseeing the organization on the detailed remuneration arrangements for the top three-tier executives.

Given the different nature, operational needs and requirements for talents of different public organizations, it is difficult and inappropriate for us to rigidly put in place a set of regulations on the remuneration arrangements for their compliance. Some public organizations are statutory bodies with independent boards or management committees to monitor their management and operation, including the policy and arrangements pertaining to the remuneration of senior executives. The board or management committee has the duty to make a fair and appropriate judgment on remuneration matters having regard to the conditions of the organization, pay levels in the market, as well as qualifications, competence and performance of the executives. We must respect the role of these independent boards or management committees in monitoring the policy on remuneration and personnel arrangements.

President, given that public organizations have different nature of work and functions, it is therefore impracticable and inappropriate to try to work out a system to suit the needs of all organizations. In general, we believe the existing

system has to a certain extent performed a check-and-balance role. Certainly, the Government will conduct reviews from time to time to meet the needs of society.

The discussion today is wonderful and valuable too. To end, I wish to express my gratitude again to Members for their precious opinions. I promise that the various Directors of Bureau will do their utmost to ensure that the public organizations within their purview have in place a proper governance framework and that they will appropriately and effectively perform their functions in accordance with the objectives laid down upon their establishment.

President, I so submit.

PRESIDENT (in Cantonese): I now call upon Mr Frederick FUNG to move his amendment to the motion.

MR FREDERICK FUNG (in Cantonese): President, I move that Mrs Regina IP's motion be amended.

Mr Frederick FUNG moved the following amendment: (Translation)

"To add ", owing to historical, social and economic factors, the Government has in the past established" after "That"; to delete "in Hong Kong" after "dozens of public organizations"; to add "to" after "statutory bodies,"; to delete "be subject to" after "(d) shall" and substitute with "take into account the social functions of the relevant public organizations and bring them under"; to add "as the situation may require" after "the regulation of competition law"; to add "and" after "transfer of interests,"; and to delete "and (g) shall not jeopardize the principles of 'big market, small government' and free market economy;" after "regular basis;"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mrs Regina IP's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Frederick FUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Frederick FUNG has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Mr CHIM Pui-chung, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Dr PAN Pey-chyou and Mr Paul TSE voted for the amendment.

Dr Philip WONG, Ms Miriam LAU, Mr Tommy CHEUNG and Mr Vincent FANG voted against the amendment.

Dr Raymond HO, Mr WONG Yung-kan, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Kwok-him and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Dr Priscilla LEUNG, Mr WONG Sing-chi and Mr WONG Kwok-kin voted for the amendment.

Mrs Regina IP voted against the amendment.

Mr LAU Kong-wah, Mr TAM Yiu-chung, Ms Starry LEE and Mr CHAN Hak-kan abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, nine were in favour of the amendment, four against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 18 were in favour of the amendment, one against it and four abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Formulating operational standards for public organizations" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Formulating operational standards for public organizations" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Ms Miriam LAU, you may move your amendment.

MS MIRIAM LAU (in Cantonese): President, I move that Mrs Regina IP's motion be amended.

Ms Miriam LAU moved the following amendment: (Translation)

"To add ", owing to different policy objectives, the Government has in the past set up" after "That"; to delete "in Hong Kong" after "dozens of public organizations"; to add "to" after "statutory bodies,"; to delete "formulate operational standards for public organizations, which include ensuring

that their operation" after "this Council urges the Government to" and substitute with "strengthen the monitoring of the operation and finances of various public organizations, which include ensuring that they exercise prudence in financial management, make effective use of public funds, put in place a highly transparent mechanism for declaration of interests and are subject to audits by the Director of Audit on a regular basis; and public organizations having an objective to make profits have to strike a balance between pursuing profits and public interests, should be subject to the regulation of competition law and uphold the principles of 'big market, small government' and free market economy in their operations; in addition, different public organizations should evaluate their performance based on their respective nature and the following five criteria"; to delete "be subject to the regulation of competition law" after "(d) shall" and substitute with "attain public service standards which are updated from time to time and are measurable; and (e) for public organizations having an objective to make profits, shall adhere to the principle of prudent business operation"; to delete "(e) shall have a highly transparent mechanism for declaration of interests, including proper confidentiality and exit arrangements, so as to prevent real or potential conflicts of interests or transfer of interests; (f) shall be subject to value for money audits by the Director of Audit on a regular basis; and (g) shall not jeopardize the principles of 'big market, small government' and free market economy;" before "and peg the pay/bonus"; to add "as well as the appointment and removal of the chairmen of public organizations and members of their management boards or management committees" after "senior executives of public organizations"; and to delete "criteria" immediately before the full stop and substitute with "evaluation results".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mrs Regina IP's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Miriam LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Miriam LAU has claimed a division. The division bell will ring for one minute.

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

PRESIDENT (in Cantonese): Mr Paul CHAN, have you cast your vote?

(Mr Paul CHAN pressed the button to vote)

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

Functional Constituencies:

Dr Raymond HO, Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Philip WONG, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr CHIM Pui-chung, Mr Paul CHAN, Dr LEUNG Ka-lau, Mr IP Wai-ming and Dr PAN Pey-chyau voted for the amendment.

Mr CHEUNG Kwok-che voted against the amendment.

Mr WONG Yung-kan, Ms LI Fung-ying, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Kwok-him, Mr Paul TSE and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Ms Emily LAU, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Dr Priscilla LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-kin and Mrs Regina IP voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG and Ms Cyd HO voted against the amendment.

Mr LAU Kong-wah, Mr TAM Yiu-chung, Ms Starry LEE and Mr CHAN Hak-kan abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 12 were in favour of the amendment, one against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 13 were in favour of the amendment, five against it and four abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Dr PAN Pey-chyou, the amendment by Ms Miriam LAU has been passed. You may now move your revised amendment.

DR PAN PEY-CHYOU (in Cantonese): President, I move that Mrs Regina IP's motion as amended by Mr Frederick FUNG.....Ms Miriam LAU be further amended by my revised amendment.

I have nothing to add.

Dr PAN Pey-chyou moved the following further amendment to the motion as amended by Ms Miriam LAU: (Translation)

"To add "; in formulating operational standards for public organizations, the Government should also ensure that public organizations shall implement a good staff management culture, which provides staff with reasonable salary, job stability and reasonable workload, and enables them to have fair treatment in employment relationship; in addition, the Government should enhance public participation in the board of directors of various public organizations, include staff representatives who have recognition to sit on the board and, at the same time, strengthen the board's ability in monitoring the operation, governance and financial operations of the organizations" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr PAN Pey-chyou's amendment to Mrs Regina IP's motion as amended by Ms Miriam LAU be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Andrew LEUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Andrew LEUNG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Philip WONG, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr CHIM Pui-chung, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Mr CHEUNG Kwok-che voted against the amendment.

Dr Raymond HO, Mr WONG Yung-kan, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Dr LAM Tai-fai and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Ms Emily LAU, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Dr Priscilla LEUNG, Mr WONG Sing-chi, Mr WONG Kwok-kin and Mrs Regina IP voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG and Ms Cyd HO voted against the amendment.

Mr LAU Kong-wah, Mr TAM Yiu-chung, Ms Starry LEE and Mr CHAN Hak-kan abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 15 were in favour of the amendment, one against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 13 were in favour of the amendment, five against it and four abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): As Mrs Regina IP has used up her speaking time, she cannot speak again to reply.

I now put the question to you and that is: That the motion moved by Mrs Regina IP, as amended by Ms Miriam LAU and Dr PAN Pey-chyou, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Second motion: Urging the Government to promote a new occupational culture campaign for work-life balance.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I will call upon Mr CHAN Kin-por to speak and move his motion.

URGING THE GOVERNMENT TO PROMOTE A NEW OCCUPATIONAL CULTURE CAMPAIGN FOR WORK-LIFE BALANCE

MR CHAN KIN-POR (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

Urging the Government to promote a new occupational culture campaign for work-life balance is the subject of my motion today. Many people have asked me what work-life balance is all about. As it turns out, quite a few Hong Kong people have no idea about what work-life balance is about, and this generally reflects that Hong Kong people focus more on their work than their living.

Putting it simply, work-life balance means that employers should implement some measures to enable employees to attach importance to work and also their personal and family life so as to relieve the pressure exerted by an imbalance in work and life. Specific measures include a more flexible work culture and a flexible leave policy, as well as providing support for the employees and their families. The concept has become popular in Europe and the United States for the past 20 years. It has also become an enterprise culture as various governments have promoted and responded to it. With their quality of life improved, employees can have enhanced productivity which will benefit enterprises, thus, it is regarded as a win-win proposal for employers and employees. In Hong Kong, this as an unfamiliar concept to many people, however, a number of large enterprises have already implemented the relevant measures and achieved favourable results.

I would like to say that the motion today intends to arouse the concern of various sectors of the community about pressure in work and life. Some may think that the most pressing social problem at present is the poverty of the grassroots. I very much agree with them and I have always supported various

poverty alleviation measures. Some also think that prescribing the maximum number of working hours by legislation will instantly benefit employees. Yet, it is a great pity that a lot of time will be taken for consultation on this kind of controversial issues and immediate implementation will not be easy. Therefore, I hope that the Government would first promote an occupational culture campaign for work-life balance.

President, since Hong Kong has developed into a society with a mature economy, and as all of us have observed, the opportunities for upward social mobility of the next generation continue to reduce while work pressure continues to mount, so, the younger generation develop a sense of failure in work and life, and quite a few social problems are created. These include the problems of drug addiction and abuse, and socially withdrawn adolescents and so on. If things continue this way, there will definitely be adverse impacts on society.

Quite a number of surveys have indicated that Hong Kong people have excessively long working hours. Among the various work types in Hong Kong, one work type with particularly longer working hours is the mass media. Many front-line reporters work 10 to 12 hours a day. In individual media organizations with longer publication deadlines, the reporters have even longer working hours because they are required to be on duty until the publication deadlines. Furthermore, as reporters do not have regular meal time and sleep, their health will be quickly affected after a certain period of time.

Actually, the working hours and quality of work of Hong Kong reporters are definitely not lower than the reporters in other developed countries. However, their pay and benefits cannot compare favourably with the reporters in other developed countries. Their exceedingly long working hours have directly brought about a continuous outflow of talent from the industry. The freedom of the press and speech in Hong Kong really depends on the efforts made by reporters throughout the years. I hope the media organizations would consider their own circumstances and exercise discretion in adjusting reporters' working hours, giving reporters more time for rest and further studies with a view that the industry can be developed in a healthier way.

Regarding the fact that the opportunities for upward social mobility continue to reduce, the Chief Executive has especially touched upon this issue in his policy address in October this year. He has stated that, in the 1960s and

1970s, opportunities abounded for young people to climb the social ladder, and those who worked hard stood a good chance of success. This made a deep impression on me and I would like to talk about my own experience.

I may say that I was very lucky during the first half of my life. I joined the working world in the 1960s and 1970s when opportunities abounded for young people to climb the social ladder. At that time, our economy was just about to take off, and I started working as a trainee in a bank. It was hard work but I was offered a considerable reward, and I was promoted a number of times. Similar cases were common back then. In the 1980s, because of the worries about the future of Hong Kong, a large number of people migrated overseas; as a result, various large organizations had a lot of vacancies in senior positions. The bank that I worked with was no exception, thus, I was given more chances of promotion.

Nevertheless, prices must be paid for all gains. I spent a lot of time on my work and there was a serious imbalance between work and life. I went home very late on weekdays and I often had to work during the weekends. Now, when I am getting older, I start missing the development stage of my two sons. Yet, I could not remember a lot of things in this regard and I could only call these amusing incidents to mind when my wife recalled them. As it turns out, I missed many episodes in the development stage of my sons because of work. Now, I realize that it is the treasure of my life and I understand that, there are lots of things worth cherishing in our life apart from our work.

This has also made me realize that, if we can spend more time taking care of our family members, we can enjoy family happiness and help prevent a lot of family problems. For instance, when parents can spend more time with their growing children, it is much less likely for their children to become addicted to drugs. For this reason, work-life balance as I have advocated is of great significance to the next generation.

Let us go back to the present situation, as the opportunities for upward social mobility continue to reduce, employees work very hard, giving up time for themselves and their family members, but what they get in return is physical fatigue rather than a prosperous future. If things go on like this, there will be a lot of adverse impacts on our society, which is definitely not a blessing. The

motion today is intended to encourage employees to pay attention to personal and family life and understand that work is only a part of life.

When I joined a German company in 2005, I started to understand the attitudes of foreigners towards work and life. As I observed, they attach great importance to the quality of life because foreign countries are economically more mature than Hong Kong and there are actually few opportunities for promotion. Besides their work, they pay attention to their living, personal interests and public-spirited activities. They explore their interests and even the meaning of life in the process. So, regardless of whether their career development is satisfactory or not, most people lead happy lives.

In line with the work-life balance principle, the company that I am working with starts introducing some measures this year, which mainly include flexible work arrangements. An employee must work from 10 am to 4 pm each day, and he can determine on his own the start and finish times. The management can freely determine the start and finish times of employees because the company trusts them. As a result, our actual working hours have not become shorter, but, we can freely adjust the start and finish times in order to meet the needs of our lives and families. For example, we can spend time sending children to school or bringing them back home after school, or doing exercises before going to work, and even leaving work earlier for further studies or voluntary work.

As we can see in various places around the world, the governments of a lot of countries attach great importance to work-life balance of their people, and they understand its importance. They encourage enterprises or employers to implement a variety of measures so that employees can achieve work-life balance.

I have referred to the practices of various governments in Europe, the United States and Asia, I think that the practice adopted by the Singaporean Government is worth our making it a reference in many aspects. To promote the culture of work-life balance, the Ministry of Manpower of the Singaporean Government has particularly established a Work-Life Works (WoW) Fund to encourage employers in Singapore to introduce work-life balance measures at the workplace. All Singaporean organizations including private companies, non-profit-making organizations and even government organizations which can prove that they have more than five employees can apply for funding under the

Fund. Funding is provided in two phases, and a common tranche is up to a maximum of S\$10,000. The common tranche will subsidize up to 80% of the approved project costs of the applicants; in other words, an enterprise only needs to bear 20% of the approved project costs.

According to the provisions of the Fund, an applicant can claim reimbursement for up to S\$10,000 under the common tranche in the first phase, which is intended to facilitate the provision of flexible work arrangements in the enterprise, and each applicant can only tap on the common tranche once. If the programme is implemented smoothly, the relevant organization may proceed to tap the Fund again for additional funding of up to S\$10,000 and even proceed to apply for additional funding of up to S\$90,000 for the implementation of more work-life balance measures, for example, engaging professional work-life balance consultants; purchasing equipment such as portable PC; and allowing employees to work from places outside the office. Nonetheless, the applicants for additional funding must employ workers who have not been in the workforce for at least during the past six months, and all organizations that benefit must submit reports to the Government examining the effectiveness of the programme. Furthermore, the Singaporean Government regularly holds competitions for the selection of the best enterprises in implementing work-life balance for commendation.

In Singapore, enterprises promoting work-life balance will not only receive subsidies and commendation. According to the Government's analysis, enterprises implementing a variety of measures can really help relieve the employees' pressure in life and can definitely help enhance their productivity and efficiency. Based on the statistics of the Singaporean Government, as regards the employers' expenses on promoting work-life balance, each S\$1 spent has a return of S\$1.68 on average. Hence the measure can definitely achieve a win-win situation for both employers and employees.

As a matter of fact, employers will also benefit from the implementation of these measures, and this has all along been regarded as a win-win proposal for employers and employees in foreign countries, and has the support of various large enterprises. Summing up, these measures can improve the regulation of the enterprises and reduce the antagonism between employers and employees, retain employees, and help relieve employees' pressure. Apart from lifting morale and boosting team spirit, this can reduce the chances of employees falling

ill, thereby achieving the targets of enhancing productivity and improving the quality of work. Furthermore, if employers can reduce staff wastage, they can save expenses on employee recruitment and training.

To comprehensively implement a work-life balance policy in Hong Kong, I suggest that the Government should set up a task force to adopt new ideas in formulating a new occupational culture policy on work-life balance for Hong Kong. There must be such a policy before implementing various measures including a more flexible work culture. Besides, it can make reference to the experience of Singapore in establishing a special fund to subsidize the implementation of measures for work-life balance measures by various industries and trades and provide support for the employees and their families, for example, assisting in solving their emotional problems such as those stemming from work pressure and organizing public-spirited and spare-time recreational activities for employees. In addition, the Government should encourage enterprises to implement a flexible leave policy, and give them special holidays such as paternal leave, study leave, compassionate leave, and so on, when employees encounter major events in life. This will allow them to handle daily matters in a concentrated manner.

Some people think that Hong Kong is a society marked by intense competition, and work-life balance measures are considered as luxuries by most employees. Nonetheless, precisely because there is acute pressure and intense competition in Hong Kong, most family problems tend to be associated with work pressure in one way or the other. For this reason, it is essential to promote an occupational culture campaign for work-life balance. Provided that we can make up our mind to gradually promote and implement the above concept, I believe that our society would have a better future.

I so submit, President.

Mr CHAN Kin-por moved the following motion: (Translation)

"That, as Hong Kong has developed into a society with a mature economy where the opportunities for upward social mobility continue to reduce, the promotion opportunities for many employees, especially the younger generation, are drastically reduced, coupled with heavy work pressure, they easily develop a sense of failure in work and life, which has a negative impact on the long-term development of the Hong Kong society; in this connection, this Council urges the Government to promote a new

occupational culture campaign for work-life balance to alleviate pressure in life brought by various problems at work, educate the public to establish proper values towards life that, in addition to work, there are still many things worth pursuing in a healthy life, and encourage the public to develop a diversified life, including building harmonious families and a public-spirited society, as well as pursuing knowledge, etc; the Government should at the same time make employers understand that the mode of work-life balance may mitigate work pressure on employees and increase their passion for work, thereby achieving the goals of enhancing productivity and work quality, as well as reduce labour disputes, ultimately enabling both the employees and employers to benefit at the same time; the relevant government measures should include:

- (a) to set up a special task force, and adopt new thinking to tailor-make a new occupational culture policy on work-life balance for Hong Kong, and disseminate the message of a diversified and healthy life to various social strata so as to enable the public to understand that achievements in life do not come solely from work, and that building harmonious families and a public-spirited society, etc are also important achievements in life;
- (b) the Government to take the lead in promoting a new occupational culture of work-life balance and set up a special fund to subsidize companies in various industries and trades according to their needs to actively promote a more flexible work culture and other measures for work-life balance, thereby enabling Hong Kong to become a more vibrant and competitive city;
- (c) to encourage enterprises to implement policies to meet the needs of employees regarding work-life balance, including providing support for the employees and their families, assisting in solving their emotional problems such as those stemming from work pressure and encouraging enterprises to organize public-spirited and spare-time recreational activities for the employees, so as to enable the employees to enjoy a fruitful life, consolidate their morale and increase their passion for work; and

- (d) to encourage enterprises to implement a flexible leave policy, and give them special holidays such as paternal leave, study leave, compassionate leave, etc, when employees encounter major events in life."

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

PRESIDENT (in Cantonese): Three Members intend to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the three amendments.

I will call upon Mr WONG Kwok-hing to speak first, to be followed by Mr WONG Sing-chi and Mr LEE Cheuk-yan; but no amendments are to be moved at this stage.

MR WONG KWOK-HING (in Cantonese): President, the original motion today is about a very good topic, that is, "Urging the Government to promote a new occupational culture campaign for work-life balance". On one hand, it asks the Government to take the lead; on the other hand, it discusses a new occupational culture.

President, how new is this culture? If we are going to discuss something new, we should pinpoint the features of the existing occupational culture. In my view, the existing occupational culture in Hong Kong has got two features: polarization and de-employment.

Let me talk about polarization first. What does polarization mean? In the light of the current employment relationship, the high-pay workers have increasingly higher pay while the low-pay workers (that is, workers at the middle and lower levels) have dirt cheap wages and they are arbitrarily trampled upon. So, there is a world of difference between the two groups of workers. Senior staff such as chief executive officers and directors have generous pay and also bonuses and fringe benefits such as housing and medical benefits. However, workers at the middle and lower levels have low salaries and long working hours.

For instance, employees working as security guards and cleaners work at least 12 hours a day and they have to work overtime to barely make a living. Some workers at the middle and lower levels work more than 12 hours a day. For example, teachers start working early in the morning and they correct students' homework at home in the evening. Some professionals such as doctors and nurses also have extremely long working hours which often exceed 12 hours. Basically they do not have any private time or time to spend with their families. This is a very important feature of the employment relationship at present.

Another point that I am going to discuss is de-employment, that is to say, employment relationship is being scrapped. To evade the responsibilities under the Employment Ordinance, employers carry out de-employment by various means, which include outsourcing, employing casual workers on a long-term basis and using employment agencies. Which employer scraps employment relationship most often? It is the SAR Government, the biggest employer in Hong Kong. It takes the lead and other enterprises and public organizations follow its example one after another. In the past, the Government outsourced infrastructural projects — as regards infrastructural projects, we never can tell as this is a feature of the industry — but now other services are outsourced because it regards these services as temporary and of a special nature. Nevertheless, outsourcing is so very common today, and even security, cleaning, illegal structure demolition and museum management services have all been briefed out. In a word, all services that can be outsourced have been outsourced. Although outsource workers also assist the Government in providing services, they are not given equal treatment as civil servants, and they are even cruelly exploited. President, there was a well-known character "Cleaner Mau" years ago played by LEE Tim-sing. Such a character enjoyed great popularity then but it is no longer found today. We should give the credit to the Government's Efficiency Unit as it is particularly efficient in increasing and deepening exploitation, widening the disparity between the rich and the poor, and intensifying social contradictions. Hence, I would like to ask the Government: How come there is a caring and just society? How can a harmonious society be built?

For more than a decade, the Government has taken the lead to scrap long-term employment relationship and implement a contract system, causing many large enterprises in Hong Kong, for example, the bus and railway companies to follow suit; therefore, employees (especially the grass-roots

workers) have been more and more hard-pressed. At present, the Government has around 20 000 non-civil service contract (NCSC) staff. Although they perform the same duties, they have very different remuneration packages and they lack job security. When their contract is about to expire, they are not sure if they can still be employed. As they are employed on one-year, two-year or three-year contracts, they are in a state of anxiety. In view of this, what has the Secretary for Labour and Welfare done? Is this the sole responsibility of the Secretary for the Civil Service?

The tendency of late is even worse, many government departments recruit staff through employment agencies. President, I have recently received a letter signed by "a person with a heart" about certain circumstances and I quote: "In various departments, the authorities concerned set a limit to the NCSC staff to be employed. As the departments rigidly stick to the limit, when civil servants cannot be found to fill certain vacancies, employment agencies are asked to recruit staff on behalf of the Government, and the staff concerned include administrative assistants, accounting clerks and assistant clerks, and so on." End of quote. As government departments pay high amounts to the employment agencies which recruit staff at low salaries, the ugly side of total exploitation can readily be seen. Some employees recruited by employment agencies have salaries as low as below \$5,000 and their treatment is really disgraceful.

As the biggest employer in Hong Kong, the Government should set a good example, but, it has become an unscrupulous employer on the contrary, causing extremely bad effects on our occupational culture. Thus, at the outset of the original motion proposed by Mr CHAN, he asks the Government to take the lead. But has the Government taken the lead? Therefore, my amendment proposes using government departments, public organizations and those organizations with the Government as the major shareholder as an example to take the lead to properly recruit employees on a long-term basis. If the Government does not properly take the lead to do so but takes the lead de-employment instead, I would like to ask how it can convince other employers in Hong Kong that they should be good bosses. Hence, since Mr CHAN and Mr LAM who are bosses have nodded, they should support my amendment.

President, next, I would like to talk about the occupational health problems caused by long working hours and highly strenuous work. In fact, we see this when we have tea in restaurants. We can see that each worker has to serve many

tables. The same happens when we eat at fast food outlets. Although the place is packed with customers, there are only eight to 10 people working in the kitchen. We can observe this when we eat at the fast food shop at the basement of the building belonging to the Hutchison Whampoa Group and the Canteen in Prince Building. I do not need to elaborate more on that; all those workers are terribly busy. Another example is a recent bus accident. Even the bus captain's half-hour meal time has been cut back. What problems can be seen from that? President, I have brought with me some photographs secretly taken by the workers performing baggage-handling duties at the airport. They are required to bend their backs in handling baggage from the cabins of the aeroplanes but they only earn some \$6,000 a month. What can they do when some \$6,000 are not enough? They have to work overtime for six to seven hours rather than just two to three hours. I would like to tell Long Hair that the workers are so poor that they do not even have a colour printer.

MR LEUNG KWOK-HUNG (in Cantonese): They can take photographs, Buddy.

MR WONG KWOK-HING (in Cantonese): I can hardly crawl into that place. As they work 16 to 17 hours a day, they have repetitive strain injuries and broken ligaments. To be frank, what kind of occupational culture is that? Honourable colleagues, that is occupational culture as it is. That being the case at the Hong Kong International Airport, there is no need for me to elaborate on the situation at other places.

Lastly, my amendment proposes standardizing the number of statutory holidays and public holidays. Since there are 12 statutory holidays but 17 public holidays, workers still need to work when the children are on holiday. Why is the two not standardized? I hope that could be done.

President, I would like to say in this last minute that I have brought with me a book — *A History of Labour Movement in Hong Kong* and I am going to quote some information from the book. Concerning the struggle for an eight-hour working day, it was actually one of the six demands made by workers back in 1925 during the Canton-Hong Kong Strike. What were the consequences? After a strike by dockyard workers 20 years later, the then

Commissioner of Labour, Mr HAWKINS, informed the trade union on 26 January 1946 that their requests were acceded to. Nonetheless, do we really have an eight-hour working day today? No, we don't. So, I hope Honourable colleagues would read this book, *A History of Labour Movement in Hong Kong*, and I also hope that all Honourable colleagues who sympathize with Hong Kong workers, regardless of whether they belong to any party or group, would support our amendment. In spite of the disputes throughout the years, the goal has not yet been attained. Hence, I would like to quote from Dr SUN Yat-sen: "The revolution is not yet successful, so comrades still need to fight hard". (*The buzzer sounded*)

MR WONG SING-CHI (in Cantonese): President, the motion proposed by Mr CHAN Kin-por today is indeed worth probing into. As the common saying goes, there is a group of people silently putting in a lot of hard work at the back of every successful person. This analogy applies also to Hong Kong or everyone in Hong Kong. Our society is economy-driven and the fact that it has achieved so much in the international arena today should undoubtedly be attributed to an army of workers who worked very hard silently. The achievements of Hong Kong are closely connected with the efforts they made. The Democratic Party has all along insisted that workers are important parts of economic activities. If there are no such hardworking workers in our society, then even with forward-looking administrative strategies of the top officials in the SAR Government and the ingenious business plans of the consortia and the tycoons, Hong Kong can definitely not have the remarkable economic achievements today.

However, after the financial tsunami, there have been structural changes to the set-up of our economic development, so the Chief Executive Mr TSANG established the Task Force on Economic Challenges to explore the way forward while numerous wage earners have to work very hard for a living and support their families. More than a year after the financial tsunami, the Chief Executive proudly proposed the development of the six key industries; but, are they really key industries? We have a pretty good idea of how things stand. Nevertheless, the prospects of these measures and strategies are unclear, not to mention immediately producing practical curative effects for wage earners in extreme misery. Nonetheless, life must go on, and millions of wage earners do not have high salaries like the Chief Executive or Secretary Matthew CHEUNG who will

respond in a while. When Secretary Matthew CHEUNG retires in the future, I believe he will be able to live in comfort for the rest of his life. After the lapse of a few years after retirement, he may even become a chairman or a member of the senior management in the business sector just like what some senior officials had done in the past, and receive an annual salary of a few million dollars.

Yet, President, numerous wage earners are not as lucky as the Secretary or the Chief Executive. Most of them have meager salaries and they would not be able to feed themselves if they are not employed. Since promoting a new occupational culture is intended to encourage employees to achieve work-life balance, the Democratic Party would undoubtedly support this idea. However, in achieving work-life balance, numerous wage earners may lose their jobs at any time. Why? In Hong Kong these days, the positions of employers and employees in the labour market are not at all balanced, and the operation of the market mechanism in the labour market is incomprehensive. For this reason, the Democratic Party believes that, in respect of labour and manpower policies, the Government can absolutely not rely on the market mechanism alone. On the contrary, it must provide better labour protection and the extent of intervention should also be correspondingly adjusted in light of the situation of our social and economic development. According to this principle, the Democratic Party supports the introduction of legislation for a minimum wage and amending the Employment Ordinance. Yet, though we have gone this far, we have not done enough because there is still a long way to go before achieving our target. To allow employees from various social strata, especially grass-roots wage earners, to reasonably share the fruits of economic development, and to enjoy and integrate into the new occupational culture that they deserve while being free from worries, the Government's proactive promotion and relevant legislative measures are of course indispensable.

Therefore, President, to successfully promote a new occupational culture so as to allow millions of wage earners to enjoy work-life balance, there are some premises, and one of which is a reasonable minimum wage level. Also, standard working hours and commencing the legislative process for introducing paternity leave are equally important. When the Chief Executive answered Ms LI Fung-ying's question during the previous Question and Answer Session, he said that the minimum wage issue would be resolved before reconsidering standard working hours. As a matter of fact, prescribing standard working hours has positive effects on work-life balance, and the Government should immediately

start considering the introduction of legislation for standard working hours for the benefit of numerous employees.

On the other hand, in connection with paternity leave, as cited by *Ming Pao*, around 10% of women in Hong Kong suffered from post-natal depression. Among these patients, 50% have not recovered after two years. While two thirds of such patients overseas recovered within a year, the average speed of recovery among Hong Kong women is evidently lower. Besides, it is very common for the husbands to suffer from depression as well when their wives have the illness. As many husbands quit their jobs to take care of their wives, they are under heavy pressure and they sink into an emotional abyss.

For this reason, the Democratic Party asks the Government to introduce paternity leave so that the husbands can enjoy paid leave after their wives have given birth and they can help look after their wives and newborn babies. I remember clearly that when my son was born, he only weighed three pounds and he drank two ounces of milk every two hours — a baby was supposed to drink eight ounces of milk but my son only drank two ounces — I fed him milk almost once every two hours, and as I was the one feeding him, I was very good at the task though it was not easy at all. Fortunately, I was a District Board member at the time and nobody would blame me even if I had not attended meetings for a month, and I would only be "sacked" if I did not attend meetings for three months. Despite all the difficulties, I finally managed to take care of my family and my wife's post-natal depression was relieved.

If paternity leave is not introduced, for new mothers and their husbands and newborn babies, work-life balance can hardly be achieved. President, as Mr CHAN Kin-por has mentioned, pressure in life can be brought by various problems at work. Therefore, the amendment that I am going to propose today also targets this direction, and I hope that families would be able to exercise its functions and family members would support one another. I trust that this can stop the aggravation of problems that frequently occur; and in the long run, this can also prevent triggering family problems and a risk of crisis. Thus, we hope that the Government would actively implement family-friendly policies, which are solutions in the longer term. President, family-friendly policies have an extensive coverage and involve different policies such as those related to single-parent families and cross-boundary families. As such, we cannot help these families by merely changing a policy because the problems are more

complicated than we can imagine, and we cannot just consider the consolidation of family-friendly policies. Since the motion debate today is focused on discussing the policies related to workers, I would like to take this opportunity to share with Honourable colleagues how family-friendly policies could help wage earners achieve work-life balance.

Figures provided by the Hong Kong Council of Social Services show that, from 1998 to 2006, the Family Solidarity Subindex had seen negative growth for five consecutive times. I believe it was because of the impacts of work on families, though families may also affect work. A survey was conducted by The Hong Kong Polytechnic University years ago, which indicated that many respondents said that their work had been affected by family matters in the past year, that is, they were late for work, they left work early or took leave. Some of them were even scolded, punished, dismissed by their bosses or had resigned on their own accord. According to a large number of respondents, they worked overtime very often and they continued working at home after work or during the holidays. They said that heavy work pressure affected family relationship seriously; the family members of some respondents often complained about their being neglected; and some respondents even admitted that they had beaten up or scolded family members because of work pressure. These cases would not only take place during an economic downturn, they are also found under favourable economic circumstances. Therefore, if the Government does not properly protect grass-roots workers and formulate measures for supporting them and helping them alleviate work pressure, the situation will not improve.

Hence, there are two main points in my amendment, that is, to introduce family impact assessment to review the impacts of different measures on families, and produce independent, professional and objective family impact assessment reports on various policies, so as to ensure that social policies, legislation and measures would facilitate the effective exercise of family functions; and to propose that the Government should reduce or make up for the adverse effects of certain policies on families, and take the lead to launch a family day every year.

I so submit. Thank you, President.

MR LEE CHEUK-YAN (in Cantonese): President, I am really thankful to Mr CHAN Kin-por for proposing this motion debate about work-life balance. For

Hong Kong people, this is basically a dream that can hardly be fulfilled. If the working hours problem is not solved, the issues we are now debating cannot be resolved at all. For this reason, although Mr CHAN Kin-por has just said that there is a lot more to be done in connection with the introduction of legislation for maximum working hours, to be frank, if we do not make any efforts right now, we can hardly get the job done. I also thank Mr CHAN very much for proposing this motion so that I can include in an amendment to the motion some issues that I have been advocating throughout the years, for example, the introduction of legislation for standard working hours and overtime compensation.

This motion is intended to encourage promotion by the Government but I think the Government has been hypocritical and it does not have a will to get the job done. Donald TSANG produced the Family Council, but, what has it done a few years since its establishment? I would like to ask Secretary Matthew CHEUNG to elaborate on that later. I am sure the Secretary would say that the issue has been studied and discussed. So, what is the conclusion so reached? Can anything be shown to Members? Nothing.

I have no confidence in the Government's work in this connection because the Government does not have a will to do so and it dares not touch the interests of the business sector. It becomes afraid when it is going to touch the interests of the business sector. As regards working hours, if a balance is to be struck, the Government will surely touch the interests of the business sector because it should not allow the business sector to require workers to work long hours without being subject to any monitoring.

The Government has only implemented the five-day working week for civil servants. It has taken the lead, but, what will the others do after the Government has taken the lead? How many private organizations have followed suit and implemented the five-day working week? The Government never dares to find out how many organizations in the business sector have followed suit after it has taken the lead to implement the five-day working week. Certainly, banks have followed suit because they have implemented the five-day working week soon afterwards.

But the present situation in Hong Kong is, besides a disparity between the rich and the poor in terms of salaries and incomes, there is a serious disparity in terms of working hours too. The workers in some trades toil and labour until the

day they die and it continues to be the case in these trades. Mr CHAN Kin-por has said a while ago that some companies have now treated employees better and introduced flexible working hours. I also agree that some companies have treated employees better, but, what are the trades involved? The trades in which workers work until they die still ask workers to work until they die, and no improvement will be made. For instance, the workers in the catering industry work 13 to 14 hours a day; how many hours do workers on a half shift work? They work nine hours but they work 13 to 14 hours as a rule; security guards work 12 hours as a rule; and the workers in the retail industry work 10 to 12 hours as a rule. There will certainly be such cases.

I use the word "as a rule" just now but some employers take advantage of workers. What does "as a rule" mean? It is specified in the contract that a worker should work 12 or 14 hours a day. How do they take advantage of the workers? It is specified in the contract that a worker should work from 9 am to 6 pm but he sometimes needs to work overtime without compensation. The workers in many trades need to work overtime without compensation. Although it is specified in the contract that a worker should work from 9 am to 6 pm, he needs to continue working until 10 pm without compensation. In other words, he works overtime without compensation. President, I think you have never worked overtime without compensation. Yet, have you eaten something without paying for it? You have not. Nevertheless, when employers require workers to work overtime without compensation, how different is it from eating something without paying for it? This is actually very unfair. Since the working hours have been specified, why should workers be asked to work longer hours without compensation?

It may give rise to problems. Since workers work overtime without compensation, employers may take advantage of them. Since the situation is not subject to regulation under the existing law, employers will always ask workers to work longer hours. In a word, workers should work until they have completed all the tasks. Therefore, workers have all along been working overtime without compensation. That is evidently very unfair as the situation is not subject to regulation under any law.

Honourable colleagues will sigh with emotion when they take the working hours of Hong Kong workers into consideration. The latest figures available are the those for the third quarter of 2009, and they indicate that we have a working

population of around 3.5 million, and 1.2 million people work more than 50 hours a week, which exclude lunch hours and only include working hours. There are 130 000 people who work more than 70 hours a week. Let us consider this: when a person works 70 hours a week, it means that he works 12 hours a day, and if he works six days a week, he will work 72 hours a week. 130 000 Hong Kong people work more than 70 hours a week. On the basis of the said working hours, one third of the working population work more than 50 hours a week. I am sure that Hong Kong people work the longest hours in the whole world, and Hong Kong will certainly have the lowest happiness index. As regards work-life balance, if a person works 12 to 14 hours for his employer and spends some time on travelling, he only has eight hours left when he returns home. How can work-life balance be achieved? When he wakes up early in the morning, his children are still in bed; and when he returns home, his children have already gone to bed. When employees work six days a week — the employees in some trades even need to work on Sundays and they cannot even spend time with their children on Sundays, how can they take care of their families?

I sigh with feelings sometimes because while some people hate those who destroy families, sometimes, I would think that work and employers destroy families too. However, the Government has been indifferent and it has not monitored the situation, thus, families continue to be destroyed this way. If the Government constantly adopts this attitude, it will be impossible for work-life balance to be achieved.

We have all along made a few proposals: first, the introduction of legislation for standard working hours. The standard working hours in Taiwan are 84 hours every two weeks and the standard working hours on the Mainland are 40 hours a week. How long should the standard working hours be in Hong Kong? We may consider setting the standard as 44 hours a week as proposed by the Hong Kong Confederation of Trade Unions (CTU). After specifying the standard working hours, it does not mean that workers are not allowed to work more than 44 hours. However, if workers work more than 44 hours, they must be given overtime compensation. Nevertheless, should the workers be paid 1.25 or 1.5 times the hourly rate? This is a topic for our discussion. For this reason, employers should ponder over the matter when they intend to ask employees to work overtime. At present, employees work overtime without compensation, so, employers need not ponder over the matter and they will certainly ask employees

to work overtime. So if they need to pay, the case will be different and they must consider it very carefully if they must ask employees to work overtime. Hence, if it is specified that compensation must be given to workers who work overtime, employers would at least consider it carefully before asking employees who have already worked 44 hours to work overtime.

In that case, some may say that employers may reduce employees' salaries before giving them overtime compensation, and employees will not benefit at all. Therefore, we also advocate prescribing a minimum wage. Provided that there is a minimum wage, regardless of the extent to which the employees' salaries are reduced, employers can at the most reduce their salaries to the lowest hourly wage level, and the overtime compensation should be paid 1.25 or 1.5 times the hourly rate. Then, we can avoid employers reducing the salaries of workers before giving them overtime compensation; in that case, workers working 12 hours will only have the same income. Prescribing a minimum wage will protect workers. Given the protection, I believe employers will consider it carefully before asking workers to work overtime, thereby shortening the working hours. Then, workers will be able to achieve work-life balance.

Another proposal from us targets some other people, probably professionals. While the working hours of non-professionals are regulated, there is not much regulation of the working hours of professionals who perform professional duties. However, professionals also need time for rest. Thus, in the United Kingdom, professionals have 11 hours of rest, for example, if they leave work at 12 midnight today, they will start work at 11 am next morning. So professionals will at least have a longer time for rest. There is a law in the United Kingdom for that and it is another proposal we made.

The third proposal about work-life balance is additional holidays. For instance, standardizing the number of statutory holidays and public holidays to 17 days a year. If this can be done the workers in the most miserable state will at least have five additional holidays for rest. Furthermore, annual leave is granted in a miserly way at present, and workers only have seven to 14 days of annual leave; will the Government specify that 10 to 18 days of annual leave should be offered?

All these measures will enable wage earners to spend more time with their families, and the CTU has advocated them for a long time. But if legislation is not introduced on that, these measures can simply not be implemented in Hong

Kong. However, this is something the Government dares not do so all along. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): First of all, President, I must thank Mr CHAN Kin-por for proposing a debate on the motion "Urging the Government to promote a new occupational culture campaign for work-life balance". I would also like to thank Mr WONG Kwok-hing, Mr WONG Sing-Chi and Mr LEE Cheuk-yan for their amendments.

Like Mr CHAN Kin-por, I agree that a balanced and healthy life is very important to the public and the development of society alike.

Literally, the expression "work-life balance" seems to suggest that work is not part of life. But actually, this is not the case. The expression actually means how to strike a balance by effectively arranging work and other major activities. There may be many types of activities other than work. For most people, family is of paramount importance. In addition, building a public-spirited society, pursuing knowledge, sports and leisure, are also very important. It is noteworthy that "work" is not a negative word. How one should balance the time devoted to his work and other activities is very much a personal issue. One might feel that his work and life is imbalanced because of excessive workload, while another person might consider his work and life imbalanced because his workload is too light. There are no objective standards for heavy or light workloads. A wide range of factors, including personality, values, priorities, resistance to pressure, passion for work, work satisfaction, corporate culture, interpersonal relations, and even psychological and other practical needs, are all worthy considerations, and hence the point of equilibrium for each person is different. Therefore, we consider that the most reasonable approach to help employees achieve work-life balance is to allow employers and employees to communicate directly and frankly in discussing conditions of employment and work arrangements most suitable for the actual situations and needs of both parties. We encourage employers to adopt the "people-based" good personnel management practice, and "family-friendly employment practices" are among our promotional highlights to encourage employers to help their employees take up their responsibility towards their work and families at the same time. Here, I would like to praise Mr CHAN Kin-por. Just now, you talked about your own experience, your enterprise and the management measures

adopted by you as a good employer. It is worthwhile for a lot of people to borrow the experience of yours, such as flexible working hours. Of course, each enterprise has its own mode of operation. I think that yours is a successful example for you have been able to understand and sympathize with your staff while having regard to the operation of your company. It is indeed worth recommending.

The highlight of the Labour Department (LD) is to promote family-friendly employment practices. We hope that employers can adopt a people-based approach, sympathize with their employees and give them special holidays according to their family needs during different stages in life, such as wedding leave, paternity leave, compassionate leave, parent leave, and so on. Employers can even give their staff one- or half-day leave flexibly when they have the need to, for instance, look for schools for their children on the day the examination results are released. Can their employees be given permission to be away for several hours to accompany their elderly family members to attend follow-up medical appointments? All these can be handled purely with flexibility, so to speak. Furthermore, we encourage employers to provide flexible work arrangements and provide their employees as well as their family members with support in life, such as stress or emotional counselling services, health care protection, and even child care services, family fun days, and so on.

Maybe I should briefly explain the major promotional and publicity events launched by the LD in promoting family-friendly employment practices. They include organizing seminars and promoting relevant messages through regular meetings held by the 18 Human Resources Managers Clubs and nine industry-based Tripartite Committees operated under the LD. We will also hold regular discussions on the implementation of family-friendly employment practices and relevant good personnel management practices, organize roving exhibitions in different locations throughout the territory, and publish publications, newspaper special pages, and so on.

The LD is in the course of producing Announcement of Public Interests (APIs) for the promotion of family-friendly employment practices. The APIs will introduce the types and forms of family-friendly employment practices and the benefits brought to employers and employees through the implementation of these practices, as well as eliminating the general misunderstanding of such practices among the general public. From this, we can see that the promotion of

a new occupational culture campaign for work-life balance, as proposed in this motion today, is in concordance with the Government's policy objective. We will also further step up efforts on this front.

We also share and agree that promoting work-life balance, as proposed by Mr CHAN Kin-por, should begin with promoting positive values towards life to the public, especially young people. Family is an extremely important component in our life. The SAR Government is all along committed to promoting a culture of attaching importance to family in order that the public will agree that family is a key cornerstone in building a harmonious society. Under the lead of the Home Affairs Bureau, government departments have been vigourously supporting and promoting family core values such as "Love and Care", "Respect and Responsibility", and "Communication and Harmony", as well as encouraging "Loving Family".

A great variety of advisory bodies, including the Family Council and the Committee on the Promotion of Civic Education, have all along actively promoted family core values through publicity activities through different channels and means to encourage the public to get together with their family members and enjoy the happiness of spending time together, and promote the concepts of attaching importance to family and caring for family members. We believe, through conceptual and value changes as well as internalization, we can help the public reflect on the importance of family and remind them to achieve work-family balance.

Admittedly, being capable of achieving work-life balance is vital to pursuing a healthy and diversified life. At the same time, knowing how to stay healthy is beneficial to work as well as other aspects in life. Actually, a balanced life is a healthy life. This is why the Government strongly encourages the public to attach importance to their own health.

We all know that work has a close bearing on health. The LD has all along attached great importance to employees' occupational health and, through different publicity and promotional activities, an awareness of occupational health among employers and employees is enhanced. Among others, a healthy lifestyle is vital to enhancing employees' occupational health. If employees of various trades and industries can maintain a healthy lifestyle, including adequate rest and

sleep, balanced diets, regular exercise, maintaining a good mood, avoiding smoking, and so on, they will be able to keep their body in the best shape, and this will help them upgrade their productivity and cope with their daily work and challenges with ease.

Leading a busy working life is prevalent among Hong Kong people. As Members are aware, people lacking exercise will easily suffer from repetitive strain injury due to long working hours. Actually, as with occupational health in many developed countries, musculoskeletal disorders, which are related to work, have already become an occupational health problem of concern in Hong Kong. At present, two occupational health clinics are operated under the LD, with one located in Fanling and another in Kwun Tong. Relevant information has revealed that nearly 90% of the patients seeking treatment from the clinics during the first three quarters of this year suffered from work-related musculoskeletal disorders. In order to effectively prevent musculoskeletal disorders, we must develop a habit of doing regular exercise. Suitable and an appropriate amount of physical activity can promote blood circulation, enhance mobility and reduce the chances of repetitive strain injury or other injuries. What is more, exercise can help eliminate stress, so that we can feel more at ease at work.

In areas other than work, the Government has also actively co-operated with various sectors to create a favourable environment to promote a healthy life. In advocating the "Global Strategy on Diet, Physical Activity and Health" published by the World Health Organization, the Department of Health (D of H) has launched a number of territory-wide health promotional and publicity events to encourage the public to develop good habits in life.

For the promotion of physical activity, the D of H works jointly with different government departments, non-governmental organizations (NGOs) and professional bodies to launch a number of events, including "the promotion of healthy exercise for all", the "Exercise Prescription Project" and the "Stair Climbing to Health" campaigns, for the promotion of a healthy life. The D of H also works closely with District Councils, community groups and people in districts to organize a number of community-based activities for health promotion.

It is also equally important to promote mental health because mental health is actually a very important issue. Each year, the Rehabilitation Advisory

Committee will collaborate with a number of government departments and NGOs to organize territory-wide "Mental Health Month" activities to enhance the awareness of and the importance attached to mental health among the public. The D of H has also produced a series of health education and learning information kits and audio-visual aids, with mental health as one of its themes. There are also other effective information transmission channels, including 24-hour telephone recording information hotlines, newsletters, websites, health columns on newspapers, radio and television programmes, media interviews, and so on.

Hong Kong people have a busy working schedule and emphasize efficiency. Naturally, there is no way to avoid work stress. While an appropriate amount of work stress may help stimulate the potentials and hidden ability of employees and enhance their work efficiency, excessive work stress will definitely produce negative physical and psychological impacts on employees and give rise to such symptoms as headaches, insomnia, and even anxieties, depression, and hypertension, causing behavioural problems such as alcoholism and overeating, as well as affecting family harmony and work performance. Furthermore, excessive work stress will also produce a number of negative impacts on organizations, including low staff morale, diminished productivity and work accidents. In particular, the image of organizations will be damaged as a result of the frequent occurrence of industrial accidents. This will actually lead to a lose-lose situation.

Therefore, employers should work jointly with employees in striving to create a favourable working environment, improve work quality and foster a harmonious working atmosphere, in order to reduce work-related pressure and negative impacts. In addition to providing a safe and healthy work environment, employers should also make proper work arrangements for their staff, clearly delineate the responsibilities of each post, and teach their staff good stress management methods. Employers should also consult their staff in order to jointly identify sources of stress, which is very important, and communicate frankly. All these can help protect the occupational safety and health of their staff.

In recent years, the LD has strived to promote to employers and employees a correct understanding and ways of handling work stress. It has also compiled a publication called "*Work and Stress*" to introduce common sources of work

stress and the impact of work stress on employees and offer practical ways for individuals and organizations to prevent and manage work stress. Furthermore, in this year, the LD has also produced a stress-reduction ball printed with a bright smile. I am now holding a stress-reduction ball, which comes in five different colours, for free distribution to employees attending occupational health seminars held by the LD. What are the special features of this stress-reduction ball? There is something very special written on it — the five things that must be done and the telephone numbers for making appointments at the two occupational health clinics operated under the LD. On the other hand, it reminds employees to do five things in work and life, including to "play well, eat well, accept failures, work hard and sleep well", and the correct and positive ways of stress management. On the other hand, it encourages employees to, when necessary, seek professional advice and assistance from medical practitioners. I have already delivered the relevant leaflets and balls to Members' offices and hope that Members will find them useful.

Furthermore, the LD has compiled two sets of pamphlets and educational video compact discs on stretching and aerobic exercises to encourage the working population to do more exercise. These publications can be obtained freely at the various offices operated by the Occupational Safety and Health Branch of the LD or downloaded from the webpage of the LD.

The LD regularly holds occupational health seminars for the public to promote occupational safety and health messages. These seminars include, among others, seminars on "workplace stretching exercises" and "correct ways to handle work stress", which are greatly welcomed by working people. To facilitate participation of employers and employees, the LD will even assign its staff to visit their workplaces in person to hold talks for employees. During the period from 2006 to 2008, a total of 750 health talks were held, attracting more than 28 000 participants.

Undoubtedly, arts, sports and recreation are, to a certain extent, effective in shaping a person's temperament, promoting mental and physical health and building up a strong body.

In the area of arts, the Government is all along committed to creating an environment conducive to artistic creation and encouraging public participation in arts and cultural activities to make their life even richer. Each year, the

Government and the arts and cultural sectors will organize a wide selection of cultural activities and theme arts festivals to enable people pursuing different interests and lifestyles to participate as they wish. We attach great importance to nurturing arts talent to facilitate the prosperous development of the arts and cultural industries in Hong Kong.

In the area of recreation and sports, which are of great interest to all of us, the Government is all along committed to promoting the "Sports for All" policy, providing recreation and sports facilities to the public and, through a broad range of recreation and sports events organized by the Leisure and Cultural Services Department and subvented sports associations or clubs, encouraging people of all age groups to participate actively in sports and build up a healthy lifestyle.

As the largest employer in Hong Kong, the Government has also been actively promoting an occupational culture for work-life balance as well as family-friendly employment initiatives.

As mentioned by Members earlier, the Government started implementing the five-day work week in phases in July 2006 for the purpose of enhancing the quality of family life in civil servants. At present, more than 100 000 civil servants, representing some 68% of the actual number of civil servants, are working five days a week. Under this arrangement, civil servants have more time to spend with their family members, pursue studies, and participate in recreation and sports activities. The arrangement is greatly welcomed by our colleagues.

As for government employees who cannot migrate to five-day week, the Government encourages all government departments to, upon consulting their staff, examine if they can, under the prerequisite of adhering to the basic principle of "five-day week" and without prejudice to the provision of public services, formulate new or revised rosters to allow more staff to migrate to a "five-day-work, two-day-off" roster.

The Civil Service Training and Development Institute has set up an electronic platform called Work/Life Balance under its "Cyber Learning Centre Plus" to provide relevant information to civil servants of various grades. The electronic platform provides information on ways to ease stress and enhance emotional intelligence and introduce healthy activities to civil servants for

building strong bodies as well as healthy minds. The Civil Service Training and Development Institute will also organize, from time to time, seminars on work-rest balance, including ways to maintain a healthy and happy mindset, upgrade job efficiency and satisfaction, improve the quality of life through music, and so on.

President, like Mr CHAN Kin-por, we attach great importance to the enjoyment of a healthy and balanced life by the public. However, we are not merely concerned about balanced distribution of the time spent by the public on their work and life as this is merely part of a healthy life. Our ultimate concern is holistic well-being and the establishment of positive values. The policies and initiatives of all relevant government departments will follow this direction in the hope of achieving the unanimous goal of achieving physical and mental well-being for all people through various channels.

President, I so submit. I will give a more detailed response after listening to the views expressed by Members. Thank you, President.

DR LAM TAI-FAI (in Cantonese): President, is there a need for you to correct the pronunciation of the speech delivered just now before I begin?*(Noise)*

Why is the wire of my microphone so short?*(Noise)*

(Noise and Laughter)

DR LAM TAI-FAI (in Cantonese): Is this mine? The wire of my microphone is too short.

PRESIDENT (in Cantonese): Will Members who have indicated their intention to speak on this motion please check whether the wire connecting with their microphone is long enough.*(Laughter)*

DR LAM TAI-FAI (in Cantonese): No, it is too short.

President, thank you for your advice.

During the recent discussions on constitutional reform, the abolition or otherwise of functional constituencies (FCs) was one of the most controversial issues raised. Actually, there are indeed many people who have a poor understanding and even misunderstanding of FC members. People think that FC members will only take care of the interest of their own FCs while disregarding the well-being of the public at large.

I believe every Honourable colleague knows that Members are given an average of only one quota a year, that is, one opportunity a year, to propose Members' motions. Mr CHAN Kin-por, a FC Member, has used his annual quota to propose a motion on promoting a "new occupational culture campaign". I believe the theme of his motion is to arouse the awareness of all people in Hong Kong to establish proper attitudes towards life and foster a rich and balanced life. The moving of this motion by Mr CHAN has precisely reflected that many FC Members are actually very concerned about people's livelihood, the people, society and the physical and mental well-being of wage earners. It is indeed worthwhile for us to learn from such a "caring for everyone" spirit.

Of course, I support and agree with the wordings of Mr CHAN Kin-por's motion. He is perfectly right in pointing out that in the light of Hong Kong's present economic development, the opportunities for upward mobility have been substantially reduced, except for those people who engage in real estate or share speculations or some high-risk speculative activities. Furthermore, not everyone is suitable for or has the knowledge of engaging in such high-risk speculative activities. Actually, many people have suffered badly as a result of engaging in these activities. At present, all kinds of investments or businesses are operated by groups. There are not many opportunities for young people, couples or siblings to start business. People starting from scratch are even harder to come by.

President, Hong Kong is a commercially and industrially advanced society. Not only is competition keen in every trade and industry here, the cost of living index in Hong Kong is extremely high too. A recent survey shows that among the five places in Asia where the cost of living is the highest, the first four are in Japan, and Hong Kong ranks fifth. It can be said that it is hard to make a living in Hong Kong, as its cost of living index is even higher than that in Shanghai and Singapore. It is indeed not easy at all for wage earners to maintain a reasonable standard of living. As well as meeting exorbitant family expenses, they have to

support their families, provide education, and most of all, make mortgage loan repayments. Many people toil all through their lives for the sole purpose of owning their properties. Hence, many people in Hong Kong are really faced with tremendous stress in life.

Owing to the failure of the Government in "supporting enterprises and preserving employment", the unemployment rate in Hong Kong remains high after the financial tsunami. In particular, the unemployment rate for young people between the age of 15 and 24 is still very high. They cannot even manage to find a job, not to mention seeking promotions or pay increases. Therefore, I very much understand that it is easy for wage earners to experience failure and frustration in their work and life.

The situation of proprietors is equally miserable, as it is hard to do business. After the financial tsunami, it is even harder to do business. Even if there is business to do, they are afraid of lacking capital. As for those who have succeeded in doing business, they are afraid that they will not get the money for the goods delivered. Feeling both physically and mentally exhausted, their life and health will be affected as a result of working from morning till night without having any interest in life and adequate rest.

It is most unfortunate that many proprietors originally engaging in processing supplied materials thought that they should comply with the Central Authorities' policy through upgrading and transforming to Chinese-foreign joint ventures, Chinese-foreign co-operative enterprises and foreign-invested enterprises to engage in processing imported materials. However, the Government has adopted an indiscriminate approach by enforcing section 39E of the Inland Revenue Ordinance across the board by completely denying depreciation allowance on all machinery and equipment installed by enterprises on the Mainland. Such being the case, what competitive edge and viability will these enterprises still enjoy? The Government's refusal to "support enterprises" will eventually drive the enterprises out of existence. Naturally, they will "cut staff" or dare not employ staff. The relations between employers and employees will definitely get strained and is never harmonious. The pressure faced by employers and employees will also mount, and the sense of failure will aggravate.

Although Mr CHAN Kin-por has pointed out earlier that, in addition to work, there are still many things worth pursuing in a healthy life, including building harmonious families and a public-spirited society, as well as identifying interests, pursuing knowledge, and developing a diversified life. However, from a more realistic angle, how can one has the interest, mood, ability and time to pursue all these if a proprietor has no business to do or finds it difficult in doing business or a wage earner is out of work or has no promotion prospects or a pay rise?

Therefore, all in all, in order to promote the "new occupational culture campaign" as advocated by Mr CHAN, a healthy lifestyle and diversified life are essential, and we must rely on the Government to promote, foster and stimulate all these. In order to achieve this, the most effective means is for the Government to "support enterprises and preserve employment". Therefore, I would also like to take this opportunity to express my hope for the Government to extend the Special Finance Scheme to the end of 2010, so that enterprises can do business and recruit employees with peace of mind, and there is no need for employees to be concerned about pay rises and so they can spend with peace of mind too. In addition to working, everyone can also enjoy life while having more fun with their daily life and families.

Actually, President, many people have complained about toiling throughout their lives by working from morning till night and eating and spending less just for the sake of making mortgage loan repayments for their flats. Therefore, the Government must think hard to work out solutions to help people in the lower and middle strata to buy their properties. It must come up with ways to curb property prices or make more efforts in supply, so that Hong Kong people can live and work happily and lead their lives with a good sense of security.

As time is running out, I would like to sum up here. If the Government wants the people to live more comfortably, reduce their sense of failure and work pressure, live healthily and harmoniously, involve in fewer labour disputes and develop more passion for work, the Government must achieve its goal of "supporting enterprises and preserving employment". In that case, the campaign promoted by Mr CHAN will certainly succeed.

President, I so submit.

MR VINCENT FANG (in Cantonese): President, employers of hundreds of thousands of small, medium and large enterprises in Hong Kong and myself will definitely agree that maintaining "work-life balance" is vital, as stated in the motion today. This is because if our staff perform well, we as employers would definitely hope that they have a sense of belonging to their companies and have sufficient rest and opportunities for "recharging", so that they can relax both physically and spiritually and continue to make money for their companies. Therefore, it seems that certain parts of the original motion and amendments are alluding to those employers who know only to "kill the goose that lays golden eggs" or "kill the cash cow". To me, this is absolutely unreasonable.

The original motion reads, "the opportunities for upward social mobility continue to reduce, the promotion opportunities for many employees, especially the younger generation, are drastically reduced". This reminds me of a report published by the Bauhinia Foundation a few days ago in which it is recommended that enterprises should launch "flexible retirement" to allow elderly people reaching the age of retirement to continue working. This recommendation appears to run counter to this motion today and pass the responsibility of fostering a sense of belonging among the elderly to enterprises. Actually, private enterprises have never laid down any mandatory requirements on retirement age.

The reduction in promotion opportunities is actually attributed to Hong Kong's stagnant economic development. Not only has the Government failed to introduce policies to promote sustainable economic development, but it has also acted like a miser in guarding its huge financial surplus rather than following the footsteps of the Central Government in injecting resources to stimulate the economy or enlarge the scale of the economy. It simply passes all its responsibility to enterprises with its famous remark of "active non-intervention". On the other hand, it has continued to introduce new policies to drag the hind leg of enterprises, force small and medium enterprises (SMEs) out of the market, and deal a blow to the dreams of young people who seek to start up business. As a result, enterprises wishing to stay will have to keep constantly on the run adapting to the Government's new laws. How can SMEs "hand in their homework" before their deadlines without requiring their employees to work overtime?

The simplest example is nutrition labels. At present, there are only 2 000-odd chemists in Hong Kong, but at least 100 000 kinds of prepackaged

products are on sale in the market. Furthermore, there are countless items which have to be tested, such as fresh food, cosmetics, and items related to the toy bill that went through its first reading yesterday.

I would like to advise young people here that they will have a very bright future if they join the laboratory profession now. However, you might risk failing to strike a balance between work and quality life.

The Liberal Party supports the original motion's proposal of "encouraging enterprises to implement a flexible leave policy", as this policy has already been implemented by many enterprises. During certain major festivals, such as the approaching Winter Solstice, Christmas Eve and Lunar New Year's Eve, many employers will, where possible, allow their employees to go off work earlier to enjoy the festivals or spend time with their families.

Although some senior government officials have indicated in a high profile that the economy has started to revive, President, I believe you have also heard a number of SMEs expressing their concern about the possibility of a second wave of the financial tsunami. Under such circumstances, how will they dare to inject resources in response to this new occupational culture campaign, so to speak? Therefore, the Liberal Party will fully support the Government if it can provide resources or convenience in terms of policy to help and encourage SMEs to launch flexible work and leave measures or encourage employees to meet cost expenditure incurred as a result of on-the-job training.

However, the Liberal Party has reservations about the three amendments, which call for the Government to enact legislation to regulate working hours and provide for rest periods. This is because regulating working hours will undoubtedly aggravate the burden on enterprises and deal a blow to their ability of doing business, as well as making it even harder for employees wishing to earn more by working longer hours to make money. This is contrary to the story of success of "making more efforts in exchange for rewards", which has all along been upheld in Hong Kong. As a result, this can be described as a lose-lose situation.

Although we understand the demand of the trade unions, we hope Members can also understand that the achievements of Hong Kong today are the result of the free economy and the hard work of the business sector and the employees.

These three elements are indispensable. While employees are under pressure, frankly speaking, the pressure facing employers is even greater because we are under pressure from both inside and outside as the competitive edge of our countries around us have continued to rise as a result of the economic downturn. In order to alter this situation, we must begin at the root by enhancing our competitive edge rather than passing the responsibility to enterprises frequently.

The amendments have described the vast majority of employers as if they are deliberately cutting manpower for the purpose of lowering costs. Actually, this is not something employers would like to do. Business operators are forced to act in this manner because we are faced with a lot of difficulties, rising rents and soaring costs. We can only control our stocks and manpower. The only thing we wish to strive for is hoping that our companies can stay afloat. Only in this way can our staff retain their jobs.

Therefore, the last thing I would like to say here is that both employers and employees are sitting in the same boat. We must do our part for the sake of our economy.

I so submit. Thank you, President.

MR RONNY TONG (in Cantonese): President, if we conduct a sample survey on the streets to interview Hong Kong people and ask them if they have worked overtime, I believe their replies will be exactly the same. I believe the vast majority of Hong Kong people feel that they are working overtime every day. Some of them, such as teachers and accountants, will even feel that they cannot get their jobs done unless they work overtime. Furthermore, according to the prevailing "working" or corporate culture, a person refusing to work overtime might be mistaken to be working not hard enough. What is most saddening in Hong Kong is that many wage earners do not receive overtime payment. In other words, according to the prevailing culture of wage earners or proprietors, first, working overtime is essential; and second, no overtime payment is to be made. These have become the prevailing minimum requirements for wage earners.

President, according to the International Labour Convention, the standard maximum working hours is 48 hours per week, that is, 8.5 hours per day if

calculating on the basis of a five-day week and deducting one-hour meal time per day. Unfortunately, five-day work week is not mandatory in Hong Kong. Members of the Legislative Council even have to work seven days a week, and at least 12 hours a day. In comparison, however, most government employees enjoy the benefit of going to work and going off work punctually. Except for civil servants, no one else in Hong Kong can enjoy this standard benefit. President, why do I call it a benefit? This is because the benefit is related to work but not a requirement. In terms of labour policies, there is still a very, very enormous gap between the pace of Hong Kong and that of the international community of working 8.5 hours a day, as I have mentioned earlier. President, "overtime" has very often been used in those so-called "lame gags" or black humour. Members should still remember the heartrending remarks made years ago by Mrs Fanny LAW, the then Permanent Secretary for Education and Manpower, in response to suicide incidents involving teachers.

President, the findings of a questionnaire survey conducted by the Justice and Peace Commission of the Hong Kong Catholic Diocese in mid-2007 on a number of secondary schools in Hong Kong reveal that only 0.5% of the interviewees work less than 48 hours a week. In the most serious cases, 16% of the interviewees are required to work 81 hours a week. President, according to my rough estimate, some Members and I are among these people, that is, 16% of the interviewees. As for teachers, a general calculation reveals that the interviewed teachers are required to work 13.8 hours a day to satisfy the need for long working hours. Besides working in schools, they have to perform other tasks, such as correcting assignments, writing reports, and so on, at home. No wonder some teachers complain that, despite being teachers, they can only teach someone else's children but not their own.

President, in February this year, the ESDlife portal was commissioned to conduct a questionnaire survey on parent-child activities in Hong Kong, and the survey reveals that it is most ideal for parents to spend 9.9 hours a week or 1.5 hours a day with their children. But in reality, parents can spend only 5.9 hours, or less than 6 hours, a week, that is, less than 1 hour a day with their children, which is a far cry from our ideal.

President, earlier, a group of parents relayed to me their hope of introducing more parent-child education topics because this can effectively allow parents to co-ordinate with schools in teaching and learning how to maintain

parent-child relationship. In my opinion, this will not only provide parents with opportunities to receive parent-child education, this can, more importantly, ensure working parents to, under standard working hours, have time and energy to spend time with their children in the course of learning and personal development.

Apart from introducing standard working hours for parents, there is also a need to promote reasonable working hours in trades relating to public transport. I still find it very unfortunate that two people died in a bus accident occurred in Tseung Kwan O in early November this year. While I have no intention to hold anyone responsible here, this accident, as well as many previous public transport accidents, has precisely made the community realize the importance of drivers operating public transport vehicles on the road to remain clear-headed.

President, I have once asked the Government at a Legislative Council meeting whether it should, after the lesson learned from so many car accidents, follow the footsteps of other countries in enacting legislation on standard working hours for the transport industry or public service industry. Unfortunately, the Secretary considers that the guidelines negotiated between the Transport Department and bus companies are adequate for monitoring and protecting the time spent by bus drivers driving on the roads daily and ensuring that they have adequate rest period. President, this answer is absolutely unacceptable. Furthermore, from a macroscopic angle, our discussion should also include lorries, taxis and minibuses in addition to buses. Actually, these public transport vehicles and the working hours of drivers who are behind the wheel every day are also very important. Should anything go wrong, not only will the drivers put their own bodies, health or lives at risk, but they will also put other people at risk.

According to the information provided by members of the trade union, bus drivers have to work at least 10.4 hours a day and have to be behind the wheel for at least 8.5 hours a day. It must be borne in mind that, in addition to this, they have to have their meals and commute between their workplaces and homes. Very often, when they reach home, it is already outside the working hours of ordinary people. They simply do not have any opportunities to spend time with their children. President, actually a simple calculation will show that they might not be able to get eight-hour sleeps, not to mention spending time with their children.

This motion proposed by Mr CHAN Kin-por today can give us an opportunity to review our work culture or the culture of our proprietors or wage earners. In order to effectively promote balanced health, quality work and community life, a minimum wage is, of course, basic and standard working hours are also indispensable. This is very important to the grassroots (*The buzzer sounded*) I think this is equally important to the middle class, too.

President, we support today's motion and amendments.

MR CHEUNG KWOK-CHE (in Cantonese): President, Hong Kong people are proud of ourselves for being hard-working and capable of making money. But after all, are we leading a happy life? According to a survey conducted this year by the New Economics Foundation, a voluntary organization in London, the happiness index of Hong Kong people is ranked the eighty-fourth. Moreover, as shown in a report released by the Swiss Bank this year, Hong Kong people work for about 2 300 hours per year, ranking number three in the world, just after Cairo and Seoul.

Of course, the problem of long working hours is partly attributed to the fact that Hong Kong people are relatively hardworking. However, as a matter of fact, many people are forced to work overtime; otherwise, they may be sacked at any time. Worse still, those leave punctually are labelled as lazy. Under such a vicious cycle, quite a number of Hong Kong people have become slaves of work. Moreover, it is the overall atmosphere of our society that we should be money-oriented and place our top priority on work. We have no intention to pursue spiritual health. Values towards life have been seriously distorted. It is not surprising to hear some foreigners remark that Hong Kong people are surviving rather than living.

As revealed by a survey conducted by our social worker sector earlier on, those social workers interviewed have to work for about 50 hours per week on average. More seriously, 15% of the respondents are found to have serious symptoms of depression, which is much higher than the normal level. As we all know, social work is a kind of job to take care of others. Apart from having professional expertise, good psychological quality does count as well. If the situation goes on like this, it is extremely unhealthy for both our sector and the service users.

Therefore, I fully concur with Mr LEE Cheuk-yan to request the Government to legislate for the regulation of working hours. Apart from setting the minimum wage to ensure the basic living of workers, the maximum working hours should also be stipulated, so as to prevent wage earners from becoming slaves to work. Otherwise, even though workers can earn more money, they have to work during most of the time every day. They have no time for leisure, nor have any time to stay with their children and family members. This is only another kind of tragedy in life.

As we should know, the meaning of human existence does not only lie in work, nor should it be measured merely by money. Arts, sports and cultural developments are also very important core values of an individual. Regrettably, no matter the Government or people from all walks of life, they simply look down upon these aspects which cannot make any money. Even for holding the East Asian Games this time, it is obvious that the Government has a fondness for the grandiose, rather than promoting sports activities wholeheartedly.

In order to strike a balance between life and work, the existing social cultures and values should be changed. But it is absolutely impossible to have such changes within one single day. Therefore, it is necessary for the Government to take the lead in consolidating efforts in society. For example, the legislation work for the minimum wage has already been commenced. It is advisable for us to start our discussion on the maximum working hours expeditiously. Moreover, paternity leave and study leave should be introduced in government departments, so as to encourage other employers to follow. Taking the introduction of five-day work week by the Government as an example, the outcome is quite satisfactory up till now. As such, the Government plays a very important role as an initiator.

Moreover, Nicolas SARKOZY, President of France, has taken the lead to strongly call on various countries to improve the calculation of their Gross Domestic Products (GDPs). It is worthwhile for the Hong Kong Government to draw reference from it. Nicolas SARKOZY has cited the outcome of a research conducted by a committee under the leadership of Joseph STIGLITZ, winner of the Nobel Prize in Economics, that in view of changes in the economic and social structures, the index for measuring the economy should put more emphasis on people's living quality. New indexes for measuring living quality, level of happiness, environmental hygiene and stability of the financial system should be

included. The committee has also mentioned that household income and spending can better reflect the living quality than the GDPs.

If the public has spiritual health, social and domestic problems can be reduced. Apart from this, as the pressure of life is relieved, the public can lead a healthier life and the burden on medical expenses can also be reduced. This is a win-win situation for both the Government and our society.

President, I so submit.

MR IP WAI-MING (in Cantonese): President, regarding the motion on a new working culture today, I think it will certainly arouse divergent views from Honourable colleagues in this Council. Moreover, many of us will also wish to speak as this is in fact an issue on how to strike a balance between work and life, which is also a matter of concern to Hong Kong people. Different people may put forward their views from different angles. However, as anticipated, the Secretary will respond to us that multi-pronged measures will be put in place to cope with our problems.

Sometimes, it seems to us that the Government has not addressed problems in this regard at all. We consider that the Government should make more efforts in promoting this culture and legislating to regulate it. In fact, when talking about this issue, I always come up with an idea. Mr CHAN Kin-por said that we should have a new working culture to urge Hong Kong people to strike a balance. But seemingly, he has missed out one thing and that is, why we do not ask employers to update their cultures and concepts in operating business? However, to us, this is of course just a fruitless quest, right? It is because from our working experience over the past years, or perhaps from the working experience of many Honourable colleagues who are present here, we notice that many employers only aim at reducing cost in their operations. And basically, as mentioned by some Honourable colleagues just now, the only cost which is controllable is the wage. Therefore, it seems that reducing wages or expenses on employees is the only way to cut cost. In fact, employers have not thought of any method to upgrade the quality of their employees or human resources, so as to boost their productivity. They have all along been focusing on the wage only. Therefore, in this regard, the contradiction between employers and employees will only deteriorate, and the gap between them will only be widened. As a result, are there any changes in the quality of our workforce over the past years?

We consider that the answer is very disappointing. We have all along been urging for paid study period or paid study leave. However, up till now, we can only "hear the footsteps but see nobody coming", or have not heard of any footsteps at all. Therefore, as far as the so-called new working culture is concerned, I think there should, in fact, be a new culture in business operation. It is because quite a number of employers wish to yield the highest profits within the shortest period of time. Even for the financial industries, such as banks and insurance companies, they also force employees to meet quotas, making them feel extremely exhausted. Of course, they are afraid of being sacked by their employers in case they fail to do so. However, even when they meet such quotas, they are also worried about the "dire consequences". As they can meet the quota this year, their employers will request them to meet an even higher quota the next year. In face of these ever-increasing quotas year by year, are they really able to cope with it?

Another problem is long working hours. Many Honourable colleagues have mentioned the reasons why working hours are so long. In fact, it is mainly attributed to the fact that the wage is too low. We Hong Kong people are very hardworking. But why should we be so hardworking? It is because we have to survive. The wage of our workers is too low. Very often, they are forced to work overtime in order to maintain their living. Mr WONG Kwok-hing has just mentioned a case relating to baggage-handling crews. Their salaries are about \$6,000 to \$7,000. However, after adding the pay for overtime work, it is surprising that some can earn as much as \$14,000. In other words, the pay for overtime work is more or less equivalent to half of their salaries. Let us think about how many hours they have to work every week or every day. A worker has told us, "Do you think that I want to work overtime? But if I do not do so, how can I support the living of my family?" As he has to pay tuition fees and transportation expenses for his children, he has no alternative but to tolerate it reluctantly. As a matter of fact, long working hours have made them feel exhausted. Not only is their health deteriorating, repetitive strain injury may also result.

We had completed a report last year to seek advice from the Government if repetitive strain injury caused by long working hours would be listed as an occupational disease. But it replied in the negative. As mentioned by the Government, people would have such problems as they age. The Government has simply turned a blind eye to the actual impacts on workers who are overloaded with long working hours. In fact, this is a problem which the

Government has all along been refusing to tackle and touch upon. In view of our occupational diseases, how many of us can really be successful in applying for compensation? Lastly, we hope that under the so-called new occupational culture, workers can unite themselves proactively, so as to strive for their rights and benefits. I consider that it is not sufficient to rely on legal support only. Most importantly, we have to unite. We cannot expect that the Government will legislate to increase wages and improve working hours for us. The most important thing is that workers should unite. I hereby call on all wage earners in Hong Kong to join trade unions. Thank you, President.

MS AUDREY EU (in Cantonese): President, I would like to express my gratitude to Mr CHAN Kin-por for moving this motion today. I like the wordings he has used very much, that is, "to promote a new occupational culture campaign for work-life balance". I totally agree with him that this is a kind of culture. I always find that I am also one of the black sheep in this culture. In Hong Kong, when we are walking, in case the one in front of us walks a little bit slowly, we will find that he has caused some hindrance to us. We will endeavour to overtake him, so that we can do whatever we wish. I find that very often, we are just like living in a washing machine. Every one is pushing the one in front of him, asking him to walk faster. As such, we have fallen into a whirlpool of the washing machine unconsciously.

I once lived in the United States. I find that in the United States, especially in the east coast, the pace of life is very similar to that in Hong Kong. Early in the morning — around 7 am, they will have breakfast meetings. During lunch time, they continue to work while eating their sandwiches. And we in Hong Kong are also working like this. However, if we live in Australia and New Zealand, we will find that their culture is very different. They prefer spending half of their time to work and half of their time to take their children to schools and go fishing. Living leisurely is part of their lives. In short, they think that once they have earned enough money for a living, they have fulfilled the meaning of their lives. However, the culture in Hong Kong is really different. Of course, this is closely related to our low wages.

The Community Business, a non-profit making organization, had interviewed 1 013 people in July 2009 and the results were compiled in the *Work Life Balance Survey of the Hong Kong Working Population 2009*. As pointed

out in the report, employees in Hong Kong spent about 48.4 hours on their work per week, which is 21% higher than the level of less than 40 working hours per week (that is, working five days a week and eight hours a day) proposed by the International Labour Organization. The report also pointed out that employees in Hong Kong had less than two hours for their private time per day, which was comparable to the situation in 2008 and 2007. Among the respondents, 70.6% said that they currently had less than two hours per day for doing their private activities. Moreover, President, 7.8% of the respondents even considered that they did not have any private time at all. President, I believe that I am also one of them. The report also pointed out that 13.8% of the respondents considered that the most difficult work-life balance challenge was financial well-being as they did not have enough money for a living; 12.1% considered that it was long working hours; 11.4% considered that it was increased workload due to company downsizing; and some considered that it was the attitude of their supervisors.

In the report, the full mark is 10 points. How many points do employees give their employers for their efforts in promoting work-life balance? President, with the full mark being 10 points, most of them gave their employers 4.7 points, which was comparable to the results of the surveys conducted in 2006 and 2007, showing that there has been not much progress on the part of employers in promoting work-life balance over the past few years.

In order to achieve work-life balance, what methods are proposed by employees? As shown in the report, 26.9% of the respondents considered that the best way was to implement five-day work week — my secretary is one of them as she always complains about this with me. 18.8% of the respondents hoped that they could be entitled to more paid annual leave; 10.8% hoped that they could have flexible working time; 9.4% hoped that they could work from home and 8.9% hoped that they could have career breaks or unpaid leave.

Looking around, it seems that, very often, some foreign organizations are more willing to promote work-life balance. Take the British Council as an example. A male manager is entitled to paternity leave if his wife has just given birth to a baby. He can have a flexible working time or work from home. In Hong Kong, the HSBC has done relatively well in this. Department heads are allowed to let their staff work from home when they change domestic helpers or during their children's examination. Moreover, it also encourages its staff to leave punctually. In Germany, parental leave is also provided. Parents are

entitled to a leave as long as a year after their children are born. However, in Hong Kong, even though many foreign companies promote work-life balance, the majority being involved are those white-collars in offices. Blue-collars and those general and grassroots workers can seldom benefit. Therefore, we can see that tremendous difficulties will be involved in implementing a new occupational culture campaign as proposed by many Honourable colleagues today.

Mr WONG Kwok-hing has mentioned "de-employment" in his amendment. There is also a serious problem here. As we can see, more and more enterprises employ couriers in the mode of fake self-employment, with a view to cutting wages, so that these enterprises need not take up their legal obligations as employers, such as making contributions to the Mandatory Provident Fund and subscribing compensation insurance policies for their employees.

President, in the remaining one minute, I would like to talk about the new occupational culture campaign put forth by Mr CHAN Kin-por. If this question is discussed by the Legislative Council, I always have a feeling of utopia and building a castle in the air. It is because I believe that for those who can become a Member, they can in fact be able to work very hard. However, President, I think promoting universal suffrage or the new democracy movement is the same. It is bound to be extremely difficult at the outset. After all, the right thing to do is to take the first step. Therefore, it is necessary for the Government to take the lead, no matter if it is the new democracy movement or the new occupational culture campaign proposed by Mr CHAN Kin-por, it must move in the right direction. As for anything which can be achieved, especially various measures mentioned in the original motion and the amendments, I hope that the Government can endeavour to put in more efforts and it should not be afraid of the difficulties involved and their cumbersome nature. Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): We always hear that the Government describes Hong Kong as an events capital or a vibrant city, and promotes this round-the-clock city which has a lot of special features to visitors. However, do we know that behind this vibrant city, many people are working extremely hard and their health has greatly suffered in order to keep this city round-the-clock and vibrant? Perhaps, it is already known to us. But have we ever concerned about them? If we take a stroll in areas such as Mong Kok and Causeway Bay at

night, we will find that even if it is already around midnight, many shops, including restaurants, boutiques and electrical appliance shops, are still open. This is not an exaggeration at all. After these shops are closed, the staff still have to tidy up and settle accounts. Sales people can only leave at about 1 am. As for people living in other cities in the world, this is already the time during which they are taking rest, or perhaps sleeping soundly and dreaming a nice dream.

We cannot help but ask, is such situation in Hong Kong a reflection of vitality or morbidity? Earlier on, the Community Business has commissioned the Public Opinion Programme of the University of Hong Kong to conduct the *Work-Life Balance Survey of the Hong Kong Working Population*. I think other Honourable colleagues have also mentioned it. According to its results, the average working hours of wage earners in Hong Kong is 48.4 hours per week, which is much higher than that suggested by the International Labour Organization.

Last year, I noticed that the Hong Kong Confederation of Trade Unions had also conducted a survey, which compared the statistics provided by the Hong Kong Government with those provided by the International Labour Organization. It was revealed that among 56 countries or regions in the world, the number of working hours in Hong Kong was ranked the fifth. By the way, I also wish to mention that Peru in South America was ranked the first. I wonder why people in this country have to work for such long hours. Perhaps, it may be related to its name, meaning moonlighting in Cantonese.

Hong Kong people have excessively long working hours. This is a problem which has all along remained unresolved. Employers cut manpower in order to reduce cost. With the lack of manpower, the staff have to extend working hours and increase workloads. As life is excruciating, employees do not have any bargaining power. In order to secure their "rice bowls", they have no alternative but to accept such unreasonably long working hours. Wage earners dare not to voice out, but it does not mean that such problem does not exist. Sometimes, they tolerate it reluctantly. Once problems accumulate, it will become a time bomb and explode one day.

Recently, nurses working in the operation rooms at the Queen Mary Hospital applied for sick leave together. This serves as an example. Due to the

lack of manpower, the Hospital insisted on scheduling major operations to be conducted after minor operations. This is in fact tantamount to prolonging the working hours of nurses working in the operation rooms, forcing them to take up much overtime work. They are not allowed to leave during the operations. They cannot go home, buy groceries and cook dinner, nor can they do revision with their children. Moreover, they are not given any additional pay or compensatory leave. Nurses have tolerated this until they find it no longer bearable. They then protest by applying for sick leave together. Apart from nurses, we also know that doctors have all along been working for excessively long hours as well.

I just quote the above examples from the area which I am familiar with. In fact, in public and private organizations in Hong Kong, working overtime is very common in each sector. Long working hours have affected our daily social and family lives. In the past, when we are off work, we can go home and watch the news report at 6.30 pm. But now, when we arrive home, we can only watch the late news. I think many people also have such experience.

Doing revision with children or having dinner with family members is no longer something which we can definitely make it. Rather, it has become a hope beyond our ability to realize. Nowadays, wage earners can hardly lead a normal social life. As pointed out by Ms Audrey EU just now, Hong Kong people, in fact, have only two hours to spend on their private life per day. It is impossible for them to have any normal social and family life. If we wish to handle some personal businesses, say household chores only, we have to sacrifice our sleeping time. Insufficient sleep, coupled with long working hours, has brought harm to our health. Many Hong Kong people have to work for long hours and bear great work pressure. Without sufficient sleep, rest and exercises over a long period of time, they have poor health and various kinds of emotional disorders and illnesses, including heart diseases. Some people are overloaded with their work and even die a sudden death.

According to a research conducted by the Hong Kong College of Cardiology, there are 1 204 sudden deaths in Hong Kong every year on average. Among them, 74% involve "male wage earners" and "female wage earners" who have productivity. With poor health condition, employees' work performance will certainly be affected. In lack of sufficient sleep, they will be drowsy when

working. As such, they have no other alternative but to work overtime to complete their work, forming a vicious cycle. As time passes, Hong Kong people develop various kinds of diseases typically found in the urban population.

I hope employers can understand that employees are important assets of their companies. Reasonable working hours and sufficient rest time can allow them to maintain their health conditions and improve their efficiency in work. As such, they will not apply for sick leave so frequently. In fact, their companies will eventually benefit. I hope the Government can regulate the working hours and stipulate the rest time, so as to avoid employees from working for excessively long hours. This explains why we have all along been urging for the stipulation of standard working hours. As the saying goes, "work hard, play hard". We think that this is an ideal for each one of us. During the last session, Mrs Regina IP said that when the market was ineffective, the Government had to do something. I think it is the right timing now. Therefore, the Hong Kong Federation of Trade Unions totally agrees that there is a need to promote and create a new occupational culture for a reasonable work-life balance. In this regard, the Government is duty-bound to do something.

With these remarks, I support the original motion and the amendments.

MR LEUNG YIU-CHUNG (in Cantonese): President, Mr CHAN Kin-por has proposed to promote a new occupational culture for work-life balance today, pointing out that this can not only be beneficial to everyone's health, but also be able to achieve harmony in family life. As for this point, Secretary Matthew CHEUNG has responded just now that the Government has exactly the same idea in respect of its promotion on how to work effectively, especially how to arrange our work. It is because the Government is very willing to see and does hope that employees can work effectively. And after making some arrangement, they can put more emphasis on their health and even take part in public-spirited activities.

I think these suggestions are presented in a very nice way. However, as mentioned by Mr LEE Cheuk-yan, ideals are merely ideals. To the general wage earners, these are something which can hardly be realized. In my opinion, such ideals are not only hard to be realized, but can also be regarded as asking wage earners to quench their thirst by watching plums, so to speak. Indeed, these ideals can in no way be realized. Why?

I wish to share certain aspects with the Secretary. I am a teacher and am still teaching now. The academic performance of the school in which I am teaching is just so-so. Many students whose academic performance is poor come from families with single parents or working parents. Not only do they have poor academic performance, but their conduct is also not so satisfactory. I think there is no need for me to explain and Honourable Members will all understand what the major reason is. As for those who come from families with single parents, their father or mother has to devote all the time to his or her job in order to support the family. Similarly, in families with working parents, they have to put in all their efforts and time to their job, so as to earn a living and free their family members from worries. As such, how can they squeeze any time to take care of the development of their children?

President, this is really very pathetic. You were once a teacher and I believe that you should also understand that if youngsters are in lack of care, encouragement or support by their families during their development stage not only will their academic performance become unbalanced, but their conduct and character will also be adversely affected. Not only individuals will be ruined, harm will also be brought about to society in future. This is not only a loss borne by individuals, but also a loss borne by society. Therefore, family education is very important. Are there any parents who do not want to see their children grow up properly? But very regrettably, how much can they afford to pay for it? Do they have any time at all? In fact, this is the major problem. How much can they help? They have the heart but no strength to do so. This is the first aspect.

The second aspect is related to the Secretary. Since reunification, Hong Kong economy has not been so good. Very often employers have to keep on encouraging their staff to upgrade their skills, as it can help them secure or seek employment. I wonder if the Secretary has ever noticed it. I remember that I have seen a news feature produced by the TVB, in which a worker in the catering industry was interviewed. He had to work until 12 midnight to 1 am every night. After that, he attended some skill-upgrading courses and would not go home until 3 am to 4 am. In the next morning, he had to go to work as usual. Let us think about it. With such a living style, not to mention his family, it is not good for his health. However, the crux of the question is that life is excruciating. If he does not do so, how can he make his job secure? How can

he find a better job? Under such a situation, wage earners really find that they are in a dilemma.

I had once met a young married woman on the streets. She came to me and said that she had all along been supporting me. However, she would not support me anymore, nor would she cast any vote for us. I asked her why? She said that as we objected to working overtime and requested for restricting the number of working hours, many households were greatly affected. I asked her why? She said that her husband was working for the bus company and her family relied solely on the additional pay of his overtime work to cope with the repayment of the mortgage loan. If he was not allowed to work overtime, how could they repay the mortgage loan? How can they solve such a problem? Although we request for restricting the number of working hours, we have no intention to stop workers from working overtime. We only request that with the restrictions on the number of working hours, employers have to pay more to employees, say 150% or 200% of their salaries in case they ask them to work overtime. She might have some misunderstanding, thinking that restricting the number of working hours was equivalent to banning overtime work.

No matter what the case is, what does it tell us? It tells us about a number of problems. First of all, with low wages, workers can in no way cope with their living expenses. Therefore, they have to keep on extending their working hours. With such problems, it will affect not only their health, but also the healthy development of their whole families. It will affect the development of the next generation and bring about adverse consequences to society. Such problems have formed a cycle and will keep on occurring.

As the problem is so serious, the Government can no longer think that it can be resolved by simply putting forward some concepts. The Government has to tackle the problem in a pragmatic manner. For example, several Honourable colleagues have mentioned just now that a lot of efforts should be made on issues such as restricting the number of working hours and wages as well as in other aspects such as vacation leave. I think the Government should handle them seriously.

Although the Government has to make some efforts, there is a problem which is even more important. Ours is a capitalist society. We have a social system under which some people are being deprived of their rights, oppressed and abused by others. If there is no change in this system, the problems raised just

now can hardly be eliminated. Of course, we cannot only rely on the Government. Every one in society should understand that capitalism is like this. We should aim at a total reform. Otherwise, it will be extremely difficult for us to eliminate the unhealthy, unbalanced and unreasonable living style, which is harmful to the development of individuals, families, our next generation and the community as a whole.

MR LEUNG KWOK-HUNG (in Cantonese): When I look at this motion, I think this has fully reflected that this Council is a mere forum and a "rubber stamp". This is of course a very incisive analysis on a parliament by MARX.

When I hear the term "a new occupational culture campaign", I will associate it with the New Life Movement implemented under the Government of the Nationalist Party by Mr CHIANG Ching Kuo. At that time, he was empowered by his father to organize this campaign. But this New Life Movement was of course ended for no reason. The values advocated by him, whether he meant it or he faked it, could in no way curb the corruptions under the Nationalist rule. At that time, land owners could suppress peasants, capitalists could suppress workers and the Nationalist Party could suppress all people in the country.

Implementing these campaigns in such an indirect manner is actually attributed to the fact that we dare not to voice out a problem. In our society, there exist problems of exploitation and suppression. In Hong Kong, there are more than three million people in the working class, who are workers in employment. They have to face unbridled avarice and deception for retaining or increasing the exploitation on the working class or even on workers by small-circle elections.

This Council has an illegitimate child in its tradition, that is, the Provisional Legislative Council (which is an illegitimate child in the parliamentary history of Hong Kong) — excuse me, I have absolutely no intention to insult those children who have no parents. First of all, the collective bargaining power and the basic rights of trade unions were axed. As such, it is pointless for us to advocate this new culture today. When this Council has exercised certain power, giving us a hope that a legal platform will be provided for something which may occur, but on the contrary, have axed it. Secondly, the minimum wage, an issue which has

been disputed for such a long time, will be stipulated soon, but it is not under the protection of working hours. The Government now proposes to calculate the minimum wage on an hourly-rate basis. However, if we want to protect the working class, shall we calculate on the basis that they work 10 hours or 8 hours per day? This cannot be calculated. At present, we do not have any cap for working hours, resulting in a lot of workers have to labour for no reward. For those who have to work for 8 hours originally, they have to work for 10 hours now; and for those who have to work for 10 hours originally, they have to work for 12 hours now. This is the harsh reality.

What are the working class people facing? They are facing work injuries, strain injuries, fatigue and industrial incidents. They are exhausted and fall sick from persistent overwork. We are now talking about the new culture. But what is it all about? How much of it is flesh and blood? Or is it simply a vague concept? We do not have any objective standard, no matter in terms of the measurement on working hours, wages and labour intensity. Hong Kong people have such a gross domestic product and are proud of living in such an international city. But how much should workers be rewarded? How many hours should they work? What should be the labour intensity in the course of labour? There is no standard at all. The Government is not responsible for doing these things. As such, what are we talking about now?

I heard that Mr WONG kwok-hing has mentioned the Canton-Hong Kong Strike. What was it? It was a strike staged by the working class to protest against the massacre of their compatriots in Shanghai by the imperialists. What was resulted then? The British had ruined the governance of Hong Kong, making it become a "stinky harbour". What were the consequences of the Canton-Hong Kong Strike? Hong Kong was governed by the committee formed during the Canton-Hong Kong Strike. At that time, workers in Hong Kong could govern themselves. The reform we are talking about today had already been implemented by the committee during the Canton-Hong Kong Strike. How many years were past? It was 1925 at that time. How many years have passed since then? Why do we still fail to implement the measures advocated during the Canton-Hong Kong Strike after 80 years? It is because the regime under which we are ruled is not controlled by ordinary people as in the Canton-Hong Kong Strike, which could drive the tyrannical and colonial power out.

The point here is therefore very simple. If we wish to advocate a new culture, what should it be? This is a new concept of social governance. Resignation en masse of Members returned from five geographical constituencies as a referendum is moving towards this concept. We can no longer tolerate the selection of the Chief Executive by 800 people, 1 600 people or 3 200 people. Nor can we tolerate anymore that the Legislative Council is controlled by 30 Members returned by functional constituencies through small-circle elections, sacrificing the benefits of the working class of more than three million people, who are being treated as pastries in this mere forum and a sheet of miserable paper under this "rubber stamp".

Honourable Members, we, the League of Social Democrats, and I, "Long Hair" are right here to work for achieving this objective. All workers and the working class in Hong Kong should support this campaign and make it clear to society that the well-being of 6.9 million people can in no way be determined by the Central Authorities and the minority under its protection.

I call on you all to take part in the march to be held on 1 January. Please cast your votes to support those Members who are going to resign, as they struggle to create a platform for the dignity and future of the people of Hong Kong. Thank you, President.

DR RAYMOND HO (in Cantonese): President, the motion proposed by Mr CHAN Kin-por today is excellent, only that its heading is a bit too long, with more than 20 words.

As the global financial situation is still uncertain, in order to cut expenses, commercial organizations have no alternative but to sacrifice their staff. In return, employees have great grievances, complaining that their employers have not provided sufficient benefits to them, whilst employers can only put the blame on the unfavourable business conditions. The so-called "negative energy" has filled our society, and eventually, it is the economic development in Hong Kong which will be adversely affected.

In Hong Kong, many families have parents who have to go out to work. In order to reduce cost, employers will cut the manpower. Without sufficient manpower, it is inevitable for employees to work overtime. So employees are

deprived of their private time. As such, the time for parents to take care of their children's studies and daily lives is also reduced. With a lack of communication between parents and their children, family relationship can hardly be maintained, giving rise to many social problems. The youth drug problem is also attributed to the fact that children are in lack of care by their parents.

The so-called "fake self-employment" is a popular mode of employment in recent years. In order to escape from the legal obligations of providing benefits to their staff, such as compensation for injuries and dismissal and contributions of the Mandatory Provident Fund, some large organizations request their staff to be employed in the capacity of self-employed people. Some even change their employees to contractors or self-employed people without informing them. In May this year, a delivery man of a fast-food shop had a traffic accident and could not get any compensation. This incident has revealed the loopholes in the existing legislation. After that, there were also reports pointing out that industries such as construction, transportation, massage, film production, health care and telephone marketing are also affected by such sub-contracting system. But up till now, the Government has yet given us any concrete response to the problem of "fake self-employment". The Government is duty-bound to consider amending the Employment Ordinance expeditiously, so as to give a clear status to those wage earners who are affected by "fake self-employment" and provide them with the protection which they are entitled to.

Recently, many people fainted and had industrial accidents when performing their duties because of fatigue or illness. Drivers of public transport vehicles, site workers, couriers and street cleaners have to do labour-intensive work outdoors for long hours. Professional drivers, in particular, may put the lives of many passengers at risk when performing their duties. There are already a number of cases this year, in which professional drivers fainted and even died suddenly when driving. And in some serious cases, passengers on board and other road users also suffered. In this summer, there were also a number of incidents in which site workers and postmen got heatstroke when performing their duties. I hope that large employers can understand the efforts made by their staff who have to work outdoors and allow sufficient time for them to take a rest, so as to ensure that they are physically fit to perform their duties.

Lastly, I hope that the Government can combat staff exploitation in the market and encourage employers to avoid asking their staff to work overtime, so as to improve staff relationship and make the labour market healthy. It is also important to make both parties understand the difficulties faced by each other, so that they can show their mutual concern under such an adverse financial situation. Moreover, it should be on the premise of promoting the economy and balancing the interests of both employers and employees.

President, I so submit. Thank you.

MR PAUL CHAN (in Cantonese): President, I speak in support of the original motion proposed by Mr CHAN Kin-por. As mentioned by Mr CHAN Kin-por, the opportunities for upward social mobility are reducing, especially the younger generation — the promotion opportunities are drastically reduced, coupled with heavy work pressure, they easily develop a sense of failure in work and life.

I am deeply impressed after listening to these words. It is because in my accountancy sector, quite a number of young accountants have shared with me similar experiences and feelings. However, it is a characteristic of the accountancy sector that there are a lot of deadlines. As for releasing the results of a listed company, we should meet the strict deadline set by the Hong Kong Exchanges and Clearing Limited; as for conducting merger and acquisition activities, we should meet a fixed date of transaction set by our client. Therefore, pressure at work faced by those engaging in the accountancy sector is in fact very heavy, and their working hours are also very long. During the election of the Legislative Council last year, I had proposed that various sectors should place more emphasis on work-life balance, hoping that employers could introduce more family-friendly employment measures. Moreover, they should be more concerned about their staff and allow them time to take a rest upon completion of jobs with deadlines. I also reminded people of various sectors that they should put more emphasis on striking a balance between life and health.

As proposed in the original motion, the Government should take the lead in promoting a new occupational culture, so as to encourage enterprises to implement a flexible leave policy. We have a recent example for reference. That is, the SAR Government of this term has introduced the five-day work week.

In fact, before announcing the implementation plan, we had a long discussion on this issue in society, but not much progress could be made. However, since the Government had introduced such a measure, many enterprises did follow. As such, we have more time to handle our personal affairs, stay with our family members, pursue further studies or take part in social services. This can be regarded as a benevolent measure. In view of this, if the Government is willing to take the lead in promoting a campaign which is beneficial to the employment relationship, instant effects can be achieved. From this example and those given by Mr CHAN Kin-por just now, in which he has mentioned the situation in Singapore and Germany as well as his working experience, what can we see? We can see that as for this subject, the culture and atmosphere in the whole community is very important. In this regard, I consider that apart from the promotion made by the Government, large enterprises should also take the initiative and make more efforts as well.

After the outbreak of financial tsunami, some unscrupulous employers fished in troubled waters. They requested their staff to prolong working hours without giving them any additional pay and even exploited their rest time which they were entitled to. Such acts were not only unacceptable, but should also be harshly denounced. Some companies even forced their staff to take no-pay leave. Amid the financial tsunami, companies had to introduce some saving measures in order to survive. This would give no cause for criticism. However, my major point is, while introducing these measures, they should discuss with their staff, hoping that a mutual understanding could be achieved in the process. Moreover, appropriate flexibility should also be adopted in the implementation, with a view to reducing the impact brought about by these measures on their staff.

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

Very often, the measures to be adopted by large enterprises under such an environment are not only a matter of the enterprises themselves. Rather, it will create an atmosphere and influence in society. Therefore, I hope the Government can take the lead. Also, I do hope that the Government can assist in urging large enterprises to shoulder their responsibilities. After all, employees are the most important assets of a company. I hope that enterprises,

in handling staff problems, can make more efforts rather than just chanting slogans.

Deputy President, Mr WONG Kwok-hing has proposed to standardize the number of statutory holidays and public holidays to 17 days. There are not so many factories in Hong Kong now. Most of them are service industries. Although we have put forward different views on this issue in our previous discussions in the Legislative Council, I think that it is worthwhile for us to consider standardizing the holidays. As proposed by Mr WONG Sing-chi and Mr LEE Cheuk-yan that we should introduce standard working hours and legislate for the regulation of working hours, I know there were a lot of discussions on this issue in the Legislative Council of the last term, and many views were put forward by both sides. As the impact on the regulation of working hours is far-reaching, I think we should think about it thoroughly. Each sector has its own characteristics and needs. We should not impose excessive regulation; otherwise, it will only backfire.

Deputy President, I so submit.

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

MR IP KWOK-HIM (in Cantonese): Deputy President, as we all know, we spend most time of the day at work. According to the findings of a work-life balance survey of the Hong Kong working population released in July this year, over 70% of the respondents spent less than two hours a day on personal activities, and the preferred work-life ratio as indicated by employees was about 60:40, while the actual ratio was 83:17, which shows there is a very obvious work-life imbalance.

The current high labour turnover rate has given rise to long working hours and tremendous work pressure, which have created an impact on employees' physical and mental well-being. Given the hectic pace of work and life in Hong Kong and the huge pressure in society, coupled with the development of technologies such as the Internet, mobile phone and notebook computer, even when employees have left the office, they may not have finished work, and it may only mean another beginning. Therefore, we can easily come across people who are under excessive mental burden, huge stress and an overworked mind, leading

an irregular life and following an unbalanced diet — perhaps each of us Members are like this — most of these people are in a state bordering between health and illness. Besides, being in a state of work-life imbalance, they are unable to spend enough time with their families, thereby greatly hampering the maintenance of harmonious family relationships.

According to the findings of a questionnaire survey on the impact of workload on parent-child relationships published by the Church of United Brethren in Christ last year, almost 10% of parents "always" had to work after returning home, 30% of parents "occasionally" had to handle work-related business at home; due to their heavy workload, parents were often "unable to attend their children's school activities", and their time spent on "reviewing the school work and preparing examinations with their children", "providing counselling for their children's emotion and behaviour" and "engaging in parent-child activities" was also affected. All these aspects are greatly affected because of their work.

Therefore, the family has a significant impact on employees and it even has a greater impact on their careers. The impact of the potential conflict between work and family on one's career life is even greater than the impact of one's personal development goals on one's career. A number of surveys have indicated that the "post-80s generation" — that is, the present so-called Generation Y — has a higher expectation than the Generation X on work-life balance and the flexibility and meaning of work. Therefore, with the change in the structure of the working population, the greatest challenges faced by enterprises are staff recruitment and retention and the adoption of measures to create better work-life balance in the organization. These people-oriented management and measures are a means to ensure the success of enterprises and organizations.

Measures for work-life balance include flexible work programmes, loving family programmes and healthy staff programmes. These can help enterprises enhance their efficiency, attract talents, reduce wastage and absence rates, reduce expenses on recruitment and training for new recruits, and also enhance the sense of belonging among staff, reduce management costs and increase customer satisfaction. In recent years, local enterprises, including large companies such as the HSBC, the Standard Chartered Bank and the CLP Power Hong Kong Limited, have also begun to pay attention to the work-life balance of their staff

and introduced various leaves, such as "birthday leave", "children's examination leave" and "competition leave", in order to enhance the job satisfaction of their staff and improve the efficiency of their organizations.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) also published a study report on family-friendly policies as early as in 2006, proposing a series of measures, including establishing an inter-departmental Family Commission specifically responsible for examining various departmental policies on family well-being. It also proposed that the authorities should introduce and promote child care services in the workplace and flexible working hours. We are currently promoting "three loves" — love for oneself, love for life and love for the earth — through which we hope to promote and enhance family relationships and enable the healthy development of young people. We very much hope they will foster a positive value system and instil a positive force of living in society.

To encourage more enterprises to introduce measures for a balanced life, our neighbour Singapore has even set up a fund for which organizations in the private and public sectors may apply for a maximum subsidy of S\$20,000 for meeting expenses on engaging consultants and providing training incurred in introducing flexible working arrangements and related measures for a balanced life. The United Kingdom has also established a similar fund since 2000. Hong Kong may well take reference from overseas practices. In the long run, improvement in the work-life balance of employees will be helpful in nurturing a quality younger generation, facilitate workers to pursue further studies and add value to themselves, attract foreign experts to Hong Kong and enhance its competitiveness.

Therefore, the DAB supports Mr CHAN Kin-por's original motion and Mr WONG Sing-chi's amendment.

Thank you.

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

MR ALBERT CHAN (in Cantonese): Deputy President, the existing population of people in poverty in Hong Kong amounts to 1.23 million. Work-life balance is a myth when our wealth gap is the widest among developed areas.

The current system is overwhelmed with collusion between business and the Government and the transfer of benefits, the entire political system is manipulated by a small circle of the privileged class, and the legislation enacted is bound to benefit the privileged class, large developers, large real estate developers and the rich or professionals affiliated with the rich. The entire system is tilted towards the rich and the powerful, while the general public and ordinary wage earners are powerless and weak. The labour legislation of Hong Kong is among the most outdated in the world, which has rendered employment protection for workers in Hong Kong minimal. Not only are minimum wage and maximum working hours not available, but the basic right to collective bargaining is also not protected under the law. Whenever industrial actions are taken to fight for rights, employers will make excuses to lay off the staff involved or make sure they disappear right away. Therefore, in order to achieve life-work balance under the system, a reform of the system is required, and a democratic government is needed to formulate legislation which serves the interests of the general public and protect the rights and benefits of workers.

Deputy President, back to the current situation of Hong Kong, there are four major hindrances and barriers which prevent the general public from meeting their basic needs in a humanitarian manner, let alone in a balanced manner, just in compliance with humanitarian standards. First, it has to do with the general economic structure. The capitalistic system in Hong Kong is a capitalistic system characterized by monopoly. The giant consortia — so fat that they are unable to put on their socks without assistance are in control of all trades and industries, while members of the general public cannot even get the humblest of food and are almost driven to feed on the bark of trees. This system is unjust and inhumane in itself, and this is an undesirable outcome of the Government's policies.

Karl MARX once said when capital monopolization exists at the economic base, it is virtually impossible for the so-called superstructure, that is, the working class, to share the benefits. Basically, the economic base determines all the operations of the superstructure. As the working class does not have any influence over the work process and the means or process of production, to

achieve work-life balance is virtually out of the question. The working class must have some say, not to mention control, over the means and process of production, if only they can have some say, then their livelihood will be protected. Deputy President, I once worked in Canada. Workers there were entitled to at least a 15-minute coffee break for every two hours of work. The protection offered by their labour unions to workers three decades ago was already 10 times better than that offered by Hong Kong now. Therefore, Hong Kong is very backward in this regard.

Second, the life of the public is seriously affected by many town planning decisions. I have repeatedly criticized here in this Chamber that the town planning of Hong Kong just aims at facilitating administrative management. Many communities, including new towns like Tin Shui Wai, Tung Chung, Tseung Kwan O or Ma On Shan, are not provided with public squares or central areas for the public to take a relaxing break or a leisurely walk. In places all around the world and at cities, particularly small towns, in Europe and the United States, one can find that the whole city or town is designed to meet the needs of the people, but this is not the case for Hong Kong. At shopping centres operated by the large consortia, members of the public may be expelled by the security guards when they just sit there for a couple of minutes more. Therefore, the entire town planning does not aim at serving the needs of the public.

Third, government policies, including numerous policies on home affairs and those of the Leisure and Cultural Services Department (LCSD), have failed to enable the delivery of reasonable services to the public in their daily lives. Some services are fee-charging, while some inexpensive services are unable to meet the demand. For example, morning Tai Chi classes offered by the LCSD are quickly full, and many people are unable to enrol in them. When impoverished members of the general public sing in certain places, they will be expelled on the ground of noise nuisance. People are not allowed to gather and sing even in parks managed by the LCSD. It can be said that the Government's facilities inhibit and hinder the daily lives of the public rather than facilitate and promote them.

Fourth, it has to do with labour protection. I have mentioned just now that in order to protect the livelihood of the working class, there must be protection under the labour legislation, that is, protection in the form of minimum wage, maximum working hours and the work environment. Many people have queried how bus drivers can have a balanced life when they only have half an hour for

meal and rest. Employers treat workers like slaves and make them work very hard all the time. Very often, some watchmen and security guards have to stand the whole day and are not allowed to sit down and rest for a while, and their backs and ankles are affected as a result.

Therefore, the entire system is overwhelmed with suppression and exploitation. If we do not put up resistance and confrontation and do not bring a change to this political system and fight for the enactment of reasonable labour legislation, the poor workers of Hong Kong will only keep on being exploited and suppressed by this harsh Government and unscrupulous employers.

DEPUTY PRESIDENT (in Cantonese): The speaking time is up.

DR LEUNG KA-LAU (in Cantonese): Deputy President, the debate topic proposed by Mr CHAN Kin-por is not bad at all, but the wording is not clear enough.

I will focus on the issue of statutory working hours. Mr CHAN hopes employers will provide flexible work culture and flexible holidays for employees, but this will be out of the question without the prerequisite of statutory working hours because when one works for 13 or 14 hours a day, flexibility will be impossible as the remaining time will have to be spent on sleeping. If there is no holiday at all, there will not be any flexibility either. When one does not have any holiday, how can he arrange to take a holiday on a certain Monday or Tuesday? Because all Saturdays and Sundays are not holidays. In my experience, to achieve this only by means of encouragement without laying down any statutory requirements will only be a waste of time. I am speaking from my own experience working in the Hospital Authority (HA) for years. As we all know, there are statutory holidays and rest day arrangements in Hong Kong. In 2000, we already lodged a complaint with the Labour Department (LD), and representatives of the HA also had discussions with the LD on three occasions. However, the HA was still unwilling to implement the arrangements, though it knew that this was against the law, and neither was the LD willing to take enforcement actions. Until 2002, we brought this to the Court and the case lasted for seven years. From experience we know that without providing for any statutory arrangements, it will indeed be a waste of time.

We have discussed the issue of standard working hours plenty of times before, and the issue has attracted much controversy and met with opposition from many Members from the business sector. Some of the arguments put forward include it would hamper the free agreement between the employers and employees, the arrangement of "those who work more should get more" would become impossible and different trades would have different operational needs. All of these reflect a misconception and a lack of understanding of standard working hours. I can tell Members that except for a couple of countries like those in Africa, the vast majority of countries in the world have put in place a certain form of legislation on working hours. Such legislation is available in the European Union (EU) and the United States, as well as our country and Taiwan. In fact, there is virtually not any place where this requirement is not in place.

To put it simply, there are two ways to regulate working hours. The EU has set the maximum working hours at 48 hours, but employees may opt out from it. If an employee agrees, both parties may choose not to follow this requirement. The only thing is when the employee wishes to obtain such protection at a certain time, he is entitled to this protection provided that he has notified the employer in a timely manner, and he shall not be dismissed on the ground of making this request. It is as simple as this. Therefore, this will not affect the arrangement of "those who work more should get more". As long as the employer provides adequate compensation to the employee, the employee may agree at any time to work longer than the statutory working hours. What about the arrangement in the United States? The United States have not prescribed the maximum working hours. If an employee works for more than 40 hours per week, the employer has to pay the employee at 150% of the employee's wage for the time in excess of the 40 hours. Under this mechanism, if the employer requires the employee to work excessively long hours, it would be better for the employer to hire an additional staff. If overtime work is only needed to meet administrative needs and is not always required, for example, only three to four hours of overtime work is required, and hiring an additional staff will pose difficulties in cost control, then the employer only needs to offer a compensation of 150% of the employee's wage to ask the employee to work overtime. This is also a very simple arrangement of "those who work more should get more".

As for the needs of individual trades, although the maximum working hours of 48 hours is prescribed in the EU, it does not mean that employees must not work for over 48 hours per week. This is only an average for every eight

weeks. If a certain trade has to meet a certain deadline, the employers can require their employees to work longer hours, just that they have to provide time-off in lieu to employees in the subsequent days. No overtime payment is required, just time-off in lieu will do. Therefore, it will not upset any special arrangement of any particular trade. For example, we doctors do not have to meet any demand of a commercial nature, but sometimes when life and death is involved, we have to work overtime. When service delivered is not too much, we can take time-off in lieu. This is actually a sound mechanism which allows employees to have enough rest after working long hours. Therefore, the comments that the arrangement will violate the agreement between the employer and the employee; that if employees are not allowed to work overtime, their income will be affected; or that the arrangement has not given regard to the needs of individual trades are all misconception of and anxiety over standard working hours or maximum working hours.

I agree with Mr Albert CHAN's remark that Hong Kong is very backward. Many developed and developing countries in the world have provided protection in relation to working hours. While not every country has prescribed the minimum wage, most countries have set the standard working hours. As not many Members are present, I may raise this subject for discussion again later when appropriate. I hope Members will ponder over this issue. Thank you, Deputy President.

MR JEFFREY LAM (in Cantonese): Deputy President, regarding the subject raised by Mr CHAN Kin-por, Mrs Sophie LEUNG would like to share with Members one of her key areas of work in the past. Why am I speaking on her behalf? Her son is getting married today, so she is unable to attend this meeting and address this Council in person. Therefore, I volunteer to speak on her behalf.

Her work is exactly related to this motion. At the end of 2008 when most colleagues in the Government and this Council were busy addressing the financial tsunami, Mrs Sophie LEUNG considered that only some bailout plans alone were unable to help all the people and industries in Hong Kong. She noticed that people were very upset, and so she brought together more than ten committed persons and founded the Community Leadership Forum, and officially rolled out the "Open up your heart campaign" on 1 March 2009. The campaign pooled

together the wisdom of different sectors, such as the academic, medical, business, mass media, arts and culture, religion and the marketing and advertising sectors, and used "it is actually very simple to be happy" as an entry point for promoting to the public the three-part programme consisting of material fulfillment, interpersonal relationships and physical, mental and spiritual well-being.

Recently, the "Hong Kong Happiness Index 2009" published by the Lingnan University shows that the happiness index of Hong Kong has risen rather than dropped. The person in charge of the survey pointed out that "it is actually easy to be happy", which coincides exactly with Mrs Sophie LEUNG's idea.

What has this "Open up your heart campaign" done? What will it do next? They believe social atmosphere is very important. Therefore, they made special efforts to invite the senior management in the media to join it. Not only have they succeeded in inviting Stephen CHAN of TVB to join the campaign, but they have also gained the support of Radio Television Hong Kong (RTHK) and Commercial Radio Hong Kong. The RTHK programme "Yes, you can" co-produced with them a series of over 30 life stories about people's struggle for survival to highlight the importance of physical, mental and spiritual well-being. The series was widely covered by the press and magazines, and I believe it has also facilitated the rapid rebound of our society.

She has also been to many places with heavy flow of people to encourage members of the public to pay attention to the people and things around them. For example, the "Snapshots to open up your heart" co-organized with the shopping centres of The Link aimed at encouraging the sharing of happiness in life through snapshots. I believe Members may have received a photo collection from Mrs Sophie LEUNG earlier. It reflects the active participation and response of the public. When she gave out this photo collection to members of the business sector, she also received donations from those who were willing to support their work. This shows the industry has already got their message.

I believe the new thinking adopted by Mrs Sophie LEUNG to counter the financial tsunami is beginning to take effect. She has neither waited for the Government to set up a task force nor expected the Government to take the lead

in this respect. The new occupational culture of work-life balance cannot be achieved only by means of subsidies and policies but it calls for the readiness of the employers and employees to take the first step to improve their relationship.

Later, she will introduce the "Happy workshop" with different industries and trades, to which concrete details are already available. Support will first be provided to the minibus trade, to be followed by the retail industry and the service industries. An "across-the-board" policy may not be helpful to the development of a harmonious workplace, while adequate co-ordination between the employers and employees will be of more practical use.

We do not think the opportunities of upward mobility in society will be reduced because Hong Kong has developed into a sophisticated economy. Everyone, including the younger generation, has to make constant adjustments to social changes. Besides calling on everyone to be happy, the campaign "Yes, you can", is calling on everyone to open up his or her heart to accept himself or herself as well as others. And this is of much greater importance.

Deputy President, I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may now speak on the three amendments. You may speak for up to five minutes.

MR CHAN KIN-POR (in Cantonese): I would like to thank the three Members for proposing the amendments. Mr WONG Kwok-hing pointed out that many occupations in Hong Kong, particularly those involving manual labour or those in the service industries, are still facing the problems of long working hours and poor working environment. He also put forward many proposals. I think the Government should follow them up.

Mr WONG Sing-chi also proposed many measures to improve work-life balance, some of which have my support. Today, all the three Members have raised the issue of regulating working hours in their respective amendments. I would like to stress that the motion today seeks to advocate a new occupational culture by encouraging the employers and employees to foster this culture because I strongly believe both parties should not be at loggerheads with each other but should rather cultivate mutual understanding and respect to achieve a win-win situation. Actually, in order to regulate working hours, extensive consultation and discussion are required before a consensus can be reached in society. Therefore, if legislation is introduced to regulate working hours before a consensus is reached, it will attract much controversy. If the amendments today are negated for this reason, I hope the original motion will not be affected, so that we can still take a big step towards work-life balance.

Thank you, Deputy President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I would like to thank Mr CHAN Kin-por again for moving the original motion, and I would also like to thank Mr WONG Kwok-hing, Mr WONG Sing-chi and Mr LEE Cheuk-yan for moving the amendments and the other 16 Members for speaking on the subject. I will now respond briefly to the valuable and constructive views expressed by Members.

First of all, I have to reiterate that the Government has been encouraging employers to adopt "employee-oriented" good personnel management measures and specifically promoting family-friendly employment practices. I have explained just now that as the point of balance between work and life of individuals vary, the proper way to help employees achieve the best work-life balance is through direct and sincere dialogue between the employers and employees, so that they can come up with employment terms and work arrangements beneficial to both parties.

The Employment Ordinance has provided the fundamental conditions for creating a family-friendly work environment, including different holidays and leaves, such as rest days, statutory holidays, annual leave, maternity leave and employment protection for pregnant employees. If an employee is absent from work with leave from the employer, such as taking non-paid leave because of

family affairs, the continuity of his employment contract will not be affected because of his absence.

The successful creation of a family-friendly work environment hinges on the co-operation of the entire society. Employers may flexibly implement different family-friendly employment practices (FFEPs) in the light of the scale of the organization, personal resources and culture to the best interests of the organization and staff.

In promoting FFEPs, the Labour Department (LD) will continue to play a facilitator role through the Human Resources Managers Clubs formed in various trades and industries and the industry-based Tripartite Committees as well as various means and activities, such as road show exhibitions at different districts, to further promote the relevant messages to employers, employees and members of the general public and encourage employers to adopt FFEPs in the workplace.

(THE PRESIDENT resumed the Chair)

As the LD and other government departments have actively promoted the concept of the need to strike a balance between work and life among employers and employees, we therefore do not consider it necessary at this stage to set up a task force for this purpose. Actually, different departments are making co-ordinated efforts and are working together on this task.

Mr WONG Sing-chi proposed introducing the "family impact assessment" mechanism to review the impact of public policies and administrative measures on different types of families. I would like to say that regarding the introduction of the "family impact assessment", the Government has actually adopted appropriate measures. In formulating public policies, the Government always has to give regard to the needs of different stakeholders and consider the possible impact of the policies from a so-called global and multifaceted perspective. In the process of policy formulation, policy bureaux and departments will examine the policies from a "family-oriented" perspective in order to assess the impact of the relevant policies and measures on the family.

Mr WONG Sing-chi also proposed promoting the "family day". The Family Council and other organizations have all along been actively promoting family core values through different means. In the year to come — Members may be aware that the Chief Executive has already given an account of this in the policy address — the Family Council will launch a territory-wide Happy Family Campaign, including possibly organizing activities such as family days, family weeks or even family months, in order to encourage members of the public to join hands to build up family values cherished by the people of Hong Kong.

Mr WONG Kwok-hing, Mr WONG Sing-chi, Mr LEE Cheuk-yan and Dr LEUNG Ka-lau unanimously proposed that the Government should introduce legislation to regulate working hours and provide for rest breaks for employees. I understand the intention and views of Honourable Members and members of the labour sector. However, I would like to explain that the regulation of working hours is a very complicated issue with far-reaching effect on the society and the economy of Hong Kong, coupled with the fact that the society has not reached a consensus on this issue at this stage, we must consider this with great care. We are now focusing on addressing the issue of minimum wage, and we do not intend to introduce legislation on working hours at this stage.

I understand long working hours will create an undesirable impact on the health and social life of employees. Therefore, our labour legislation has laid down the arrangements for working days and rest days. We also understand that working long hours continuously without any break causes fatigue and may sometimes cause industrial or occupational accidents. Providing rest breaks is one of the solutions for fatigue caused by working long hours continuously.

To address this problem, the LD has actually conducted a thorough study on rest breaks in 2000 and gauged the views of the Labour Advisory Board (LAB) and its Committee on Occupational Safety and Health. The conclusions made by the LAB back then were very clear. First, they considered that under these circumstances, legislation should not be enacted to provide for rest breaks because this might increase the operational cost of some small-scale companies or enterprises, which may reduce the number of workers to cope with the flexibility required by specific industries, trades or occupations. Another conclusion reached was that the most appropriate approach was for the employers and employees to make rest break arrangements by means of negotiation and in the light of their specific operational needs.

In July 2003, the LD formulated the Guide on Rest Breaks in accordance with this consensus to remind employers and employees to attach importance to rest breaks and encourage them to arrange for rest breaks by negotiation so that these rest breaks are suitable for their employees and are able to meet their business operational needs. In preparing the Guide, we consulted organizations and committees of different industries, including the industry-based Tripartite Committees under the LD and the Committee on Occupational Safety and Health under the Occupation Safety and Health Council.

The LD will continue to publicize and promote the practical approach proposed in the Guide and encourage employers and employees to make appropriate arrangements by negotiation and in the light of specific operational needs.

Both Mr WONG Kwok-hing and Ms Audrey EU mentioned "de-employment" and highlighted their concerns about "false self-employment". Given the actual economic conditions and job requirements in society nowadays, delivering services on the basis of outsourcing contracts and self-employment has become increasingly common in many trades and it is an important part of economic activities, which has actually brought certain benefits to economic development and provided members of the public with the flexibility of obtaining or delivering services according to their individual circumstances.

Nevertheless, I understand that some Honourable Members of this Council and members of the labour sector are very concerned about situations in which employers use the so-called "false self-employment" contracts to avoid establishing an employment relationship with their employees and providing employment entitlements to them. "False self-employment" is indeed an exploitation of employees' entitlements and may cause employers to violate the law. For this reason, it must be curbed.

Even if an employee is described as a contractor or a self-employed person, if an employment relationship between the two parties actually exists, the employer still has to discharge his legal responsibilities. This is very important and we have already given a full account of this at a meeting of the Panel on Manpower earlier. The employer must pay the reckonable legal entitlements of employees who are known to be "falsely self-employed" persons. Actually, this practice is absolutely undesirable and will bring more loss than gain. This

practice may also lead to criminal consequences, subject to whether the employer has contravened the labour legislation and the Employees' Compensation Ordinance. As Members have recently expressed concern about this issue, the LD has adopted a three-pronged approach to tackle the issue of "false self-employment" with pragmatic measures. Perhaps let me give a brief account of them. First, we have stepped up our publicity and promotion efforts; second, we have provided better advisory and mediation services; third, we have enhanced law enforcement, including encouraging all employees who feel that they may be distressed by "false self-employment" to call the LD hotline at 2815 2200. We will take active follow-up actions. If the cases are substantiated, we will definitely act in accordance with the law and initiate prosecutions against the employers to ensure that employees' entitlements will not be jeopardized.

As for government departments, the Government has all along been employing civil servants on permanent terms and non-civil service contract staff as well as awarding different forms of contract, including outsourcing contracts, to meet manpower needs and service demands. Different policy bureaux and departments will strive to provide services to the public in the most cost-effective and efficient manner, having regard to the Government's recruitment policies as well as financial and operational considerations. The Government has been constantly upgrading the quality of outsourced work, including adopting the open tender process, prescribing appropriate service standards and contract provisions, monitoring and assessing the services and forbidding sub-contracting, that is, further outsourcing, without the Government's consent, in order to protect workers' rights and benefits.

Regarding Mr WONG Sing-chi's proposal for the Government to introduce paternity leave and Mr WONG Kwok-hing's proposal of standardizing the number of statutory holidays and public holidays, I would like to give a brief response here. At present, as we all know, employees in Hong Kong are entitled to different holidays and leaves under the Employment Ordinance, including rest days, statutory holidays, paid annual leave and maternity leave. These holidays and leaves have laid a sound foundation for a family-friendly work environment.

All along, the Government has been reviewing the labour legislation from time to time in the light of social changes and the pace of economic development of Hong Kong to ensure that such legislation can meet the reasonable demands of

both the employers and employees and the protection given by the legislation to employees will keep abreast of the times. Regarding the proposals of introducing paternity leave by legislation and standardizing the number of statutory holidays and public holidays to 17 days, in considering revising or increasing employment-related benefits, we must carefully consider and assess the possible impact of the measures on employees' job opportunities and employers' operational costs, and most importantly, we have to strive to secure the consensus and support of both the employers and employees to ensure that the policies can balance the interests of all stakeholders.

As for the proposal in Mr CHAN Kin-por's original motion to set up a special fund to subsidize enterprises to implement measures for work-life balance, I understand his views. But, Mr CHAN, we have some different views. We think employees are the most valuable asset of an enterprise, and the formulation of measures by an employer to help employees achieve work-life balance will not only directly benefit the employees but will also bring about real return to the employer's enterprise. After the enterprise has assisted employees to adopt measures for work-life balance, the employees' work and life stress will be effectively alleviated. When employees have attained mental and physical health, their chances of becoming ill or getting involved in occupational accidents will naturally decrease, and so will their absence rates. Besides, assisting employees to adopt measures for work-life balance may also boost employees' morale, enhance their team spirit and attract and retain outstanding talents. It may also help enterprises promote their brands, thereby further enhancing the competitive edge of the employers' enterprises. Therefore, we do not consider it necessary for the Government to provide subsidies to enterprises to implement the relevant measures. We should encourage enterprises to make these efforts at their own initiatives.

We fully recognize Mr CHAN Kin-por's concern about the growth and development of the younger generation, and we also recognize Mr WONG Kwok-hing's proposal that employers should encourage and subsidize their employees to pursue further studies. Actually, the Government has put in place a host of measures to encourage and subsidize members of the public to pursue further studies and life-long learning.

The simplest example is we have adopted "Learning for Life, Learning through Life" as a clear objective of education. In 2009, that is, in September

this year, the Education Bureau's implementation of the new senior secondary curriculum has reaffirmed the importance of holistic development. Through a balanced and diversified curriculum, students can establish a broad knowledge base, master biliteracy and trilingualism, learn how to learn (which is very important), develop positive values and attitudes and acquire generic skills such as communication, creativity and critical thinking. Through "other learning experience", students can also develop interests according to individual aptitudes and strike a balance among personal, social, intellectual, physical and aesthetic development. These meaningful learning experiences will also help broaden students' horizon and enable them to become active, insightful and responsible citizens and develop a healthy lifestyle, thereby promoting the holistic development of the younger generation.

To encourage life-long learning among the public, the Education Bureau established the Qualifications Framework in 2008 and in parallel introduced the Qualifications Register, listing out quality-assured courses for the public to choose from. There are currently about 5 600 courses on the Qualifications Register, covering various areas in the full-day or half-day mode to meet the needs of different people. In other words, numerous avenues for further studies are open to members of the public to enhance their capabilities.

Members may also be aware that we have set up the Continuing Education Fund. In July this year, we have allocated an additional \$1.2 billion to the Fund to enable its continued operation. Any Hong Kong citizen aged between 18 and 65, irrespective of his educational attainment, employment status and financial position, may apply for the reimbursement of 80% of his tuition fee, subject to a maximum sum of \$10,000, upon successful completion of a course registered with the Fund.

The original motion and the amendments have also raised concern about opportunities for upward social mobility and career development for the younger generation. The policy address this year has also proposed that we must constantly enhance our competitiveness and continue to go in the direction of a high value-added, knowledge-based economy to maintain our leading edge over global competitors and create more quality jobs. Besides continuing to consolidate the four traditional pillar industries, we will also actively facilitate the development of the six industries with a competitive edge. Members may know

very well that the industries emphasized by the Chief Executive include innovation and technology, cultural and creative industries, environmental industries, education services and medical services. In the long run, these industries can provide more career development opportunities for the young people and also nurture talents, thereby promoting upward social mobility.

We also understand that there are low-skilled workers and grassroots. We have the responsibility to help them, or else they will be edged out. Therefore, the Employees Retraining Board has made vigorous efforts and actually put in quite a lot of resources to provide training to some workers who need assistance and have to change their occupations. We will offer 123 000 training places in 2009-2010 to meet the needs of these people, and we can also offer another 20 000 reserved places when necessary.

President, I have just given a brief account of the Government's efforts in promoting the physical and mental well-being, work, value system, learning and life of members of the public. Health is the most important wealth in life. There are various aspects of our lives which are closely related to health, and maintaining work-life balance is one of them. The holistic approach to health we attach much importance to is not only an ideal concept but rather the balanced development of the mental, physical, occupational, familial, social, psychological and developmental aspects. Over the years, relevant government departments have been working together towards this broad and comprehensive direction, advocating healthy living on various fronts and promoting family core values and other positive social values. We will keep up with our efforts to foster a healthy lifestyle and a balanced life among all members of the community.

President, I so submit.

PRESIDENT (in Cantonese): I now call upon Mr WONG Kwok-hing to move his amendment to the motion.

MR WONG KWOK-HING (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr WONG Kwok-hing moved the following amendment: (Translation)

"To delete "Hong Kong has developed into a society with a mature economy where the" after "That, as" and substitute with "the SAR Government attaches too much importance to a few industries, such as the financial and real estate industries, coupled with the fact that some employers have adopted different de-employment means to avoid giving various employment entitlements,"; to delete "coupled with" after "drastically reduced," and substitute with "and employers in general, in order to cut costs, deploy tight manpower to cope with work, giving rise to"; to delete "the Government to" after "this Council urges" and substitute with "that besides developing more industries and creating diversified employment opportunities, the Government should"; to add "including examining ways to reverse the undesirable trend of 'de-employment', and using government departments, public organizations and those organizations with the Government as the major shareholder as an example to encourage employers to recruit employees in proper modes of employment so as to enhance the employees' sense of identity with and belonging to their companies," after "work-life balance for Hong Kong,"; to add "(b) to promote a new occupational health and safety culture, including regulating working hours, providing rest breaks and employing additional staff, with a view to easing the intensity of labour as well as reducing industrial accidents and occupational diseases caused by long working hours;" after "important achievements in life,"; to delete the original "(b)" and substitute with "(c)"; to add "take diversified measures to encourage and subsidize their employees to pursue further studies, and" after "their needs to"; to delete the original "(c)" and substitute with "(d)"; to add "such as child care service during working hours," after "their families,"; to delete the original "(d)" and substitute with "(e)"; to add "standardize the number of statutory holidays and public holidays to 17 days," before "encourage enterprises to implement a flexible leave"; to add "paid" after "give them special"; and to add "wedding leave," after "holidays such as"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Kwok-hing to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Miriam LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Miriam LAU has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Ms LI Fung-ying, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che and Mr IP Wai-ming voted for the amendment.

Ms Miriam LAU, Mr Jeffrey LAM and Mr Andrew LEUNG voted against the amendment.

Mr Timothy FOK, Mr Paul CHAN, Mr CHAN Kin-por and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Kwok-kin voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr CHAN Hak-kan and Dr Priscilla LEUNG abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 11 were present, four were in favour of the amendment, three against it and four abstained; while among the Members returned by geographical constituencies through direct elections, 19 were present, 13 were in favour of the amendment and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Urging the Government to promote a new occupational culture campaign for work-life balance" or any amendments thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Urging the Government to promote a new occupational culture campaign for work-life balance" or any amendments thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr WONG Sing-chi, you may move your amendment.

MR WONG SING-CHI (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr WONG Sing-Chi moved the following amendment: (Translation)

"To add "a study indicates that the index on family solidarity in Hong Kong has continued to drop and amid the financial tsunami, families at various strata are bearing heavy pressure in their finances and other aspects of daily life; at the same time," after "That,"; to add "and actively implement family-friendly policies" after "campaign for work-life balance"; to add "and through these measures," after "problems at work,"; to add "(b) to introduce 'family impact assessment' to review the impact of public policies and administrative measures on different types of families;

(c) to actively promote 'family day' and call on the community to cherish the value of family; " after "important achievements in life;"; to delete the original "(b)" and substitute with "(d)"; to add "(e) to introduce paternity leave and standard working hours as well as encourage employers to implement family-friendly employment policies so that employees can take care of both their families and work at the same time;" after "competitive city;"; to delete the original "(c)" and substitute with "(f)"; and to delete the original "(d)" and substitute with "(g)"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Sing-chi to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Miriam LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Miriam LAU has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Ms LI Fung-ying, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming and Mr IP Kwok-him voted for the amendment.

Ms Miriam LAU voted against the amendment.

Mr Timothy FOK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Paul CHAN and Mr CHAN Kin-por abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEUNG Kwok-hung, Mr KAM Nai-wai, Ms Cyd HO, Mr CHAN Hak-kan, Miss Tanya CHAN, Mr WONG Sing-Chi and Mr WONG Kwok-kin voted for the amendment.

Dr Priscilla LEUNG abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 11 were present, five were in favour of the amendment, one against it and five abstained; while among the Members returned by geographical constituencies through direct elections, 19 were present, 17 were in favour of the amendment and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, you may move your amendment.

MR LEE CHEUK-YAN (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr LEE Cheuk-yan moved the following amendment: (Translation)

"To delete "and" after "consolidate their morale and increase their passion for work;"; and to add "; and (e) to legislate for the regulation of working hours so as to reduce the situation of employees frequently working overtime" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEE Cheuk-yan to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Ms LI Fung-ying, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che and Mr IP Wai-ming voted for the amendment.

Ms Miriam LAU, Mr Jeffrey LAM, Mr Andrew LEUNG and Mr IP Kwok-him voted against the amendment.

Mr Timothy FOK, Mr Paul CHAN and Mr CHAN Kin-por abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Fred LI, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEUNG Kwok-hung, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-Chi and Mr WONG Kwok-kin voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung and Mr CHAN Hak-kan voted against the amendment.

Dr Priscilla LEUNG abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 11 were present, four were in favour of the amendment, four against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 19 were present, 14 were in favour of the amendment, three against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may now reply and you still have two minutes 49 seconds.

MR CHAN KIN-POR (in Cantonese): Thank you, President. I am truly grateful to the other 16 Members who have spoken today. While the vast majority of them express support, some say that we are actually engaging in empty talk if no legislation is enacted for regulation purposes. Perhaps the experience of each one of us is different. I have come to realize in recent years that quite a large number of foreign-invested and local major enterprises understand that work-life balance is greatly beneficial to staff and employees. Members might not be aware that many companies have taken the initiative to launch relevant measures. This motion is moved today in the hope that this new culture can be promoted to SMEs and various trades and industries to benefit all employees and employers in Hong Kong. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kin-por be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council. I wish Members a happy Christmas and New Year holiday in the lead-up to the year 2010 and the second decade of this century. *(Laughter)*

The Council will be resumed at 11.00 am sharp on Wednesday, 6 January 2010.

Adjourned accordingly at five minutes past Two o'clock.