

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 14 June 2012

The Council met at Three o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

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, G.B.S., J.P.

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

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, J.P.

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.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, J.P.

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE IP WAI-MING, M.H.

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

MEMBERS ABSENT:

DR THE HONOURABLE LEUNG KA-LAU

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE STEPHEN LAM SUI-LUNG, G.B.S., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

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

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

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

MR LAI TUNG-KWOK, S.B.S., I.D.S.M., J.P.
SECRETARY FOR SECURITY

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

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

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

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

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

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

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

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

THE HONOURABLE GREGORY SO KAM-LEUNG, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE RAYMOND TAM CHI-YUEN, J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

CLERK IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

THE CHIEF EXECUTIVE TO ADDRESS THE COUNCIL UNDER RULE 8
OF THE RULES OF PROCEDURE, AND TO ANSWER QUESTIONS PUT
BY MEMBERS.

THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION

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

(The Chief Executive entered the Chamber)

MR ALBERT CHAN (in Cantonese): Greedy TSANG, step down.

MR LEUNG KWOK-HUNG (in Cantonese): Enter the greediest triad "big shot" in Guangdong, Hong Kong and Macao.

PRESIDENT (in Cantonese): Mr Albert CHAN and Mr LEUNG Kwok-hung, please keep quiet.

MR LEUNG KWOK-HUNG (in Cantonese): The greediest triad "big shot" in Guangdong, Hong Kong and Macao now takes his seat.

PRESIDENT (in Cantonese): The Chief Executive will now address the Council.

CHIEF EXECUTIVE (in Cantonese): President and Honourable Members, only 16 days are left before I formally leave office. Here, I must extend my heartfelt thanks to Honourable Members, who have worked with us in their different positions over the past five years to promote Hong Kong's economic development, improve people's livelihood and make headway in democratization.

In October 2007, I announced the first policy address of the current-term Government entitled "A New Direction for Hong Kong", which formed the blueprint of my governance in the past five years of my term. I put forward the 10 major infrastructure projects for the purpose of driving economic development, in the hope that Hong Kong people could shake off the gloominess that had enveloped them since the Asian financial turmoil and thus extricate

themselves from self-scepticism. Furthermore, in response to the changes in social values, I advocated the "Concept of Progressive Development", which aims to drive economic development on the one hand and pay heed to environmentalism and heritage conservation on the other.

I am very grateful to the team of accountability officials in the Third-term Special Administrative Region Government (SAR Government) and all civil servants, who have worked with total dedication and surmounted numerous difficulties over the past five years in a bid to materialize the 170 or so undertakings I made to the public in my election campaign. By now, nearly all such undertakings have been materialized.

President, in this last question and answer session, I wish to share with Members my experience of governing Hong Kong.

Hong Kong is an international city with the presence of pluralistic interests, and it has also reached a stage of advanced development. The political development of our society in the past has led to the formation of a relatively civilized system of governance. In the case of infrastructure planning, for example, the controversies over the Hong Kong-Zhuhai-Macao Bridge and the Express Rail Link show that while we must conduct environmental impact assessments in accordance with legal requirements, we may also be challenged by the judicial reviews filed by members of the public.

As a Chief Executive who must race against time to materialize his election platform, I am honestly caught by anxiety very often, fearing that I may fail to complete my tasks on time.

On the other hand, however, I also realize that the one merit of Hong Kong's system of governance is a set of civilized parameters geared to the protection of minority rights and interests. Allowing such a system to manifest its advantages while preventing his governance from being hindered by numerous setbacks is therefore the most formidable challenge faced by any Chief Executive. At long last, all the 10 major infrastructure projects have been launched, and this can prove that as long as one can do one's best, the job will definitely be done somehow.

The second most formidable challenge during my term of office is the widening wealth gap, which has brought about grievances and resentment in society. I used to believe that as long as the economy can thrive and the pie for all people can swell, all social strata will be able to share the fruit due to the trickle-down effect. Regrettably, in practice, reality is never consistent with any theoretical beliefs.

In terms of economic statistics, the local economy has performed quite well over the past few years. Although there was a brief period of downward adjustment after the financial tsunami in 2008, the economy managed to return to the right track in no time.

Globalization has brought about the polarization of jobs. This, compounded by the fact that Hong Kong is a city economy, has made the wealth gap all the more conspicuous. The wages for low-skill jobs have recorded some real growth, but the growth rate may not be as satisfactory as that for the better equipped. So far in my term of office, I have implemented the statutory minimum wage and transport subsidy. The Community Care Fund has also been established for the socially disadvantaged, and one-off relief measures have been rolled out several times to assist the grassroots in coping with their livelihood problems. I think how the widening of the wealth gap can be ultimately stopped is a long-term challenge faced by the SAR Government. This is a very significant task, and the road to its accomplishment is long.

Another criticism against me during my term of office is that my housing policy is not decisive enough. Since the time around the reunification in 1997, Hong Kong people have been tormented by the housing problem. Before the reunification, property prices rose incessantly due to limited land supply, thus leading to the formation of a property bubble. Immediately after the reunification, there came the Asian financial turmoil, during which the Hong Kong Dollar came under attack and the interest rate was boosted. This was followed by the bursting of the property bubble and in turn the plummeting of property prices. The property market has always had a significant impact on the Hong Kong economy, and as the middle classes were distressed by negative equity assets, it was impossible for the property market to recover. At that time, in order to rescue the property market, the Government prescribed a number of "strong drugs" such as halting regular land auctions and the construction of Home Ownership Scheme (HOS) flats. In the end, the property market was stabilized.

In the years after 2003, our economy recovered and the property market picked up again, but the Government's land supply simply lagged behind the situation. But in 2010, when I re-set the policy and put forward the idea of maintaining a land reserve for constructing an average of 20 000 private residential flats a year, I was criticized for not being quick enough in response. There was also the criticism that on the issue of resuming the construction of HOS flats, my initial policy was not in line with public aspirations.

I have always emphasized the need for very thorough policy consideration mainly because the experience of seeing all the negative equity assets after the Asian financial tsunami has left a very deep imprint on me. At that time, I feared that against the backdrop of the global financial tsunami and the European debt crisis, any excessive intervention in the property market might create the domino effect, causing the property market to collapse again and severely impacting the economy. Furthermore, since the turnover of HOS flats could not attain any appropriate levels in the market in the past, I also considered it necessary to spend some time on improving the resale arrangements.

In retrospect, I would say that the expansion of the accountability system in 2008 marked the watershed in my approval rating during my term of office. I underestimated the political consequences of the accountability system and the whole series of problems associated with its expansion, such as the selection of political talents, the deployment of talents according to their abilities, the need for appropriate employment terms and conditions and the relationship between accountability officials and civil servants.

The expansion of the accountability system is something new to us. There are no previous examples to follow, and we can only perfect the system constantly in the course of practice. Even though I have paid a political price for that, I am still convinced that the accountability system is a system that we must adopt in the process of democratization, one which is conducive to "Hong Kong people ruling Hong Kong and a high degree of autonomy" and prepares our institutions fully for the advent of universal suffrage in 2017.

Honourable Members, in retrospect, Hong Kong has achieved solid progress over the past five years in the three major arenas of political development, economic progress and people's livelihood. Its international status has likewise risen. However, I do realize that my work during my term of office

has not been entirely satisfactory. There have been errors in judgment as well as missteps in execution.

My deepest realization is that Hong Kong is both a metropolis and a city of China. There is one country, but there are also two systems. I must face different aspirations and satisfy different expectations. It is not at all easy to satisfactorily perform the role of Chief Executive. All along, I can only strive to do my job well and attempt to balance all the conflicting interests as much as possible, while allowing full play to the various advantages on which Hong Kong has built its success.

Honourable Members, I will do my very best until the last minute and the last second. In the remaining 10 days or so in my term, I will definitely complete the work on the policies put forward by the current-term Government, including the competition law, the bill on the sale of first-hand residential properties and the \$2 fare concession for the elderly.

Furthermore, there is still another unfinished task, a more important task, which I must complete in the remainder of my term — assisting the new Government in its re-organization. I call upon all the Honourable Members present today to expeditiously pass the re-organization proposals made by Mr LEUNG Chun-ying, the Chief Executive-elect.

When I assumed office as the Third-term Chief Executive in 2007, I likewise put forward re-organization proposals, in a bid to materialize my election platform. Even good policies will still need a satisfactory organizational framework and manpower establishment for implementation. And, every term of Government will have its policy focuses, so the new Chief Executive should be given room for re-organization according to his judgment.

We should not treat re-organization and a review of the accountability system as one single issue. As I have pointed out, the accountability system is something new to us, and we can only perfect the system constantly in the course of practice. I believe that the next Government will definitely do so. The basic principle underlining any re-organization is to enhance the division of labour within the Government for the purpose of promoting governance.

Honourable Members, Hong Kong is now faced with unstable external economic circumstances. The European debt crisis may deteriorate and spread quickly at any time. The global economy is overcast, in danger of recession. The next Chief Executive must need a leadership framework and establishment that he thinks can help him govern smoothly. He needs to build a strong government for meeting various challenges, grasping development opportunities and resolving conflicts connected with people's livelihood.

The re-organization proposals have nothing to do with any ulterior political ambitions and desires. Rather, the proposals are about the well-being of all Hong Kong people. Once again, I would like to call upon Members belonging to different political parties and groupings to put aside their preconceptions and complete the scrutiny work as early as possible, so that the top echelons of the new Government can assume office as one whole team on 1 July and devote themselves fully to serving the people of Hong Kong.

Thank you, Honourable Members. Thank you, President.

PRESIDENT (in Cantonese): The Chief Executive will now take questions from Members.

MR TIMOTHY FOK (in Cantonese): *Chief Executive, you will soon leave office. Do you have any parting advice?*

CHIEF EXECUTIVE (in Cantonese): In my opening address, I already disclosed to Members my thoughts and feelings as well as what I have learnt from my work in the past seven years. Over the 40-odd years of my public service career, honestly speaking, I have always been guided by the same objective: serving the community whole-heartedly for the betterment and prosperous development of Hong Kong.

My seven-year career as Chief Executive will soon draw to a close. Many items set out in the policy blueprint of my election platform, such as the setting of a minimum wage, the 10 major infrastructure projects and the promotion of constitutional development, have already borne fruit. But I must say that I could

not possibly have attained such achievements all by myself. Rather, these achievements have been possible only with public support and Honourable Members' consensus.

Any appraisal of my work, I believe, must depend on whether I have done the job of Chief Executive well enough. And, whether the answer should be affirmative or negative is for everybody to decide. For reasons of personal religious belief, I have the habit of doing self-examination every day. And, in the past three months, I understandably spent a longer time on my nightly self-examination, trying to find out what I had done right and what I had done wrong. In case I find that I have failed to handle something properly, I will admit my mistake and extend my apology to the public over and over again. However, what I must do at this moment is to continue to learn from my past mistakes, improve the relevant mechanisms in the Government as much as possible, rebuild people's confidence in the cleanness of the Hong Kong Government, and, more importantly, bring forth a satisfactory governmental changeover.

I frankly have much more to say, but please allow me to stop here.

MS EMILY LAU (in Cantonese): *The Chief Executive claims that he has done a lot of self-examination recently. Many people think that by coming to the Legislative Council today, he will really take actions to demonstrate his accountability. Because of his own acts of corruption and poor conduct, he had no alternative but to invite the Director of Audit and former Chief Justice of the Court of Final Appeal (CFA), Andrew LI, to write reports on his deeds. The reports, which were already released at the end of last month, can enable the public to see the many loopholes of the system. Such loopholes were created by him and pro-establishment Members, and as a result of these loopholes, it may not be possible to institute any prosecution against him despite his acts of corruption.*

However, Chief Executive, what are you going to say to all civil servants and the general public? Sometimes, you appear before people with "tearless grief", probably thinking that this can show your repentance. But members of the public have told us that this is not enough. You have talked about Hong

Kong's rising international reputation. But many people think that you have brought shame on Hong Kong

PRESIDENT (in Cantonese): Ms LAU, please state your question.

MS EMILY LAU (in Cantonese): *People want me to ask you President, I want to ask the Chief Executive what actions he is going to take to show people that he is truly repentant.*

CHIEF EXECUTIVE (in Cantonese): To begin with, I am very grateful to Mr Andrew LI and the Director of Audit for responding to my request and completing their detailed reports within such a short time. Mr Andrew LI's report is forward-looking and puts forward many recommendations. My colleagues have already explained to Honourable Members what short-, medium- and long-term measures will be adopted to implement the recommendations of the report. We agree entirely to these recommendations and hope that in the process, we can hold discussions with the Chief Executive-elect on how best to put them into practice as soon as possible.

As for the Director of Audit's report, I am likewise thankful to him for his very specific recommendations. However, I must say that owing to time constraint, he has only been able to focus on the hotel accommodation arrangements for the outside duty visits I conducted during my term. Actually, there are many more facts which should be mentioned. Let me perhaps give Members some further explanation.

First, the procedure and approach adopted by my colleagues in the Chief Executive's Office for vetting every accommodation proposal related to my outside duty visits are simply the same as those adopted before 1997, and afterwards, for that matter. The classes of hotels and rooms in which I put up are also the same as those before. In certain cities, such as London, we usually select the very same hotel, the one which has connections with Hong Kong. It is always the same hotel. As for the classes of the rooms we select, they are likewise the same as those before 1997, and afterwards.

Furthermore, there is one more objective fact. For nearly two thirds of my outside duty visits during the term of the present Government, two thirds of the related hotel charges were paid by the host countries that extended their invitations to me. And, all accommodation arrangements were made by them. Almost invariably, they made all the arrangements, such as what the Director of Audit has described as "superior suites". We must respect the arrangements of the host countries, and could not decide on all the details. The arrangements we made were comparable to their arrangements.

The perspective of the Director of Audit throughout the whole process has been forward-looking. He does not intend to hold any particular government officials responsible, nor does he want to penalize any particular government officials. His only intention is to pinpoint the areas in need of improvement under the current system. Furthermore, there was no intentional squandering of public money, to speak less of any irregularities, on the part of the officials under audit in the entire process. I therefore think that the best response to people's aspirations at this stage should be our earnest efforts to effect the expeditious and early implementation of all the recommendations made by the Director of Audit.

My colleagues have immediately hastened to translate his recommendations and all the internal requirements we need to observe into concrete regulations. It is our plan to hold discussions on these recommendations with the Chief Executive-elect as early as possible, so that a full announcement can be made before 1 July for implementation thereafter. I think this is the best response, a response that can give Hong Kong people assurance. This can also address the system-related loopholes in the practices handed down over the years. We will do so, and I think this is the best response.

MS EMILY LAU (in Cantonese): *President, the respective reports of the Director of Audit and former CFA Chief Justice Andrew LI both point out that there are serious loopholes in the existing system, and they also make severe criticisms against the Chief Executive's deeds. President, members of the public have told me to ask the Chief Executive whether he will take the blame and step down for the reason that his deeds have brought shame on Hong Kong. And, they also want him to return the public money he has over-spent to the Treasury or simply donate it to charity.*

CHIEF EXECUTIVE (in Cantonese): Ms LAU, I have already extended my thanks to the two gentlemen, Mr LI and the Director of Audit, for writing their reports. Regarding the tasks during my term, as I mentioned in the opening address, quite a number of them are not yet completed. My responsibility as the Chief Executive towards the people of Hong Kong is to complete all the procedures related to these tasks.

The remaining tasks include the enactment of the competition law after the legislative debate, the plan for the elderly to ride on public transport at a fare of \$2, the passage of the re-organization proposals before 1 July and other important matters, such as the regulation of the sale of first-hand properties. All these are matters of extreme importance to Hong Kong people and their livelihood. I must exhaust every single minute and second in the remaining 16 days, so as to complete the related procedures. I must not desert my post, and I must not let Hong Kong people down.

Regarding how I should follow up the recommendations of Mr Andrew LI and the Director of Audit, I have said very clearly just now that the most positive response should be to implement all these recommendations, improve the existing system, and admit that our adherence to the rules handed down from the past has led us to overlook people's special expectations towards us nowadays. I believe that this is the most appropriate response. Charity is what I have always supported, but it must not be dragged into this present incident.

(Mr LEUNG Kwok-hung yelled in his seat)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, I must remind you that you must not yell in your seat again, or else I will have to order you to leave the Chamber.

MR LAU KONG-WAH (in Cantonese): *President, since the Chief Executive's term is left with 10-odd days only, I also wish to ask a question on his personal feelings. At the initial stage of your electioneering, you chanted this slogan: "I'll get the job done". Now, after seven years, have you come to any deeper understanding of this slogan? Looking back at your past experience, do you*

think you have ever had any happier moments? And, which periods of time were more miserable to you?

CHIEF EXECUTIVE (in Cantonese): I already disclosed to you my personal feelings as much as possible in my opening address today. And, in my reply to the first question just now, I also explained my viewpoints. Honestly speaking, while it is true that I have contributed to the accomplishment of some 170 undertakings in my term of seven years, the accomplishment of the bulk of these undertakings are actually due to the toil and sweat of the accountability officials present here today and many civil servants behind the scene. And, more importantly, such accomplishment must also be ascribed to Hong Kong people's support and Honourable Members' approval. I must be very careful when saying these words, but it remains true that I have really made it.

There have indeed been happy moments. For example, the passage of the Minimum Wage Bill by the Legislative Council was a moment of elation in my life. The passage of the constitutional reform package in 2012 by the Legislative Council was also a memorable moment to me. Furthermore, the Legislative Council's swift allocation of \$100 billion for establishing a credit fund after the outbreak of the financial tsunami in 2008 to assist Hong Kong enterprises in tiding over the difficulties likewise gave me a moment of delight.

As for miserable moments, I would say that in the past three months, I could see and hear criticisms almost every day. However, I think such criticisms have offered me a continuous learning process and opportunities to reflect on myself, making me realize that in order to get a job done, one must also evaluate all criticisms in addition to remembering one's achievements. To me, criticisms are an integral part of my achievement, in the sense that while they do manifest the progress attained by the Government and society, they can also remind me that I must still overcome many personal weaknesses and continue to do a better job in the remaining time.

Up to this moment in my office as Chief Executive, my term is only left with 16 days and eight hours. Before my term expires, I will continue to learn, and Mr LAU's words will be etched on my mind, bringing home to me the presence of such voices in society and the need for me to constantly reflect on

myself. I believe that with such an attitude, I will find my retirement much more meaningful.

Thank you for asking this question.

MR LAU KONG-WAH (in Cantonese): *President, will the Chief Executive offer any advice to future Chief Executives? Apart from "getting the job done", can he give them any other advice that is even more important?*

CHIEF EXECUTIVE (in Cantonese): The three challenges I mentioned in my opening speech just now apply to political figures in general, Mr LEUNG Chun-ying included. I hope Honourable Members can realize that the challenges he faces, I mean the challenges Mr LEUNG faces, are not challenges unique to him. Rather, they are also the challenges faced by this entire legislature and society at large. We must share the same goal. We must forge consensus, surmount difficulties and tackle various challenges on the basis of improving the lot of Hong Kong people, so as to boast social progress.

Furthermore, as society undergoes constant changes, conflicts are bound to occur every day. We must be psychologically prepared for that and seek to overcome all these problems, rather than losing heart. The handover between Mr LEUNG and me these days has been very smooth. We meet regularly every week, and not only this, we also communicate very frequently over the telephone. I will definitely share with him everything I know and anything I can sense. However, I do realize that each Chief Executive is unique in his approach, and I respect that. The approach, especially work focuses, of the next Government may be different. This is as it should be because society is ever-changing, and so are work focuses. In the face of such changes, any Chief Executive must give appropriate responses. In this regard, I have immense confidence in Mr LEUNG. I will tell him everything I know. Sometimes, I may do so publicly. But sometimes, whispering to him may be more effective.

MR WONG YUK-MAN (in Cantonese): *"I want to get the job done" actually means "I want to get the job". The simple deletion of one word already suffices to show the meaning.*

At the last Chief Executive's Question and Answer Session, you, the Chief Executive, openly insulted a directly elected Legislative Council Member before the very eyes of all Hong Kong people in this very Chamber of the Legislative Council. I asked you why you had appointed the least popular Bureau Director as Chief Secretary for Administration in open defiance of the people. Mencius said: "When a man destitute of benevolence is in a high position, he thereby disseminates his wickedness among all below him." You are precisely a classic example of this. But instead of replying to me, you went so far as to describe me as a "thug" and sassed: "This is not a place for triad societies." You should be sorry for these words of yours because you are now faced with such an ending.

PRESIDENT (in Cantonese): Mr WONG, please state your question.

MR WONG YUK-MAN (in Cantonese): *Most unfortunately, another Mr TSANG, Jasper TSANG, expelled me from the Chamber without listening to my explanation and even before the Chief Executive answered my question, thus preventing me from refuting this unfair accusation.*

PRESIDENT (in Cantonese): Mr WONG, please state your question.

MR WONG YUK-MAN (in Cantonese): *I will surely ask*

PRESIDENT (in Cantonese): Please stop delivering a speech.

MR WONG YUK-MAN (in Cantonese): *"A person on stage should think of the time when he is not". This is dedicated to one of the Mr TSANGs. The other Mr TSANG contemplated running in the election but was unable to do so. "Better be an onlooker than a performer" is what I want to dedicate to this Mr TSANG.*

PRESIDENT (in Cantonese): Mr WONG, if you continue to deliver a speech, I will have to stop you from speaking.

MR WONG YUK-MAN (in Cantonese): *I wish to request the President to ask him on my behalf whether he thinks he should apologize to me for that particular remark last time. It is all right even if he does not apologize to me. It is all right as long as he can apologize to all Hong Kong people and admit that he is ashamed of himself for the disgrace he has brought on Hong Kong. Even if he does not step down, he must still tender a solemn apology to the people of Hong Kong, instead of apologizing to those government officials or civil servants. He is shameless. He has made Hong Kong people lose face and impaired Hong Kong's clean and efficient civil service system!*

PRESIDENT (in Cantonese): Mr WONG, please stop speaking and sit down.

(Mr WONG Yuk-man remained standing)

MR WONG YUK-MAN (in Cantonese): *He should apologize. First, he should apologize to me before everything else, OK?*

PRESIDENT (in Cantonese): Mr WONG, please sit down.

(Someone on the Public Gallery yelled)

PRESIDENT (in Cantonese): People on the Public Gallery, please keep quiet and stop yelling. Chief Executive, please reply.

CHIEF EXECUTIVE (in Cantonese): At the special question and answer session I requested the Legislative Council to set up, I already responded to the media reports on my use of private transport and renting of an apartment in Shenzhen. I already disclosed my personal views and feelings at that time.

And, I also expressed my heartfelt regret in the legislature. I believe this should be an appropriate response.

MR WONG YUK-MAN (in Cantonese): *President, my request is for him to tender an apology for publicly insulting a directly elected Legislative Council Member at that particular question and answer session last year, that is, the one in which I asked him the question concerned. I let him go at that time. No, to be correct, I should say that all was only because you, the President, expelled me, and I was thus rendered unable to request you to make a ruling. Had I been able to request you to make a ruling, had he been ordered to withdraw his remark, would you expel him in case he refused to comply? We are frequently expelled by you, President. You are so very wise, so please ask him to give a reply because he has not answered my question. OK?*

PRESIDENT (in Cantonese): Please repeat your question.

MR WONG YUK-MAN (in Cantonese): *I request him to apologize to me publicly and withdraw that particular remark. Ask him to do so now!*

PRESIDENT (in Cantonese): If you have raised your question, please sit down now. Chief Executive, do you have anything to add?

CHIEF EXECUTIVE (in Cantonese): President, I have nothing to add.

(Some Members talked loudly in their seats)

PRESIDENT (in Cantonese): Would Members please keep quiet.

MR ANDREW LEUNG (in Cantonese): *President, in October 2009, the Chief Executive rolled out the policy of developing the six industries with competitive edge in a bid to drive Hong Kong's economic recovery and promote its economic*

diversification. Over the past few years, the Government has indeed put in many efforts to develop the six major industries. However, many people have hitherto failed to notice any fruitful outcome. In the case of certain industries, the Government even seems to be doing them a disservice. The healthcare industry is one example. Sure enough, private hospitals have recorded improving business turnover. But the truth is that the influx of "doubly non-permanent resident pregnant women" has led to a shortage of maternity beds for local pregnant women. Furthermore, in the case of the education industry, there is a shortage of school places in the North District. May I ask the Chief Executive how he will appraise the effectiveness of promoting the six major industries?

CHIEF EXECUTIVE (in Cantonese): It honestly takes quite a bit of patience when it comes to identifying new industries. As Members all know, the decision on developing the six major industries is not without any basis. The decision was made in response to the then prevailing views held by many experts and industry participants on the unique potentials of these industries in Hong Kong. Although only a short time has elapsed, although it is only about two years into their development, we have already seen some actual results. In 2009, the six major industries employed roughly 390 000 people, but now the figure is close to 410 000 — sorry, their number of employees in 2010 was estimated to be as large as 407 000. In other words, the manpower employed by these industries has increased. The proportion of the six major industries in our GDP has increased by roughly 0.5%. The increase is obvious, and these industries have all been making some headway.

Since 2009 when I initiated the development of the six major industries, I have made use of various means, one example being land grants. Hospitals, universities, the EcoPark and the Hong Kong Science Park have all been granted new land and made progress. For instance, in an attempt to revitalize older industrial buildings, we have approved 36 applications for wholesale conversion and 11 applications for redevelopment, showing that we have made efforts in that regard and some results have been achieved.

Regarding the provision of subsidy to creative industries, the Research and Development Cash Rebate Scheme and the CreateSmart Initiative have started to yield some results. Furthermore, we have also launched quite a number of

environmentalism-related initiatives, such as the trial use of electrical vehicles now underway, the energy efficiency registration scheme for buildings and the development plan for the testing and certification industry, which have all achieved some results. Under CEPA, we have likewise succeeded in securing some special concession schemes specifically for the six major industries, thus enabling them to make the best use of Hong Kong's vitality and the resources of the Mainland for the joint development of the two places.

As for external promotion, we have invited foreign educational institutions to participate in the development of university education in Hong Kong. The promotion efforts in this regard have also yielded some results, as land grants have commenced and invitations to tender are being prepared. There is progress in all these respects. If the Honourable Member wants to know the details, we are happy to provide further information later.

I hope Honourable Members can appreciate that it is not so easy for any new industries to take root and expand within a very short time. But we do identify very great potentials in the six major industries, and we have started to achieve results in each selected project. The process will take time, and it is difficult for us to make these industries comparable to the financial, shipping and trading industries overnight. If Honourable Members require the details of these several industries, we are happy to provide further information for their reference.

MR ANDREW LEUNG (in Cantonese): *Chief Executive, I agree with you that the development of the six major industries will take a long time, and it may not be possible to achieve any obvious results instantly.*

May I ask whether you have any advice for the next Government on the continued development of the six major industries? Or, do you detect any inadequacies on your part, inadequacies that you hope the next Government can rectify in the development of the six major industries?

CHIEF EXECUTIVE (in Cantonese): President, I believe that all procedures will take time to complete, and my efforts may not always be perfect. The development of each and every project invariably requires us to forge consensus over and over again. We need to secure social support, and not only this, we

also need to obtain funding approval from the Finance Committee of the Legislative Council in many cases. However, I have not noticed any major hindrance so far. My perception of Mr LEUNG's political platform is that he does not oppose the development of the six major industries. He will continue with their development, and I can also see that he is very keen on developing new industries, new economic activities and new fields. I believe that in so doing, he will definitely touch upon the six major industries we have been discussing and even other industries. I have very great confidence in him regarding such development. I am sure that as long as we can give him more support, yet better results in widening Hong Kong's economic infrastructure will certainly be forthcoming in the next few years.

MS CYD HO (in Cantonese): *Eight days ago, Mr LI Wangyang died in suspicious circumstances after enduring 22 years of atrocious torture and wrongful imprisonment, and his body was cremated soon after his death. His family members, whose whereabouts are unknown up to this moment, are barred from having any contacts with the outside world.*

On Sunday this week, 25 000 Hong Kong people marched to the main entrance of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (the Liaison Office) to show their concern about whether Mr LI Wangyang had been killed for divulging the atrocious torture inside the dark prison in Henan by those who wanted to silence him. Those Hong Kong people only wanted to mourn Mr LI's death by placing white flowers on the gate of the Liaison Office in an orderly manner. However, their attempts were held up and frustrated by the police over and over again.

Chief Executive, how have you responded to Hong Kong people's fury? You say that the Central Authorities will definitely hear Hong Kong people's views, and that you will defend Hong Kong people's liberties. But these two statements are mere empty talks devoid of any concrete actions. Will you promise Hong Kong people that when the leader of the Central Authorities visits Hong Kong on 1 July, you will reflect to him face to face Hong Kong people's request for the conduct of an investigation by the Central Government into the truth of Mr LI Wangyang's suspicious death, and that you will order the Transport Department to immediately dismantle the political flowerbed outside the Liaison Office, so as to defend Hong Kong people's freedom of assembly and

petition with concrete actions, and safeguard the right of the mass media to news coverage with concrete actions, rather than paying Hong Kong people such lip-service?

CHIEF EXECUTIVE (in Cantonese): To begin with, as I said yesterday, I can well appreciate Hong Kong people's view on this incident. I think there is something suspicious about this case. Under the principle of "one country, two systems", I reiterate that my primary task as the Chief Executive is to defend the right of Hong Kong people to express such a view. I believe that the Mainland authorities are very clear about Hong Kong people's view. And, I can also tell you that I have already reflected this view to the Central Authorities. I strongly believe that the authorities concerned will handle this problem seriously according to the law.

(Ms Cyd HO rose to her feet)

MS CYD HO (in Cantonese): *I also know*

CHIEF EXECUTIVE (in Cantonese): On the other hand

MS CYD HO (in Cantonese): *..... the Chief Executive will certainly*

CHIEF EXECUTIVE (in Cantonese): I have not finished my reply

PRESIDENT (in Cantonese): Ms HO, the Chief Executive has not finished his reply. Please raise your supplementary question a moment later.

MS CYD HO (in Cantonese): *He must never again pause for such a long time, or else I may think that he has finished his reply.*

PRESIDENT (in Cantonese): Ms HO, please do not follow up your question until I call upon you to do so. Chief Executive, please continue with your reply.

CHIEF EXECUTIVE (in Cantonese): On the part of the police, they will seek to protect the protesters' right of expression as much as possible when handling every parade. And, every time the police handle a parade, they will hold negotiations with the persons concerned on the route of marching and other special arrangements. However, in case any unexpected circumstances crop up in the process, we must depend on the protesters and police officers on location to jointly work out the best solution through negotiations. I strongly believe that given tolerance on both sides, it will always be possible to work out better solutions and avoid clashes. But in many cases, pre-set arrangements are not followed despite prior agreement, and this may give rise to trouble.

Regarding the flowerbed outside the Liaison Office mentioned by the Honourable Member, I must point out that its erection is not the result of any unilateral decision. Its positioning and design are the outcome of many rounds of discussions in the relevant District Council. I believe that regarding this issue, it is most appropriate to let the relevant District Council decide how best to handle the positioning of the flowerbed.

MS CYD HO (in Cantonese): *President, what the Chief Executive has said is not the truth because the political flowerbed outside the Liaison Office was erected with Transport Department's funding in 2002. The management of the plants on the flowerbed was subsequently handed over to the Leisure and Cultural Services Department. No attempt had ever been made to consult the District Council beforehand. It is a political flowerbed.*

I know that the Chief Executive will certainly excuse himself by saying that when it comes to "one country", he may not be able to do anything. However, our present proposal of dismantling the flowerbed is just a very trivial matter, something he is perfectly capable of doing under the principle of "two systems". He is only requested to do something so trivial to restore his own integrity. He is only requested to do something so trivial to defend Hong Kong people's rights of assembly and expression. Is he going to fool the people of Hong Kong up to

the very last minute and second? Why does he refuse to take even such a minor practical action?

PRESIDENT (in Cantonese): Ms HO, please do not deliver a long speech.

CHIEF EXECUTIVE (in Cantonese): I have already said that members of the Central and Western District Council have their own opinions about the flowerbed. I think we must listen to the views of local residents before deciding on the next step to take. We should not think that the Chief Executive can dismantle anything at will, nor should we expect him to comply whenever there is any request for dismantling something. In our society nowadays, when it comes to public decision-making, we all wish to see pluralistic participation, especially the participation of local community residents. And, for the special reason that the flowerbed is a local facility, local residents should have a say, and we are duty-bound to listen to their views.

MR JEFFREY LAM (in Cantonese): *President and Chief Executive, these days, whenever I watch television or read the newspapers, I am invariably overwhelmed by all sorts of horrifying international news. As long as the European debt crisis remains unresolved, there will be new developments every day. We can also notice that the European debt crisis has come to endanger the global economy.*

Chief Executive, as you yourself said just now, you will continue to work hard until the last minute and last second of the last 10-odd days in your term of office. Suppose the European debt crisis really gets out of control right at this very juncture of governmental changeover, does the SAR Government have any measures to cope with the situation? And, during this very period of "blood transfusion" when a new governance team has not yet come into being, how are you going to work with Mr LEUNG Chun-ying to ensure that our financial industries and the overall economy will not be adversely affected? Thank you, President.

CHIEF EXECUTIVE (in Cantonese): To begin with, our existing fortifications, including the financial regulatory regime and especially the banking management system as well as the securities market regulatory regime, are all very advanced and adequate by international standards. There is also an abundant supply of capitals. The various regulatory regimes are themselves extremely robust and will not be weakened by the dominance or influence of one or two persons.

Second, I believe that the political changeover will not affect many of the existing personnel, especially those in the Hong Kong Monetary Authority (HKMA), who are the key leaders responsible for defending and strengthening Hong Kong's banking industry. They have gone through the financial turmoil in 1998 and the financial tsunami in 2008 and amassed an immense pool of experience. Furthermore, we have also made very adequate efforts to improve our fortification strategy. Many of the lessons learnt have been incorporated into the various regulatory regimes and translated into written rules and regulations. However, I still agree with you that the outbreaks of incidents in financial markets may take many different forms. While the nature of such incidents is basically the same, the form of outbreak may vary from case to case, thus necessitating different responses and requiring the input of experienced personnel.

I have discussed this matter with Mr LEUNG Chun-ying quite a number of times. He is very confident that with all their response ability and experience, the new governance team will be able to continue with the task of tackling such problems. If we can institutionalize all our response measures in the past, then I believe that with the presence of government officials and personnel in the HKMA, the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited — who are all highly experienced in responding to such incidents — we should be well-equipped to deal with the next outbreak. This does not mean that we are immune to attacks, though.

I am especially concerned about whether our governmental changeover will coincide with the outbreak of any special incidents. As Members are aware, I have been talking about this problem since about a year ago. I have been giving such a reminder on every appropriate occasion, and I have been saying that having regard to the possible outbreak of another financial tsunami or economic recession during the critical period of governmental changeover, we have made a number of special efforts. And, we have also shared our thoughts on what

response measures should be adopted. In this regard, Mr LAM can rest assured that I will properly hand over all the matters I am aware of. I am confident that Mr LEUNG will be able to grasp the situation. And, I strongly believe that the governance team of the next Government will immediately hasten to take over this task, and there will be no problem.

MR JEFFREY LAM (in Cantonese): *President, the Chief Executive has remarked that there will be a smooth transition from the old team to the new team. However, we are worried that such incidents may erupt all of a sudden before a new team comes into being. Recently, the financial markets in Hong Kong have been perturbed by some comments regarding our exchange rate. Is it really possible for the new team and the old team to strike up very close connections? Chief Executive, will you stay on for a while longer, so as to assist the new team in tackling finance-related issues?*

CHIEF EXECUTIVE (in Cantonese): This is impossible, both constitutionally and personally. I have heard Honourable Members' demand for my stepping down, so I will not stay on. I suppose it is only natural for everyone to have a plan on spending his own time and undertaking the tasks he likes.

The Honourable Member can rest assured, and he needs not worry about this matter. I believe that as soon as the Central Authorities announce the appointment of the next Government's team, we will immediately start the handover of portfolios among individual officials. As for the handover of schemes on coping with various incidents, I also believe that all will be seamless. I very much hope that the governance team appointed by the Central Authorities can start the handover process on or before 30 June. Just a few days will suffice, and the handover can be completed successfully. And, there is the possibility that most officials in the incumbent Government are retained by the new Government. If a post is occupied by the same person as before, there will be no problem. If not, there are still other ways to tackle the situation. But I can assure you that our present organization and system are very strong. They do not depend solely on individual officials. The system itself is very robust.

MR WONG SING-CHI (in Cantonese): *President, well before his retirement, Mr TSANG already intends to live in a huge apartment measuring 6 000 sq ft after retirement. In contrast, many old retirees in Hong Kong must earn a living by scavenging cardboard. Furthermore, for 55 times in the past five years, he could put up at presidential suites during his outside duty visits. In contrast, many Hong Kong people must live in "sub-divided flats", and even if people choose to live in the streets, they will still be driven away by staff of the Food and Environmental Hygiene Department. Also, people must pay exorbitant fares for riding on buses and travelling on those railways marked by frequent service disruption. In contrast, he was able to travel on a luxurious yacht by paying merely several hundred dollars.*

Chief Executive, are you aware that your deeds have shattered the hearts of Hong Kong people and infuriated them? Many poor people

PRESIDENT (in Cantonese): Please state your question.

MR WONG SING-CHI (in Cantonese): *..... are unable to improve their living. But you have squandered huge sums of public money. President, this is actually not the question I want to ask*

PRESIDENT (in Cantonese): Please state your question.

MR WONG SING-CHI (in Cantonese): *You have indeed behaved very badly in many ways, but what you said a moment ago is slightly redeeming, to be fair. I am talking about your public statement that there is something suspicious about the case of Mr LI Wangyang. President, may I ask the Chief Executive*

PRESIDENT (in Cantonese): Please state your question.

MR WONG SING-CHI (in Cantonese): *..... whether he is suspicious in the same way as Secretary Dr York CHOW (who has come to be called Hero CHOW*

this time around)? In other words, is he saying that Mr LI Wangyang could not have committed suicide at all? Is this the doubt he has in mind?

CHIEF EXECUTIVE (in Cantonese): I have already said what I want to say, and I have nothing to add. My words are very clear, and so is my stance.

MR WONG SING-CHI (in Cantonese): *President, in that case, my interpretation is that the Chief Executive's suspicion concerning Mr LI Wangyang's case, that is, his doubt as to whether it is a case of murder or suicide, actually stems from the observation that Mr LI could not have committed suicide at all. President, I think the Chief Executive has at least done something slightly redeeming. He has conducted himself better than Mr LEUNG Chun-ying in this regard. Mr LEUNG Chun-ying said that as the Chief Executive-elect*

PRESIDENT (in Cantonese): Mr WONG, please stop delivering a speech.

MR WONG SING-CHI (in Cantonese): *..... No, President, I am already asking my question because this is a related point. Mr LEUNG Chun-ying said that as the Chief Executive-elect, he could not comment on this incident. However, since the incumbent Chief Executive can comment on the case, why can't the Chief Executive-elect do the same?*

PRESIDENT (in Cantonese): You can raise a concise supplementary question only. Please stop delivering a speech.

MR WONG SING-CHI (in Cantonese): *May I ask Mr TSANG, the incumbent Chief Executive, whether there are any written rules in Hong Kong forbidding the Chief Executive or the Chief Executive-elect to comment on certain suspicious cases on the Mainland? Chief Executive, you have already done so. In that case, please tell me whether there are any written rules. If not, why can't Mr LEUNG Chun-ying comment on this incident?*

PRESIDENT (in Cantonese): You have already stated your supplementary question. Please sit down.

CHIEF EXECUTIVE (in Cantonese): I have heard Mr LEUNG express his views and comments, and I would say that his response is adequate. His response and mine are basically similar. I only want to say that as the Chief Executive, my responsibility is very clear — under the principle of respecting "one country, two systems", my primary task is to safeguard Hong Kong people's freedom of expression, and to reflect their views. The public say that there is something suspicious. I agree with them, and I have reflected their view on this incident to the Central Authorities. As I have said just now, I strongly believe that the Mainland authorities will seriously handle this incident according to the law.

DR PHILIP WONG (in Cantonese): *President, time really flies. In the twinkling of an eye, the term of the third SAR Government will come to an end in about two weeks' time. During his electioneering, the Chief Executive made some 170 undertakings to the people of Hong Kong. When replying to Mr LAU Kong-wah's question a moment ago, he talked about a number of accomplished tasks, saying that he was thus very happy. However, among the 170-odd undertakings, there are bound to be some items that have not been accomplished. Can the Chief Executive tell me whether there are any items which he considers important, but which are not yet completed? Why has he failed to complete them?*

CHIEF EXECUTIVE (in Cantonese): Virtually every day, my colleagues and I will check the list of the undertakings I made in 2007. There are 173 undertakings, most of which, that is 169 items, have been completed, or are in progress, or have been kick-started. In this connection, I have compiled a booklet setting out the major policy accomplishments of the third Government. The relevant information will also be uploaded onto the Internet for Hong Kong people's information. It is true that we have not succeeded in accomplishing four of these items, but these are not any major issues. Let me give you an account of these four items.

The first item is the provision of an appropriate legal framework to enterprises, especially social enterprises, for facilitating their operation. After thorough discussions, we realize that the provision of a legal framework for the purpose of regulation will deprive such enterprises of flexibility. Following consideration, we have come to the conclusion that the proposal I made at that time may not be beneficial to social enterprises and society as a whole. We have therefore given up this proposal.

Furthermore, as Honourable Members know, there is a thorn in my heart. I frequently discuss this issue with the Financial Secretary, but I have been unable to put my idea into practice. I am talking about the reduction of the profit tax rate to 15%. Sadly, due to the volatile economic circumstances of the world since the time of proposal, we must seek to stabilize Hong Kong's taxation revenue. We must balance our revenue and expenditure, so that we can withstand any unusual and unexpected events that may crop up all of a sudden. As a result, we have been unable to achieve our desired goal of lowering the profit tax rate to 15%. In this regard, I believe most people will agree that our decision is justified, and the profit tax rate should not be lowered in the meantime.

Another issue concerns the provision of tax deduction for voluntary contributions to Mandatory Provident Fund Schemes. This is a highly contentious issue. Why should there be tax deduction for voluntary contributions to Mandatory Provident Fund Schemes, while other types of contributions are not entitled to any tax deduction? There is the argument that such a tax deduction is not fair. Therefore, the idea has not been put into practice.

The last issue is the provision of tax concessions for private medical insurance or self-financed medical insurance. By the same token, we are of the view that the implementation of such a special arrangement will arouse arguments over the question of fairness in society. And, we have also considered the fact that we are already working on a healthcare scheme of an even larger scale. Therefore, four of our 173 undertakings — the four items I have mentioned — have not yet been accomplished. But I do believe Honourable Members will agree that these four items are not the most important ones to Hong Kong. The most important ones should be the core proposals in the 170 or so undertakings, such as the major items of setting a statutory

minimum wage and introducing a competition law. I hope Honourable Members can accept my explanation.

DR PHILIP WONG (in Cantonese): *President, in the remaining two weeks of his term, will the Chief Executive do some thinking on Hong Kong's future circumstances and then advise the next Chief Executive sincerely on which items he should focus on?*

CHIEF EXECUTIVE (in Cantonese): I have been giving thoughts to writing down some notes for Mr LEUNG or his colleagues. I intend to write down my personal feelings, and some of the issues may be about the internal operation of the Government. And, I am thinking how I can give him these notes. However, Dr WONG can rest assured that I will tell Mr LEUNG all I know as far as possible, and I will also alert him to any crises I can sense. As for solutions, I do have something in mind, but I also believe Mr LEUNG will have his own approaches. However, you can rest assured that as observed by my colleagues and myself, the handover has been totally seamless so far. There has been no scepticism and suspicion, and we discuss practically everything, including anything which I think may happen and the problems we may have to face. I have already briefed Honourable Members on some of these problems in my opening address.

DR RAYMOND HO (in Cantonese): *If workers, technicians and professionals are all counted in, the total number of employees in the construction industry will be 350 000. Assuming that there are 3.5 members in every family, the total figure will be one million. Six or seven years ago, when Hong Kong's overall unemployment rate was 8.6%, the unemployment rate in our industry was over 20%. Some four years ago, the Chief Executive put forward the 10 major infrastructure projects, thus boosting our economic development. The current unemployment rate is 6.1%. The situation over the past few years has no doubt improved substantially, much to the satisfaction of all, but we are still concerned about what will happen after all these infrastructure projects are completed in the future. These days, many young people have asked me what will happen five or six years later.*

Chief Executive, I can remember that over the past two or three years, I have repeatedly asked about the infrastructure planning after the completion of the 10 major infrastructure projects. I have asked these questions because the conduct of preparations, environmental impact assessments, feasibility studies and public consultation would all take time. However, why have we not received any information that can put our minds at rest?

CHIEF EXECUTIVE (in Cantonese): Since its inauguration, this Government has been spending roughly \$20 billion on infrastructure projects every year. As at the present moment this year, we have invested over \$60 billion, and in the next few years, our investment will likewise be maintained at the level of \$60 billion. At present, there is a tight supply of labour in the construction market. In the case of certain special types of jobs in the industry, manpower shortage is especially serious, and wages are very high. Our present worry is not so much about any shortage of infrastructure projects. Rather, we are concerned that the construction industry does not have an adequate supply of new blood necessary for maintaining its competitiveness and sustaining its ability to thrive.

Another assurance for Honourable Members is that the Asian financial turmoil and the global financial tsunami in 2008 have led me to realize that we must adopt a very cautious approach. What I mean is that in order to maintain the long-term competitiveness of a city, we must make continuous investment in its infrastructure. We must invest in both hardware and software facilities. Investment in hardware facilities must never stop, and one useful feature of such investment is that money is usually spent in an anti-cyclical manner. Usually, the investment decision is made in well-off times, but when the time for actual spending comes At the beginning, very small spending is required, but three or four years later, when the works project reaches an advanced stage, greater expenditure will be required. At this very juncture, the economy may coincidentally come to the point of cyclical downturn. In such times, we must often depend on the anti-cyclical investment in infrastructure facilities as a means of maintaining the growth impetus of a place.

We can observe that the reason for Hong Kong's ability to maintain its competitiveness and appeal and to avoid an upsurge in its unemployment rate even during the worst times of the recent financial tsunami was precisely our investment in infrastructure projects. I strongly believe we must still make a lot

more efforts in this respect. The 10 major infrastructure projects will be followed by another 10 major infrastructure projects. The only important thing is for us to always devote such investment to the constant renewal of our city. However, we must be very cautious in the process, and the Finance Committee of the Legislative Council must at the same time play the role of gate-keeping, so as to ensure that we will never construct any "white elephants" or "little white elephants". As long as we can ensure that every works project is deemed value for money at the time of finalization, we must keep launching infrastructure projects.

I would also like to take this opportunity to say a word of encouragement to the young people in Hong Kong. If they like studying, they can do so by all means. But if they do not like studying, they should realize that there are still huge prospects for them. They may choose to join blue-collar industries, especially the construction industry. This industry can offer them lots of prospects. The expenditure on infrastructure construction will continue to increase in the future. The employment situation in the construction industry is very satisfactory, and social returns will also be very reasonable.

DR RAYMOND HO (in Cantonese): *Since the 1970s, the work volume of the construction industry has seen three peaks, interspersed with periods of troughs. I hope that the work volume of the industry can remain stable all the time. This is beneficial to the Government as well as the private sector, and also conducive to the planning on manpower and other aspects. However, young people are frequently worried by the question of whether there will be any new infrastructure projects after the completion of the present ones six or seven years later. They are not clear about the prospects.*

May I ask the Chief Executive whether he has instructed existing government officials to make preparation for implementing the plans on various large-scale infrastructure projects? One example is the Central Kowloon Route, which has been discussed for many years. Given the present development in West Kowloon and East Kowloon, it will frankly be very difficult to relieve the traffic congestion on the Kowloon Peninsula without the Central Kowloon Route. There are also other projects such as the Northern Link. Is it possible to release more information to put people's minds at rest?

CHIEF EXECUTIVE (in Cantonese): I think every works project must first undergo examination and studies before various assessments can be conducted. But one thing is very clear — our government colleagues responsible for development, that is the Secretary for Development and her staff, have already overcome many perennial difficulties. In the past, for example, infrastructure expenditure often fluctuated very sharply from year to year. At present, we are able to exercise satisfactory control over yearly expenditures. In the past, we might allocate too much funding, thus leading to surpluses. This is no longer the case now. In the past, there might be huge and unexpected cost overrun for certain projects. Nowadays, this only happens very occasionally to isolated cases. Overall, we are able to maintain the stability of our expenditure in this regard.

I believe this trend will continue, rather than coming to a halt due to the expiry of the incumbent Government's term. I believe even after the expiry of the incumbent Government's term, the same approach will be adopted. I believe that as long as our economy can continue to thrive, as long as our basic taxation revenue and the non-recurrent taxation revenue we receive every year can remain at their present levels, our non-recurrent expenditure, especially our infrastructure investment, will not decrease. Let me once again express my hope that young people can seriously consider joining this industry. It can offer huge prospects.

MR FREDERICK FUNG (in Cantonese): *President, I already asked a similar question last time, but I still want to follow up the issue here. The Chief Executive has received a lot of hospitality/entertainment offered by people in the commercial sector. Although corruption may not be involved, such acceptance may deepen his relationship with these people, and he may thus become a closer friend of them.*

Following media coverage, these incidents have become widely known — not only by the people of Hong Kong. The day before yesterday, I even received a request from a lecturer at the University of Macao. He hoped that if I had a chance at today's meeting, I could ask a question for him. After reading his question, I must say that it is quite meaningful.

Knowing that the Chief Executive had visited the construction site of La Scala together with Mr LAU, he wanted to ask the Chief Executive these

questions: Since he and Mr LAU are acquaintances, did he, when he visited Macao, ever mention to any Macao government officials, either formally or informally, that the scenery around La Scala was superb? And, does he even intend to buy an apartment there during the pre-completion sale of La Scala? Or, precisely, has he bought one already?

CHIEF EXECUTIVE (in Cantonese): Which Mr LAU are you referring to?

MR FREDERICK FUNG (in Cantonese): *Mr LAU Luen-hung.*

CHIEF EXECUTIVE (in Cantonese): Both brothers are called LAU Luen-hung. Are you talking about the elder of them? I have never visited Macao together with the Mr LAU you are referring to. Nor have I ever considered buying any properties in Macao. Since my wife is a Macao resident, I used to visit Macao very often for private purposes, such as grave-worshipping and attending to other personal affairs. Furthermore, I have also visited Macao for the purpose of observing its development. I have always wanted to understand Macao's local development, not only its architectural development but also other aspects of its cultural development, in the hope that we can learn something from it and explore how we can enhance our complementary partnership in the course of regional development. However, I have never visited Macao together with the Mr LAU you are referring to.

MR FREDERICK FUNG (in Cantonese): *President, I myself believe the Chief Executive's words. But why do others think that way? Very often, the point is not so much about whether a person has really done something as alleged. Rather, all is just because the person's track record of some other deeds may lead to many fancies and associations concerning his acts. In such cases, while the truth may still prevail somehow, falsehood may be regarded as the truth, or the truth may be treated as falsehood.*

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

MR FREDERICK FUNG (in Cantonese): *Here is my supplementary question. As the Chief Executive, you Donald TSANG have done all these things in the incidents concerned, thus leading Hong Kong people and even outsiders to cast many doubts on the accountability system for principal officials. First implemented by Mr TUNG and later expanded by you yourself, the accountability system for principal officials aims to make principal officials bear responsibility for what they have done. Your acceptance of the hospitality/entertainment offered by people in the commercial sector has caused many people to have fancies about you, and to raise many queries about the Chief Executive. Do you think that you must bear the responsibility, take the blame and resign, irrespective of whether one day or a week is left in your term? This is the very essence of the accountability system for principal officials, meaning that you should bear responsibility for the fact that your deeds have tainted the sanctity of this post.*

CHIEF EXECUTIVE (in Cantonese): Regarding the question of whether I will continue working in the remaining 16 days, I have already explained to Honourable Members that I will persevere until the last minute and last second. Many of the fancies and speculations that have arisen from my acceptance of the hospitality/entertainment of certain persons, I must say, are as unreal as the Arabian Nights and totally unfounded. However, I also sense that such fancies have caused Hong Kong people to cast doubts on Hong Kong's cleanness. I am terribly sorry for that. At present

(Mr LEUNG Kwok-hung rose to his feet)

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

PRESIDENT (in Cantonese): Chief Executive, please wait. Mr LEUNG Kwok-hung, what is your question?

MR LEUNG KWOK-HUNG (in Cantonese): *The word "fancies" does not carry the meaning intended by them.*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, this is not the time for you to speak. Please sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *Fancies are inordinate desires.*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down. Chief Executive, please continue with your reply.

(Some Members spoke in their seats)

PRESIDENT (in Cantonese): The Chief Executive is now giving his reply. Chief Executive, please continue.

CHIEF EXECUTIVE (in Cantonese): In the last question and answer session, I already tendered a solemn apology to Honourable Members. In regard to my acceptance of hospitality/entertainment in certain cases, I really thought at the time that they were totally normal. I admit my carelessness. This explains why I tendered my apology publicly in this Chamber to all Hong Kong people. I think this is already an adequate response. I will not forget this incident, and I also understand that I must further improve my conduct and be more careful in the future.

(Mr Frederick FUNG rose to his feet)

MR FREDERICK FUNG (in Cantonese): *He has not answered me whether he will take the blame and resign.*

PRESIDENT (in Cantonese): Mr FUNG, the Chief Executive has already given his reply. Please sit down.

MRS SOPHIE LEUNG (in Cantonese): *President, the Chief Executive has been facing many criticisms over the past few months, and such criticisms have even overshadowed his achievements in the last seven years. Honestly, while his attention to certain areas has not been adequate, he has still done a lot of good work, and the public will certainly appreciate this. The public have also reminded us that his unsatisfactory performance in some respects must not lead us to categorically negate his good work in other aspects. Suppose we do a bit of role reversal today, suppose the next Chief Executive is going to be Mr Donald TSANG, what advice would he like to receive from the outgoing Chief Executive?*

CHIEF EXECUTIVE (in Cantonese): What I shared with Honourable Members in my opening address just now are the situation and challenges faced by the incumbent Government in the remainder of its term. These challenges will continue into the times of the next Government and even the Government after next. I believe that these are the problems we must cope with, and I am also sure that Mr LEUNG Chun-ying will come up with well-thought-out approaches specifically for these problems. In regard to other technicalities of governance, I likewise hope to work and share my experience with him as much as possible during the transition period. I would like to say one more time that the incumbent Government has accomplished many tasks, but the accomplishment of these tasks is not the outcome of one single person's efforts. Rather, much has depended on the efforts of my governance teams as well as civil servants, and, more importantly, on Honourable Members' understanding, which is a pre-requisite for the passage of anything. The accomplishment of these tasks is the fruit of our co-operation.

MRS SOPHIE LEUNG (in Cantonese): *President, someone has mentioned the Chief Executive's act of whistling on one occasion before his assumption of office. Everyone finds such an act inappropriate and advises that this habit should be dropped. In this connection, will he advise the next Chief Executive against any such acts whatsoever?*

CHIEF EXECUTIVE (in Cantonese): I do not think any reminder is necessary. I have since stopped whistling. After that very trip to Macao, I have told myself that I will never ever go to Macao together with any "rich people". And, I will

avoid travelling on any private yachts and others' planes as far as possible. Therefore, I think all is about "a fall into a pit, a gain in your wit", and I now realize that in some cases in the past, I was indeed self-righteous, to the extent of forgetting Hong Kong people's feelings. Therefore, in the case of Mr WONG Sing-chi's question just now, for instance, although his introductory comments and criticisms were totally unrelated to the question he asked, I still listened attentively and clearly to what he had to say, and I understood what he said. One more thing is that when it comes to matters like this, Mr LEUNG is a very shrewd person, and he knows how sensitive such matters can be. I do not think that he will be influenced by the same "blind spots" as mine.

PRESIDENT (in Cantonese): Is Mr Albert CHAN present?

MR ALBERT CHAN (in Cantonese): *President, I am still present.*

President, the Chief Executive may still remember that in the early 1990s, I had a number of discussions on the Yam O Log Pond with him. At that time, he asserted that such sun-set industries should vanish. Then, in 2003, I told him that several hundred thousand people would take to the streets, but he sassed that I was simply fibbing and exaggerating the situation. Several years ago, I described to him the plight and misery of Tin Shui Wai residents, and once again, he said I was a rabble-rouser. Subsequently, he had a rude awakening when a family of three in Tin Shui Wai committed suicide.

The Chief Executive has been in power for seven years. Over these seven years, he has aggravated the wealth gap in Hong Kong, has caused the incessant increase in Hong Kong's poor population, and has worsened the problem of "sub-divided" flats. He has not only caused people's plight but has also committed the more serious crime of bankrupting and blowing up Hong Kong's clean governance. When replying to Members' questions just now, he said that as a result of the financial turmoil, the bubble burst. Actually, he is the very person who has blown up Hong Kong's clean governance.

PRESIDENT (in Cantonese): Mr CHAN, please state your question.

MR ALBERT CHAN (in Cantonese): *President, here is my question. So many problems, even the problem of corruption, have emerged under his rule. He is an avowed believer. In the Gospel of Matthew, it is said: "Ye cannot serve God and mammon." Mammon stands for wealth. I observe that over all these years, he has served mammon more than serving God. Since he has chosen serving mammon, will he bow and step down, or take the blame and resign in the remaining days of his term for reason of the numerous problems I have mentioned, so as to salvage what little respect that is left for the present system?*

(Mr Albert CHAN continued to hold up a placard)

PRESIDENT (in Cantonese): Chief Executive, please give your reply. Mr CHAN, please sit down.

CHIEF EXECUTIVE (in Cantonese): Nowadays, with the wide dissemination of information and a high degree of transparency for everything in society, all that I have done, or all that I have failed to do, will be put on record. I believe I must listen to the criticisms from all sides, and I also believe Hong Kong people will make a fair judgment.

Regarding my remaining tasks, I will attach very great importance to my work in these 16 days. I will treasure every single second and minute, fight alongside my colleagues and bring the remaining tasks to satisfactory completion, so as to answer Hong Kong people's expectation towards us.

MR ALBERT CHAN (in Cantonese): *President, this is an extremely shameless reply. He has completely ignored the misery suffered by people during his seven years of governance. President, my next question is: Has he chosen to completely ignore his dereliction of duty in the past simply because of the \$10 million end-of-agreement gratuity he is going to receive? It is shameless of him to refuse to take the blame and step down!*

PRESIDENT (in Cantonese): Mr CHAN, please sit down.

CHIEF EXECUTIVE (in Cantonese): As far as I am aware, the Chief Executive is not entitled to any end-of-agreement gratuity upon the completion of his term of office. Furthermore

MR ALBERT CHAN (in Cantonese): *He has already cashed in. Is he going to stay on shamelessly?*

PRESIDENT (in Cantonese): Mr CHAN, you have already finished speaking. Please sit down.

CHIEF EXECUTIVE (in Cantonese): Let me make a clarification again. You may do some checking, and you will then know that there are not any end-of-agreement arrangements for all politically appointed officials. They will simply leave office on the days of agreement completion, and they will not be offered any special remuneration, reward or bonus. They will be offered nothing. This is a fact. You need not worry about this problem.

I only want to tell you that I will treasure the remaining 16 days and eight hours — no, it should be 16 days and seven hours now — and I will do my very best to complete my tasks.

(Mr LEUNG Kwok-hung rose to his feet and yelled)

MR LEUNG KWOK-HUNG (in Cantonese): *President, he is utterly shameless.*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, sit down immediately.

MR LEUNG KWOK-HUNG (in Cantonese): *He must bow But he bowed just because he did not want to step down*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you do not sit down, I will have to order you to leave the Chamber immediately.

MR LEUNG KWOK-HUNG (in Cantonese): *and face his own conscience.*

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

(The Clerk and security personnel hastened forward and attempted to assist Mr LEUNG Kwok-hung in leaving the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *His words are so absurd! I ask for his atonement, but he tells me to co-operate with LEUNG Chun-ying instead.*

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

MR LEUNG KWOK-HUNG (in Cantonese): *Is that because LEUNG Chun-ying has promised to pardon him and ask the Independent Commission Against Corruption not to investigate his crimes? What does he think he is saying anyway?*

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

(The Clerk and security personnel continued with their attempt to assist Mr LEUNG Kwok-hung in leaving the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *I have had enough of him. He must bow and admit his mistakes. He does not need to commit suppuku, but he must save what little dignity that is left for Hong Kong people.*

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

MR LEUNG KWOK-HUNG (in Cantonese): *He is a Catholic. He must make confessions, right?*

(Mr WONG Yuk-man rose to his feet and yelled)

MR WONG YUK-MAN (in Cantonese): *Does he know that he has brought shame on Hong Kong people? Shame on him!*

PRESIDENT (in Cantonese): Mr WONG Yuk-man, leave the Chamber immediately.

(The Clerk and security personnel hastened forward and attempted to assist Mr WONG Yuk-man in leaving the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *All "royalists" are idiots. They all ask unimportant questions.*

MR WONG YUK-MAN (in Cantonese): *He has brought shame on Hong Kong people*

PRESIDENT (in Cantonese): Mr WONG Yuk-man, leave the Chamber immediately.

MR WONG YUK-MAN (in Cantonese): *He has brought shame on civil servants. Only 10-odd days are left, but even so, I cannot stand the sight of him any more.*

MR LEUNG KWOK-HUNG (in Cantonese): *Government-business collusion! Triads! Absurd! Stupid despot! Step down!*

(With the assistance of security personnel, Mr LEUNG Kwok-hung and Mr WONG Yuk-man left the Chamber, yelling on the way. Mr Albert CHAN rose to his feet and yelled)

MR ALBERT CHAN (in Cantonese): *Utterly shameless! Take the blame and step down!*

PRESIDENT (in Cantonese): Mr Albert CHAN, you must also leave the Chamber immediately.

MR ALBERT CHAN (in Cantonese): *President, I will. I will leave in protest.*

(Mr Albert CHAN left his seat)

PRESIDENT (in Cantonese): You must leave the Chamber immediately.

MR ALBERT CHAN (in Cantonese): *To be in the company of all these shameless people is*

PRESIDENT (in Cantonese): Mr Albert CHAN, leave the Chamber immediately.

MR ALBERT CHAN (in Cantonese): *Utterly shameless! Take the shame and step down! Shameless! Utterly shameless! Utterly shameless! Take the blame and step down!*

(Mr Albert CHAN left the Chamber, yelling on the way)

DR PRISCILLA LEUNG (in Cantonese): *President, I have a question for the Chief Executive. The post of Chief Executive has undergone three terms. The first-term Chief Executive, Mr TUNG Chee-hwa, was from the commercial sector. Mr TSANG possesses a civil service background. Mr LEUNG Chun-ying, who will shortly assume office, has a professional background. And, when you assumed office, your greatest asset was your 40-odd years of experience as a civil servant.*

Today, you are about to complete your term as Chief Executive. How do you look at the present relationship between the executive and the legislature? With the many changes that have occurred, such as the acts of filibustering these days, the training received by civil servants may no longer be sufficient to ensure that government policies can be passed as easily as they were in the past. And, the relationship between the executive and the legislature has also faced several possible ruptures. When you look back at the training received by civil servants in the past, when you look at civil servants' conventional belief in "big market, small government" and "crossing the river by groping the stones under foot" in the light of all those incidents that occurred in your term, such as the case of "doubly non-permanent resident pregnant women" and the Lehman Brothers incident, what kinds of adaptation do you think civil servants must make during the time of the new Government?

CHIEF EXECUTIVE (in Cantonese): The civil service system of the Hong Kong SAR has long since enjoyed world renown, particularly in terms of civil servant training and quality as well as its procedures and structure. And, the system itself has never been eroded after 1997. I think civil servants must seek to maintain the present professionalism in their work. Irrespective of who assumes office as Chief Executive, they must be totally loyal to the incumbent Chief Executive and make their best endeavours to take forward all the policies he wants to implement. And, before finalizing any policies, they must conduct analyses whole-heartedly, explain all pros and cons along with all operational problems to the Chief Executive, and recommend solutions to problems as far as possible. In the past, when I was a civil servant, I also adhered to this principle and attitude as far as possible in assisting Mr TUNG. Honestly, I was not without any inadequacies, but I still made my best endeavours to do my job under this approach and principle.

I am very grateful to Hong Kong civil servants, especially the senior civil servants working around me, for rendering me such support during my seven-year career as Chief Executive. They had different reactions to my opinions, but all the time, for the common purpose of serving Hong Kong and its people, they explained to me all pros and cons, especially operational difficulties and legal problems. They also offered their advice clearly on all issues and applied all their experience to ensure that if the proposals concerned were implemented, things would go smoothly. Furthermore, in cases where they genuinely thought that there would be problems with certain proposals, they all offered their sincere advice. Civil servants enjoy security of tenure and will not be replaced as a result of any "dynastic change". As required by their duty and professional dignity, they will continue to do so.

I am proud of our civil servants, and I thank them for their work in the past seven years. If ever asked, Mr TUNG will certainly tell us his feeling that the assistance of many civil servants did enable him to get many important things done, including the implementation of "one country, two systems" and the emphasis on education, especially the various important education policies, all of which have borne fruit as we can observe. On my part, the accomplishment of my economic policies as well as social and political reforms would not have been possible if civil servants had not rendered their support. In everything they do, they are guided by the undertakings made by the Chief Executive to the people upon his assumption of office. They are strictly professional and whole-hearted in their work. This was the case in the past and will be the case in the future.

DR PRISCILLA LEUNG (in Cantonese): *President, I do not have any questions about the excellence of Hong Kong civil servants as a team. But the world and the political environment in Hong Kong have changed drastically, and in our discussions on the re-organization of the SAR Government, we have received some views that civil servants seem to be somewhat wary of the "five Secretaries of Departments and 14 Policy Bureaux", fearing that with the addition of several supervisors, they may not know what to do in their work later.*

Therefore, I am especially keen to ask the Chief Executive one question because he is very familiar with the civil service system. Under such circumstances, I honestly wonder if the conventional training received by civil servants I am going to give you an opportunity to offer some advice to your

old friends in the civil service before your departure from office. Given the new political environment and the new governance team, at a time when Hong Kong faces such major political challenges, is it necessary for them to reform the civil service mentality of old?

CHIEF EXECUTIVE (in Cantonese): Honourable Member, the truth is that even under the present civil service system, civil servants' policy analyses have been undergoing constant evolution. Everything changes every day in response to social changes, and the advice they offer to the Chief Executive and principal officials must likewise change with the times. They will not cling rigidly to the circumstances in the 1970s and seek to tackle present-day problems with the strategies of the 1970s. There is a process of constant evolution, and training is provided on an ongoing basis, covering power of expression, writing ability and analytical power. Civil servants are required to receive continuous training, with some programmes held locally and others overseas. Therefore, the civil service team is always in a process of regeneration.

Furthermore, I strongly believe that in case any new agendas emerge as a result of policy changes, civil servants will act in accordance with the new agendas. You have mentioned that civil servants are worried about the changes in organization, the possible addition of new Policy Bureaux and the changes at the levels of Secretaries of Departments. But these are not their worries. Their greatest worry stems from their feeling of uncertainty. Their greatest worry is filibuster, which renders them unable to know when the relevant procedures can be completed. Or, they are worried that in case there are any abrupt changes, they may not know what to follow in their work. They are eager to have a clear picture of Mr LEUNG Chun-ying's political platform and the political structure he wants to introduce. They hope that the re-organization can formally take effect on 1 July, otherwise they fear that when everything is so indefinite, trouble may arise. The cause of their worry is that they do not know what others want to do. They know that there will be changes, but they do not know how the present organization is to be split up. Every re-organization exercise requires lots of efforts, such as the re-allocation of resources, changes to posts and establishments as well as the transfer of statutory functions. All such efforts must be made. In my opening address just now, I was really sincere in expressing my hope that Honourable Members can complete all the procedures. The greatest help to civil servants must be the completion of all the required

procedures before 1 July, because this can enable them to know clearly that starting from the very first day, they can work for the implementation of Mr LEUNG's political platform, can redeploy their resources and can discharge their duties with a solid legal basis. This is something far more important.

MR FRED LI (in Cantonese): *President, I cannot help sighing a deep sigh today. I joined the then Legislative Council in 1991, and I witnessed how Mr TSANG rose through the ranks from the posts of Secretaries of Departments, all the time holding an important post, until he eventually ascended to the position of Chief Executive. But his approval rating these days has dropped to some 30%, with about 70% of Hong Kong people giving him disapproval, in marked contrast to the approval rating of 60% to 70% he enjoyed in the initial days of his office.*

What is the reason for this? As a person who has known him for 20 years, and as a veteran Legislative Council Member, I honestly must ask him what has happened. Why has the disparity in wealth turned so very acute? Why has the housing problem remained unresolved? Why is the disappearance of squatter areas followed by the emergence of "sub-divided units" in industrial buildings and all sorts of illegal dwellings, including those erected on the rooftops of buildings? Why are there still so many problems? And, why are the socially disadvantaged, the old, the weak and the disabled invariably the worst victims? Who are the beneficiaries? The answer is large consortia. Sadly, even in times of economic prosperity when the pie becomes larger, the socially disadvantaged are still unable to share any benefit. He must let conscience be his guide and ask himself — now that only 16 days are left — whether he can face with no qualms the people of Hong Kong, and even those "royalist" Members who have been supportive of him.

CHIEF EXECUTIVE (in Cantonese): My gratitude goes to the Honourable Member for his reminder. He and I have known each other for many years, and we understand each other very well. We share a lot experience in tackling many political challenges and difficulties. When I recounted my experience in the past few years in my opening address just now, I already mentioned the watershed in my approval rating, and I also touched upon various other issues, including the housing problem he raised a moment ago. I would say that while it is indeed within my ability to insist on accomplishing certain tasks, we must not

forget the many events taking place in society. What I mean is that we cannot possibly expect to see a perfect society. Having said that, I must also admit the many inadequacies in my work and the need for further improvement.

Looking back, I would say that my work is marked by both accomplishment of tasks and inadequacies, and as I said just now, I have been doing lots of self-examination. But equally I would not argue that the approval rating statistics are unfair to me. I simply do not think that way. The most important thing is that every time when any such opinion poll findings are announced, I will do self-examination and try to find out what has been going on. What I said in my opening address just now are the conclusions I have thus drawn.

However, I do not think that Honourable Members should despair. And, I will not despair either. I have confidence in the people of Hong Kong. My immense confidence in Hong Kong people is the very force that has driven me to overcome all difficulties and strive even harder to get things done amidst various adversities over the past 40-odd years. Hong Kong people are impartial. My belief in what they will realize at the end of the day and their encouragement provide me with the impetus for continuing to do so. As for the drop of my approval rating in opinion polls, I cannot allow myself to have any resentment. I instead think that every such opinion poll will give me an opportunity to do self-examination.

However, a person holding public office who thinks that he can maintain good approval ratings throughout his 7-year term must be reminded that this is nothing but wishful thinking. Therefore, there should not be any hard feelings towards such matters. The most important thing is whether I have been honest in my self-examination, whether I have devoted myself totally to the well-being of Hong Kong people, whether I have acted improperly or failed to do well in any way, and whether I have failed to explain my "blind spots" to the Hong Kong public and apologize to them. I hope that as a Christian, as a person who has devoted his whole life to public service, I have already discharged all my duties. I do admit my mistakes, but I also think that I have already paid the highest price and done my very best.

MR FRED LI (in Cantonese): *President, I did not say "despair". I only said that I could not help sighing a deep sigh just now. I must first make this very clear. I wish to look ahead. The Chief Executive said that the accountability system for principal officials was not satisfactory, and the year 2008 was a watershed. All accountability officials are present now. Some of them will be retained in the next Government, and others will not. In regard to Mr LEUNG's proposal of further expanding the accountability system by creating two Deputy Secretary of Department posts and two Director of Bureau posts, does the Chief Executive think that this can really address the inadequacies characterizing his term of office in the past few years? And, does he think that this new organizational structure — that is, the expanded accountability system — is really the right remedy, is really able to help the socially disadvantaged and the poor masses?*

CHIEF EXECUTIVE (in Cantonese): I can remember that at the commencement of the incumbent Government in 2007, I likewise asked for Honourable Members' approval of my re-organization proposals. I am grateful to them for approving our new organizational structure and the implementation of the 10 major infrastructure projects, which we considered essential, and which have already borne fruit. I believe that Mr LEUNG must have done a lot of thinking. He supports the accountability system on the one hand, but also thinks that adjustments are required on the other. And, all the adjustments are specially devised on the basis on his political platform. This is only as it should be, only natural, and merits our support. As the incumbent Chief Executive, I do not think that there should be any doubts.

Every Government faces unique circumstances. Mr LEUNG has mentioned many times his emphasis on the housing problem. I strongly believe that his achievements in this respect will be much greater than mine, and that he will be able to address the aspiration of the public (particularly the grassroots). Social progress never stops, and there is no need for any deep sigh. The most important thing is for all of us to regard Hong Kong people as our service targets. All our acts and tactics, irrespective of any agreement or disagreement, will be judged against this very fundamental question — whether all that I have been doing are genuinely for the well-being of Hong Kong people. Such is the highest objective of my public service career and the ultimate reason for people's participation in public service.

PRESIDENT (in Cantonese): This is the last Chief Executive's Question and Answer Session in the term of the current Legislative Council. This is also the last Chief Executive's Question and Answer Session attended by the incumbent Chief Executive. It is now coming to a close. Chief Executive, do you have anything further to say to Members?

CHIEF EXECUTIVE (in Cantonese): Nothing special really. I only wish to express my gratitude once again to the President, Honourable Members as well as all those colleagues and the 100 000 or so civil servants who have stood beside me in the battle. These colleagues and civil servants have fought beside me for several years and undergone various vicissitudes together with me. I am especially grateful to the Central Government for lending me unlimited support in my work of maintaining Hong Kong's economic and social stability and for giving us a helping hand so selflessly in times of our difficulties, with the result that we could proceed with what we wanted to do. In so doing, it has come under various criticisms which, to me, are not quite so fair. However, it has never voiced any resentment at Hong Kong.

I only think that what Hong Kong needs to do now is to welcome the new Government with some kind of patience and broad-mindedness. I hope we can argue less. I hope even more strongly that we can be objective in all our discussions. As I said a moment ago, we must bear in mind that all our work, all our efforts, all our arguments and all our collaborative discussions must ultimately aim to serve the people of Hong Kong. Over the past 40-odd years, I have always been grateful to Hong Kong people, and I have always trusted and loved them. I hope all of you can work with me on the continuation of this endeavour.

Let me express my gratitude to Honourable Members once again.

PRESIDENT (in Cantonese): Thank you, Chief Executive. The Chief Executive will now leave the Chamber. Members will please stand up.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council.

Adjourned accordingly at twenty-six minutes to Five o'clock.