

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 6 December 2006

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, 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

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

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

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

DR THE HONOURABLE LUI MING-WAH, S.B.S., J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

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

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

THE HONOURABLE WONG YUNG-KAN, J.P.

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

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, 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 CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., J.P.

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

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.B.S., J.P.

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

THE HONOURABLE MA LIK, G.B.S., J.P.

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

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

THE HONOURABLE WONG KWOK-HING, M.H.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

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

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

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

CLERKS IN ATTENDANCE:

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Legal Practitioners (Risk Management Education) (Amendment) Rules 2006	261/2006
Organized and Serious Crimes Ordinance (Amendment of Section 24C(1) and Schedule 6) Notice 2006	262/2006
Tax Reserve Certificates (Rate of Interest) Notice 2006	263/2006
Construction Industry Council Ordinance (Commencement) Notice 2006	264/2006

Other Papers

No. 32 — Emergency Relief Fund Trustee's Report on the Fund and Audited Statement of Accounts and Director of Audit's Report for the year ended 31 March 2006

No. 33 — Employees Retraining Board
Annual Report 2005-2006

Report of the Bills Committee on Prevention of Cruelty to Animals
(Amendment) Bill 2006

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): A quorum is present.

PRESIDENT (in Cantonese): Questions. First question.

Human Myiasis Cases

1. **MR LAU WONG-FAT** (in Cantonese): *Madam President, it has been reported that there have been 11 cases of human myiasis since January this year, representing a significant increase over last year's mere six cases, and most of those infected were elderly persons incapable of self-care. In this connection, will the Government inform this Council whether it has examined the causes for the rising number of human myiasis cases in recent months, and of the measures to address the situation?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, myiasis is the invasion of living tissue or organs by maggots of certain species of flies. It usually attacks domestic animals and human cases are not very common. Feeding activity of the maggots may cause serious tissue damage, resulting in loss of function, injury to the skin, and secondary infection. Myiasis could infect anybody, but frail or elderly people who cannot look after themselves tend to have a relatively high chance of infection.

From 2003 and 2006 (as of 5 December), there were nine, eight, six and 14 cases of myiasis respectively reported to the Centre for Health Protection (CHP) of the Department of Health (DH). In recent years, the CHP has increased education and enhanced awareness of the condition among medical and nursing professionals. This may contribute to the increase in the number of reported cases of myiasis this year.

Upon receiving a report of myiasis, the CHP will conduct an epidemiological investigation on the case. The patient and his carer will be interviewed for information. A site visit to the place where the patient lives will also be conducted to examine personal and environmental hygiene factors. Detailed health advice will be provided to improve wound care and oral hygiene to reduce the risk of infection. Besides, the CHP will also notify the Food and Environmental Hygiene Department (FEHD) and the Agriculture, Fisheries and Conservation Department (AFCD) to take appropriate follow-up action on the case. Furthermore, staff of elderly homes will be given instructions to watch out for residents developing symptoms of the disease, and seek medical consultation for those residents promptly. The FEHD will conduct fly survey in the vicinity of the premises where the patient has stayed. Fly control will be carried out in response to the findings of the survey and advice on fly control and prevention will be given to the parties concerned.

The CHP will also inform the public of the investigated cases of myiasis through press releases, with a view to enhancing public awareness and knowledge about the condition and its prevention. The DH also distributes relevant health education materials including Guidelines on Prevention of Communicable Diseases in Residential Care Homes for the Elderly.

To prevent myiasis infestation, we advise members of the public, especially staff of elderly homes, to observe the following measures:

- (i) All wounds should be treated immediately and cleansed and dressed properly.
- (ii) Observe good personal hygiene. Bath daily and keep skin clean. Maintain good oral hygiene.
- (iii) Ensure good environmental hygiene. Prevent fly infestation by proofing measures, including installation of fly screening materials at human dwelling places, dressing of wounds and maintaining good ventilation.
- (iv) Avoid keeping pets inside elderly homes.

As regards Residential Care Homes of the Elderly (RCHEs), myiasis preventive measures include strengthening cleanliness and sanitary work, implementing fly control measures as well as providing training to enhance staff's knowledge towards prevention of myiasis infestation. The Social Welfare Department (SWD), together with relevant departments and organizations including the DH, Hospital Authority and FEHD have been providing training for staff of RCHEs to enhance their professional knowledge and skills on infection control and care for the elderly and improving environmental hygiene and facilities of RCHEs. Besides, the Visiting Health Teams (VHTs) of the DH's Elderly Health Service also provide health education on myiasis to staff of elderly homes, with particular emphasis on personal care. The VHTs will enhance training of elderly home staff on oral hygiene and wound management, when necessary, taking into consideration the special needs of the relevant RCHEs. Apart from regular health education, when a case of myiasis occurs in an elderly home, the CHP will alert the VHT, which will take the necessary follow-up actions.

To control and prevent fly infestation, the FEHD has put in place regular programmes on inspection of fly trouble spots including refuse collection sites,

rear lanes and carcass collection points. Fly control measures will be implemented whenever necessary. The Department also provides fly control guidelines to the public.

MR LAU WONG-FAT (in Cantonese): *According to the Secretary's main reply, the Government's major measure to deal with myiasis is to strengthen the guidelines to the elderly homes. May I ask the Secretary how the health and safety of the elderly who are not living in RCHEs can be protected?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, since we have seen that 70% of the sufferers have contracted myiasis in RCHEs, we have of course targeted at the care provided in RCHEs and given it the first priority. However, if the elderly, the disabled and people with low self-care ability are taken care of at home, our medical staff will advise their families on how to take care of them. Of course, if they have any problems, our medical staff will follow up each case and workers responsible for community nursing care will also pay home visits and help them solve the problems or provide advice on care.

Besides, through public education and publicity, more people will join the effort in the prevention of myiasis. Most importantly, the patients should be sent to the hospital for treatment as soon as a condition is discovered. Generally speaking, the disease can be cured easily if detected early. However, if complication or infection due to complication has developed, it may sometimes cause other infectious disease, which may be fatal to the patients.

MR WONG YUNG-KAN (in Cantonese): *President, as maggots usually breed in landfills or places where pig carcasses are deposited, these are the places where myiasis may occur more frequently. This year, we have received 14 cases, which is higher than that of last year. Furthermore, all these occurred locally. Has the Government studied the geographic location and what should be done to prevent the outbreak of myiasis? Because maggots have also appeared in places where landfills are not found.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as I said just now, the most crucial factor is personal hygiene

and personal care. If a healthy person has his mouth and wound always cleansed, particularly has his wound dressed and covered, the chances of eggs being laid by flies on his wound resulting in myiasis will be very slim. So, personal hygiene and personal care is the most crucial factor. Of course, environmentally, we have to step up the cleansing of some fly trouble spots. The FEHD and AFCD will do their best to ensure cleanliness of the environment. However, in my opinion, residents of all districts and all citizens also have such responsibility. In particular, they should not deposit refuse and pig carcasses indiscriminately, thus attracting the gathering of flies. With the joint effort of all sectors, we will continue to do a good job in this aspect.

Regarding why the number of cases has increased, according to our preliminary estimation, it may be due to an increase in reported cases because of our recent messages disseminated to the RCHEs. Of course, we hope that we can have a clear baseline enabling us to ascertain the number of cases each year so that we can determine whether the fly infestation problem has deteriorated or not. However, we have not seen any obvious trend of changes in insect infestation.

DR JOSEPH LEE (in Cantonese): *According to the Secretary's main reply, 10-odd cases of myiasis have occurred. According to a report, some of these cases occurred in hospitals. But there is no breakdown of figures according to hospitals. In fact, hospitals may also be the places where infection has occurred because many frail elderly people have been staying in hospitals. May I ask the Secretary whether specific measures have been implemented to ensure that the hospitalized elderly will not be infected?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, over the past four years, a total of 37 cases of myiasis have occurred, including nine cases in 2003, eight in 2004, six in 2005 and 14 in 2006. Among these 37 cases, 24 cases occurred in the elderly homes while only one case, which was announced yesterday, occurred in Princess Margaret Hospital. I have also got some information about the patient concerned. Of course, I will not divulge too much the patient's personal data. But I am sure that the patient, though hospitalized, has ventured out of the hospital and he may have thus been infected. As our hospitals are all air-conditioned, the likelihood of flies gaining access to the hospitals will be very slim.

Besides, we will also step up the medical staff's efforts in treating wounds. This patient has sustained a wound which is quite difficult to treat which, I think, may be the cause of infection. So, in our opinion, we have to put emphasis on the elderly homes and RCHEs because many elderly people are unable to look after themselves. Sometimes, their wounds or pressure sores are not easily detected. As a result, their carers have failed to pay extra attention to this. On the other hand, they may also have problems in oral hygiene. For instance, some of them cannot keep their mouth shut or keep their mouth clean on a daily basis. These may be the causes of myiasis.

MR BERNARD CHAN (in Cantonese): *President, when mentioning new measures adopted by RCHEs, the Secretary said that keeping of pets in RCHEs should be avoided by all means. May I, through the President, ask the Secretary whether the problem of pet keeping in elderly homes in the rural area serious?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, in the guidelines issued to RCHEs, we have urged them not to keep pets in the institutions. Of course, if it is in the rural areas, pets may be kept outside the institution rather than inside. For example, dogs not kept by the institutions may be roaming about. This is totally inevitable. If some elderly people have come into contact with these dogs, there will be a certain degree of risk. However, most importantly, as I just said, the best precaution against myiasis is personal hygiene and proper treatment of wounds. This is the most crucial factor. Generally speaking, if people can observe these, they will not be infected with myiasis easily even though the environment is not satisfactory.

MR DANIEL LAM (in Cantonese): *President, in his reply, the Secretary said that publicity on prevention of myiasis would be conducted by the Government in elderly homes. However, for the grass-roots community, in particular the rural areas which are relatively vast, how can the Government conduct publicity to ensure the message of prevention of myiasis is received by the elderly?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as I just said, the SWD has maintained close liaison with

registered RCHEs and will provide guidelines to them. If there are cases of myiasis in these institutions, the DH and SWD will follow them up. We have in fact kept a close eye on them. Should any incident occur, we will send professionals to inspect the institutions in order to determine the problem and advise the carers on how to deal with and prevent myiasis.

DR KWOK KA-KI (in Cantonese): *President, just now the Secretary said that 26 cases had occurred in RCHEs. In fact, we are very concerned whether RCHEs are up to standard and their resources are adequate. I would like to ask the Secretary: Is the high incidence rate in these institutions because of inadequate supervision and resources in RCHEs, in particular, those run by the private sector?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I said 24 cases, not 26 cases. Over the past four years, 24 cases have occurred in elderly homes. We have inspected different kinds of RCHEs. In fact, there is a wide variety of RCHEs operating in different modes with the privately-run merely being one of its kind. Although most of these RCHEs are located in the rural areas of the New Territories, we can see that basically many of such institutions are set up in the rural areas with the majority located in the New Territories. So, this does not mean that institutions in the rural areas have more problems than that in the urban areas. Most importantly, we have not seen more than one case in any particular institution. This shows that as soon as myiasis has been detected, efforts will be made to enhance the relevant staff's knowledge of the disease. So, it is not easy to see any repeated cases in these institutions. I think our work has been effective.

As to whether the problem is related to shortage of resources, of course, we will impose a certain manpower requirement on the management of RCHEs and guidelines will be issued to them. I think this is a question of standard of care rather than a question of manpower.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question.

MR WONG TING-KWONG (in Cantonese): *I would like to ask the Secretary: How does Hong Kong compare with other parts of the world in terms of*

incidence of myiasis? Besides, regarding cases of myiasis in Hong Kong, has the Government compiled any statistics to show which particular district has a rate of incidence? Has the Government taken any special preventive measure against the disease in any particular worst-hit district?

PRESIDENT (in Cantonese): Mr WONG Ting-Kwong, you have asked two supplementaries. Which one do you wish answered?

MR WONG TING-KWONG (in Cantonese): *I think the second one is more important because it is about Hong Kong.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, over the past four years, cases have occurred in almost every district, including the New Territories and urban areas. Just now I said that more cases have occurred in the New Territories because there are more RCHEs. So I think there is not one single district where the risk is particularly high. There is no such situation.

Regarding international statistics, I do not have any at hand. We will certainly provide such figures to Members if we can. However, generally speaking, these figures are not very useful because each country has different procedures of announcement and the standards vary. Particularly in some backward countries where myiasis frequently occurs and is regarded as an ordinary disease, announcements are not necessary. As for some advanced countries, however, they will pay particular attention to such announcements.

PRESIDENT (in Cantonese): Second question.

Smuggling of Hazardous Chemicals by Train

2. **MR LI KWOK-YING** (in Cantonese): *It has been reported that currently some consignees (commonly known as "itinerant couriers") smuggle inflammable or toxic chemicals through the Lo Wu Control Point into the Mainland by train. In this connection, will the Government inform this Council?*

- (a) *whether it has received complaints about the smuggling of hazardous chemicals by train in the past three years; if so, of the follow-up actions taken; and whether it has seized any hazardous chemicals smuggled by train; if so, of the details;*
- (b) *whether it has reviewed if there are any loopholes in the existing spot-checking arrangements for cross-boundary train passengers, and whether it will step up spot checks on such cross-boundary passengers; and*
- (c) *whether it has considered increasing the penalty for smuggling hazardous chemicals by train, so as to curb such smuggling activities?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, at present, the Dangerous Goods Ordinance (Cap. 295) regulates the manufacture, storage, conveyance and use of poisonous or inflammable chemicals (which is commonly known as Categories 4 and 5 dangerous goods) within the territory of Hong Kong. As regards the bringing of the abovementioned dangerous goods into and out of the territory, the Ordinance does not have additional import and export control. Separately, the Kowloon-Canton Railway Corporation (KCRC) By-laws (Cap. 372B) stipulates that passengers cannot take dangerous goods into the railway premises.

My reply to the three parts of the question is as follows:

- (a) In the past three years, neither the Government nor the railway company has received any complaints about the smuggling of the abovementioned Categories 4 and 5 dangerous goods by train into the Mainland.

In end October this year, there were media reports concerning suspected cases of passengers conveying dangerous chemicals by train. Additional manpower was subsequently deployed by the police and the KCRC to step up checks. No dangerous chemicals were detected in the operations.

- (b) In general, the Customs and Excise Department (C&ED) conducts random checks on goods and passenger luggage at all control points, including the Lo Wu Control Point, to ensure that no passengers or

goods violate the relevant legislation. As regards Categories 4 and 5 dangerous goods, the C&ED will refer the case to the Fire Services Department for action if a passenger is found to have violated the Dangerous Goods Ordinance. The relevant department will step up random checks as necessary in the light of the circumstances.

Regarding the KCRC By-laws, the purpose of introducing the provision prohibiting the carrying of dangerous goods is to protect the safety of passengers. The KCRC has implemented various measures, including conducting random checks at the entrances to the stations, inspecting railway stations and train compartments, and conducting various publicity works to educate passengers on the importance of complying with the KCRC By-laws.

- (c) As mentioned in part (a), neither the Government nor the railway company has received any complaints about the smuggling of Categories 4 and 5 dangerous goods by train, and there is also no indication that the contravention of the Dangerous Goods Ordinance and the KCRC By-laws is a common phenomenon. Therefore, we do not have plans to amend the penalties of the relevant legislation at this stage. The Government and the KCRC will continue to closely monitor whether there is anyone possessing or carrying dangerous goods illegally on trains.

MR LI KWOK-YING (in Cantonese): *President, the Secretary said that no complaints have been received so far. However, as far as I understand it, under the existing law, passengers are allowed to carry not more than a certain amount of dangerous goods. As reported at the district level, the large amount of dangerous goods left at the roadside were reduced to smaller bulks and conveyed bit by bit in an ant-like manner. In other words, each passenger will only carry a permitted amount on board. In the case of the East Rail, which has a patronage of 600 000 passenger trips daily, this will indeed pose a high risk of catastrophe. Will the Government think of ways to plug this loophole?*

SECRETARY FOR SECURITY (in Cantonese): Perhaps let me tackle the question first. We will see if Dr Sarah LIAO has anything to add in case my reply is incomprehensive.

I stated earlier in part (c) of the main reply that so far, there have been no complaints like those mentioned by Mr LI, where a large number of passengers each carrying a small amount of dangerous goods on board the train. The KCRC By-laws, however, provide that the carrying of dangerous goods by passengers on board, even a small amount, is not permitted. I have mentioned two pieces of legislation just now, one being the Dangerous Goods Ordinance, under which a person is only permitted to carry a small amount of the so-called Category 4 dangerous goods, which is, of course, less than the prescribed limit. Nonetheless, the carrying of dangerous good of this category on board public vehicles is not permitted. Although one may not contravene the former legislation, he will contravene the latter. We do not see the loophole as mentioned by Mr LI earlier, that is, the smuggling of dangerous goods into the Mainland bit by bit like ants climbing up a tree. This situation is not found.

PRESIDENT (in Cantonese): Secretary for the Environment, Transport and Works, do you have anything to add?

(The Secretary for the Environment, Transport and Works shook her head to indicate that she had nothing to add)

DR LUI MING-WAH (in Cantonese): *There are two semiconductor plants in Hong Kong which consume a lot of nitrogen. However, the price of nitrogen is very high here. These two plants always ask me: Is it possible to import a large amount of nitrogen from the Mainland's nitrogen plants into Hong Kong? Is it regarded as a dangerous good?*

PRESIDENT (in Cantonese): Dr LUI, is your supplementary question asking whether or not nitrogen is a toxic dangerous good?

DR LUI MING-WAH (in Cantonese): *In other words, is import into Hong Kong permitted?*

PRESIDENT (in Cantonese): That is, is conveyance by trains permitted under the laws of Hong Kong?

DR LUI MING-WAH (in Cantonese): *Not trains, but by large tanker trucks. Is it possible to import in this way?*

PRESIDENT (in Cantonese): So, is your supplementary question asking whether the nitrogen mentioned by you just now belongs to Categories 4 or 5 dangerous good? It is because the main question here relates to inflammable and toxic chemicals.

DR LUI MING-WAH (in Cantonese): *Right.*

PRESIDENT (in Cantonese): You are asking if it belongs to this category of dangerous good.....

DR LUI MING-WAH (in Cantonese): *Right.*

PRESIDENT (in Cantonese): And whether it is possible to be conveyed in this way.

DR LUI MING-WAH (in Cantonese): *Right.*

PRESIDENT (in Cantonese): Fine. Please be seated. Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, all Categories 4 or 5 dangerous goods are permitted to be conveyed with valid licences. Therefore, the question asked by Dr LUI Ming-wah can be addressed through certain channels. A consignee is required to apply to the relevant department for a permit, whereby conveyance would be allowed with the permit.

MISS TAM HEUNG-MAN (in Cantonese): *The Secretary stated in part (b) of the main reply that random checks would be conducted on trucks and passenger*

luggage. May I ask the Secretary: Apart from stepping up random checks, has the Government introduced any policy to exercise supervision or control over the activities of "itinerant couriers" who travel frequently to and from the Mainland? It is because goods may as well be brought in or out of Hong Kong by sea.

SECRETARY FOR SECURITY (in Cantonese): Madam President, I think this is what we called the great problem, that is, the monitoring of such smuggled goods as the commonly known dangerous goods. A policy in this respect has definitely been laid down. While a lot of manpower has been deployed by the C&ED to combat smuggling activities, a comprehensive programme of measures has also been put in place. Random checks and crackdowns are frequently conducted, be they goods imported by sea or on land.

PRESIDENT (in Cantonese): Miss TAM Heung-man, has your supplementary question not been answered?

MISS TAM HEUNG-MAN (in Cantonese): *Yes. Thank you, President.*

I wish to ask the Secretary: In view of this problem, has the Government stepped up monitoring of smuggling by sea? The Secretary has not answered this point.

SECRETARY FOR SECURITY (in Cantonese): Madam President, we did not notice the smuggling of bulk dangerous goods into Hong Kong by sea. I believe the usual daily operations being undertaken are adequate enough.

PRESIDENT (in Cantonese): Third question.

Granting of Sites by Private Treaty

3. **MR LEE WING-TAT** (in Cantonese): *President, regarding the sites which were granted by way of private treaty with permitted use specified, will the Government inform this Council:*

- (a) *of the details of the sites granted by private treaty in the past five years, including the land grant execution dates and the premiums paid by the grantees, their permitted and current land uses, and whether the sites have incorporated private land already held by the grantees before the execution of the land grants;*
- (b) *among the cases referred to in part (a), of the cases in which the use of the sites concerned as permitted have ceased or diminished, and when the cessation or diminution of use began; as well as the cases in which the authorities initiated, on grounds of breach of the cessation or diminution of use clause, proceedings to repossess the sites without compensation, the results thereof, and whether the authorities have assessed the market value of the sites concerned that may be realized through open auctions; and*
- (c) *in respect of each of the six applications for lease modification or land exchange submitted in the past five financial years to alter the land use of sites granted by private treaty, of the permitted land use, the land grant execution date, whether the use of the site concerned as permitted had ceased or diminished before the application was approved (if so, please specify when the cessation or diminution of use began), the respective dates on which the application was received and approved, the reasons for approving the application, and the amount of premium payable by the grantee concerned?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, most Government land for industrial, commercial or residential developments is sold by public auction or tender. Only in a small number of cases which meet the economic, social and community needs and where these are fully justified and comply with approved government policies will the Government, under such special circumstances, dispose of land in the form of private treaty grant (PTG) for specified purposes.

As a result of the enhancement in the economic environment and the changing needs of our society, the originally specified purposes of some PTG sites have become obsolete or are no longer required. Under our policy, grantees have been allowed to apply for change of land use. Generally speaking, applications for lease modification are usually given consideration, if the following conditions are met:

- (i) the former permitted use is already obsolete due to changing circumstances;
- (ii) a change in the original land use of the PTG site is confirmed through the statutory town planning procedure for other better uses; and
- (iii) the applicant is prepared to pay full market premium.

Each application is subject to stringent scrutiny and must be justified in the public interest, before it is submitted to the Chief Executive in Council for consideration or to the delegated authority for consideration having regard to the criteria set by the Chief Executive in Council, for deciding whether the application is approved or not on individual merits.

Regarding the information on PTG requested by the Honourable Member, my reply to the three-part main question is as follows:

- (a) Approved and executed PTG cases in the past five years between the 2001-2002 financial year and October 2006, with such details as the land grant execution dates, the premiums paid by the grantees, the permitted uses, and so on, are set out in Annex I. No private land was involved in these cases.
- (b) Up to now, the records of the Lands Department (LandsD) show that, in respect of the cases in Annex I, no cessation or diminution of the originally specified uses had been observed, nor was there any case where the Government had to re-enter the site on grounds of contravention of the diminution of user clause.
- (c) The relevant information on the six approved and executed cases involving application for change of land use by PTG grantees in the past five financial years between 2001-2002 and 2005-2006 is set out in Annex II. Approval for change of land use was granted in these six cases, as they were in line with the relevant policy considerations. According to the records of the LandsD, no sites had been used to a diminished extent for the originally specified purposes before the applications were approved.

Executed PTG from 2001-2002 to 31 October 2006

<i>Execution Date</i>	<i>Location</i>	<i>Land Use</i>	<i>Premium (\$)</i>
9 June 2001	Cornwall Street Sites B and C	Student hostels	1,000
12 October 2001	Tong Yan San Tsuen, Yuen Long	Electricity sub-station	3,630,000
15 October 2001	Yen Ming Road, West Kowloon Reclamation	Electricity sub-station	17,650,000
1 March 2002	Marsh Road, Wan Chai	Electricity sub-station	29,710,000
19 March 2002	Pak Shek Kok Reclamation	Electricity sub-station	9,520,000
13 July 2002	Tin Shui Wai Bus Terminus	Residential, government, institution and community, bus terminus	500,000,000
6 August 2002	Po Kong Village Road, Diamond Hill	Private independent school	1,000
11 October 2002	Fu Tei, Tuen Mun	Sportsground/student centre	1,000
23 October 2002	Wan Shing Street, Wan Chai	Society for the Prevention of Cruelty to Animals (SPCA) headquarters building	1,000
30 December 2002	Lai Chi Kok Road, West Kowloon Reclamation	Electricity sub-station	20,940,000
2 January 2003	Area 86, Tseung Kwan O	Electricity sub-station	10,480,000
14 February 2003	Hung Hom South Road	Electricity sub-station	23,890,000
4 April 2003	Ma On Kong, Yuen Long	Administration office of a tunnel company	2,800,000
11 April 2003	Area 18, Tuen Mun	Electricity sub-station	5,840,000
29 September 2003	Hang Kwong Street, Ma On Shan	Electricity sub-station	53,000
30 September 2003	Area 18, Fu Shan	Government, institution and community	1,000
4 November 2003	Tai Tong Borrow Area	Model aeroplane field	1,000
7 November 2003	San Tam Road, Ngau Tam Mei	Electricity sub-station	13,160,000
18 November 2003	Pak Shek Kok	HK Science Park Phase 2	1,000
24 December 2003	Area 29B, Tsing Yi	Electricity sub-station	7,260,000
6 April 2004	Shek Mun, Area 11, Sha Tin	Post secondary college	1,000
9 June 2004	Big Wave Bay Road, Shek O	Garden	908,000

<i>Execution Date</i>	<i>Location</i>	<i>Land Use</i>	<i>Premium (\$)</i>
14 June 2004	Cornwall Street Site A	Multimedia Building	1,000
25 June 2004	Tung Tsz, Tai Po	Non-profit-making boy scout camp and training area	1,000
23 August 2004	Area 90B, Ma On Shan	Private independent school	1,000
1 December 2004	Junction of Lam Hing Street and Wang Hoi Road, Kowloon Bay	Post secondary college	1,000
9 December 2004	Shek Mun, Area 11, Sha Tin	Electricity sub-station	12,640,000
15 December 2004	Shum Wan Road, Aberdeen	Private independent school	1,000
25 January 2005	Lung Ha Wan, Sai Kung	Home for the aged	1,000
7 February 2005	Kong Sin Wan Tsuen, Pokfulam	Private independent school	1,000
1 March 2005	Junction of Norfolk Road and to Fuk Road, Kowloon Tong	Private independent school	1,000
8 August 2005	Sai O, Sai Kung	Gas offtake and pigging station	4,390,000
16 September 2005	Yuen Chau Kok, Sha Tin	Church/residential care home for the elderly	34,960,000
23 September 2005	Justice Drive, Admiralty	Non-profit-making art and cultural centre	1,000
6 October 2005	Shek Mun, Area 11, Sha Tin	Private independent school	1,000
1 December 2005	Junction of Hoi Ting Road and Hoi Wang Road, West Kowloon Reclamation	Post secondary college	1,000
8 December 2005	Junction of Hung Lai Road and Hung Lok Road Hung Hom Bay Reclamation	College Quarters	1,000
31 March 2006	Fung Nam Road, Sheung Shui	Mosque and home for the elderly	9,350,000
13 April 2006	Shek Mun, Area 11, Sha Tin	Heung Yee Kuk Building	1,000
17 May 2006	Area 73B, Tseung Kwan O	Post secondary college	1,000
14 August 2006	Central Reclamation Area, Central	Pump house	21,640,000

Note: PTGs for the Hong Kong Housing Authority, the Hong Kong Housing Society, the MTR Corporation Limited, the Kowloon-Canton Railway Corporation and the Urban Renewal Authority not included.

Annex II

Lease Modifications/Land Exchanges for Sites Originally Granted by Private Treaty — Cases Approved and Executed during the Financial Years between 2001-2002 and 2005-2006

Case	Location	Information on Original Site	Application for Change of Use		
		Date of Grant and Original Use	Application Date	Execution Date	Premium (\$M)
A	61-75 Marble Road, North Point IL 7105	21 May 1954 Workers Housing	17 June 2003	1 November 2005	568.3
B	220-222 Tai Kok Tsui Road, Tai Kok Tsui KIL 11159	6 September 1968 Workers Housing	28 October 2002	3 June 2004	390.16
C and D	19 Fa Yuen Street KIL 11123	KIL7079 — 7 September 1971 KIL7089 — 24 July 1973 Civil Servants' Co-operative Building Society	21 February 2001	8 October 2002	60
E	Yau Kam Tau, Tsuen Wan TWTL 352	3 August 1962 Civil Servants' Co-operative Building Society	19 December 2000	13 March 2002	43.37
F	Ma Liu Shui, Sha Tin STTL 437 and Ext	STTL 437 — 26 June 1997 (including surrender Lot 725 in DD 42 granted by PTG)	29 July 1998	12 June 2002	3
G	Tsing Yi Road, Tsing Yi TYTL 140	7 December 1998 Non-industrial (excluding private residential and service apartment go down and petrol filling station)	28 April 2000	28 May 2002	342.83

MR LEE WING-TAT (in Cantonese): *President, as we all know, the practice of disposing land in the form of PTG has all along been questioned, and it is considered to be the way in which major corporations and developers make big bucks by purchasing such sites as oil depots, bus terminals or telephone exchanges at low prices on the basis of need, and then undergo redevelopment for private or commercial purposes after a few decades by paying regrant premiums. This has even been criticized as a transfer of benefits.*

My supplementary question is: As noted from many past records, the auction price was, generally speaking, much higher or even a few times higher than the regrant premium. Has the Government considered — in view of the failure of the old treaty to achieve this purpose — specifying a land tenure of, say, 30 or 40 years, in respect of the PTGs, whereby the site concerned has to be surrendered to the Government upon expiry? If necessary, negotiations with the Government will resume. This practice can at least protect the Government from being criticized for transferring benefits and colluding with the businesses.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):

President, Members may recall that a paper on the review of the overall land policy was submitted to the Legislative Council Panel on Planning, Lands and Works in March this year, which set out in detail all the original intents of this policy and confirmed the feasibility of the policy and our way forward. As Members should have a good understanding of the details, I hope that discussion on the relevant details can be minimal by all means today.

On this premise, I think Members should all understand that the grantees of land under PTGs are not restricted to major property developers or public utilities like the gas or telephone companies. We have actually pointed out in the paper that sites for education, welfare, health care and residential purposes also fall within the scope of land grant, and the number of such grants is not small at all. Also, there are churches, temples and subsidized housing.

Just now, I have already mentioned the public utilities. There are other sites to cater for special industrial needs and the development of railway corporations, which also fall within the scope of land grant. The scope of the existing policy is therefore not narrow at all. In case a tenure is specified in each case, just as the Member said earlier, the tenure itself may be criticized, for instance, whether it should be of long or short term, and whether it can answer the need. It is also impossible to standardize the tenure of a certain type of land as a decade or two because they may serve different purposes. Given the differences of each case, there will be great difficulties in implementing such a policy. Therefore, not that these options have not been considered, only that they are considered not viable.

Perhaps there are public comments on some more important cases, which I cannot deny, but the problem is not like what people have seen. I said earlier

that the use of land could not be changed indiscriminately, but certain conditions must be met, and they have been clearly highlighted in my main reply. Furthermore, it is most imperative to cope with our need for land in the light of planning. Failing this, there is indeed no need to say anymore. It is not as though things can be done as we wish, but it depends on whether or not the suggestions are compatible with the overall planning intentions.

MR LEE WING-TAT (in Cantonese): *The Secretary has not answered my supplementary question. He should be aware that I am not asking about the land for schools. I asked if there could be a specified tenure for the modified land use for such public utility services as oil depots, bus terminals and telephone exchanges. We all know that this is where major public criticisms are made against the Government about the transfer of benefits.*

I wish to ask — will the Secretary please not reply in terms of welfare as this is not my point. He needs only answer if he has considered specifying the tenure. If the site in question is still necessary, further discussions can be conducted; but if it is no longer necessary, it can simply be repossessed.

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): I have nothing to add. But I wish to quote the substation of a power company as an example. Even if a tenure is specified, it can continue to operate under normal circumstances so long as there is such a social need. Therefore, I think that this approach will cause great difficulties. Insofar as other public utilities are concerned, the same consideration is similarly valid.

DR KWOK KA-KI (in Cantonese): *President, the Secretary's reply is greatly disappointing because it is no different from allowing major corporations to continue to benefit from colluding with the Government.*

In fact, I wish to ask the Secretary another question. To put it simply, if open tender is required for any change in the land use for commercial

development, all the problems can be resolved and the unacceptable collusion between the Government and businesses can also be eliminated. Will the Secretary answer if the Government has any intention of doing so?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): In fact, the feasibility of this approach has been clearly set out in the paper submitted in March. It is, however, considered not feasible, President.

MR LEE WING-TAT (in Cantonese): *President, I consider that the Secretary's reply not reasonable. The facilities mentioned by him, such as the substations and telephone exchanges, are indeed very long-term. My suggestion is, however, to specify the tenure as 30 years, such that proof of a genuine need after 30 years is required for renewal of the land grant. However, this is not the case now. I know that many public utilities have planned to — it is not necessary to have so many telephone exchanges with the advancements in technology — gradually change the land use of the sites of telephone exchanges.*

If the Secretary does not give himself this flexibility, it is really hard to believe that there is no collusion between the Government and businesses. We all know that the payment of regrant premium is required, but the amount is much lower than that received from an auction, which is known to all. The Secretary's failure to do so — I have read all the papers and even debated the matter — will render the Government unable to rid itself of the impression that it is colluding with the businesses.

What I wish to ask is: Does he consider it necessary to have this flexibility, that is, to specify a 30-year tenure in the first place before further discussion is held in the future?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, collusion between the Government and business is indeed a very serious accusation. I hope that Members will not say it so light because it must be substantiated by facts.

With regard to the many remarks that the price of land sold through auction is very often lower than that set by the Government, I really have no idea

why people would think so. Many people said that the failure to trigger a lot under the Application List system is attributed to the Government's pricing being too high whereas the market price is low. This is the so-called "high land price policy". Why was the Government criticized for pricing the land too high in some cases, while pricing it too low in other cases?

We all know that the valuation of land must be handled with caution, and this is discussed in the paper submitted in March. Insofar as valuation is concerned, the degree of transparency has been maximized and enhanced by all means. The measures adopted by the LandsD include uploading all the completed cases onto its webpage for public access. Furthermore, the work procedures have also been uploaded and relevant guidelines issued to the parties concerned to inform them of our work procedures and the guidelines to follow. Therefore, the transparency in this respect is very high.

What I do not understand is, under the same mode of operation, why were we criticized for giving an assessed value that was too low in some cases, while giving one that was too high in other cases? The criteria are actually the same. Some people may have this kind of thinking simply because we failed to live up to their expectations.

President, all these factors have been taken into consideration and the specification of tenure will cause a lot of disturbances. In fact, I wish to reiterate here that it is indeed not easy to change the use of land. As I have explained clearly in the main reply, apart from meeting those three conditions, all cases must be approved by the Executive Council, which is not in any way easy. Since the cases are all different, we cannot expect a case which works under a certain situation also works in another. This is not the case. We have to consider each case on the unique merits. The most important point of all is, just as I said earlier, the original land use of the site must be compatible with the latest planning. A developer cannot do whatever it likes, but it will certainly have to pay the full market premium. I have mentioned the price earlier on, and full market premium is the full market value of the land.

PRESIDENT (in Cantonese): We have spent more than 15 minutes on this question. Last supplementary question.

MS EMILY LAU (in Cantonese): *President, I agree with the Secretary, that collusion between the Government and business is a very serious accusation and should not be said so lightly. However, people will certainly cast doubts if what the Government has done arouses suspicions that it intentionally provides benefits to other people.*

President, after listening for so long, I still do not understand why the Secretary said that the approach could not be adopted when the land in question is granted to public utilities in the form of PTG — the Secretary has all along used the substation of a power company as an example, and there are a lot more in Annex I — by specifying a tenure for the original land use, say, 10 or 20 years. Should the existing operation continue, an application for extension will be required; but should the operation be discontinued to give way to development of luxurious flats, the land should therefore be repossessed for auction. Why does the Government fail to do something as simple as this? This is really hard for the public to understand, President.

If a lot is granted for a certain purpose, say, public utilities, it will be granted at a comparatively lower price. If it is, however, used for making profits.....although the Secretary said that full market premium must be paid, I agree with what my colleagues said, and that is, the price of the land may be even higher if it is put up for sale by auction. President, I do not understand why the Secretary refused to specify a tenure for the land despite being repeatedly asked by our colleagues. Should the original use of the land remain unchanged, the operation will continue, and should it be used for profit-making projects rather than the original use, the authorities will have to gain repossession of it. The original user can also participate in the auction; and if his bid is successful, he can then use the lot for profitable developments. Why should we not adopt this approach?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *President, I think there must be some misunderstanding among Members. Not all land can have its use changed indiscriminately subsequent to its original use. It may not work in each case. As I have just said, this depends on the merits of each case and approval may not be granted in all cases. Approval for the conversion of substations into luxurious flats may not be granted in all cases. Some substations are very small in size, and approval may not be granted in each and every case.*

There are certainly some cases where approvals have been granted on various grounds. And yet, given the small size, the site cannot in the least be used for development. We have seen some prominent cases, like the sites previously used as dockyards or power plants. We should understand that these sites of dockyards or power plants were granted more than a century ago. The then Tsat Tsz Mui Road, for instance, in Hong Kong over a century ago — it was called Tsat Tsz Mui Road at that time — was a rather remote place which used to have a beach, and it was the prevailing situation then. However, time changes and the situation is now different after more than a century. Consideration should instead be given to the current situation. Therefore, just as I said earlier, it is our existing policy to consider different cases of development. It is wrong to expect that all cases will be automatically approved. No, this is not the case. Many cases have been rejected and only a few have been approved.

PRESIDENT (in Cantonese): Fourth question.

Impact of Mainland Women Giving Birth in Hong Kong on Long-term Population Policy

4. **DR KWOK KA-KI** (in Cantonese): *President, more and more mainland women come to Hong Kong to give birth and all their new-born babies have the right of abode (ROA) in Hong Kong. The Government has indicated that it has not come to a conclusion on the long-term effect of the issue on Hong Kong at this stage, and, in planning for public services, these babies are not counted as part of Hong Kong's population. In this connection, will the Government inform this Council whether:*

- (a) *it has conducted any comprehensive studies on the impact of mainland women coming to Hong Kong to give birth on the objectives of the long-term population policy of Hong Kong; if it has not, of the reasons for that, and how the authorities can assess the magnitude of the burden on the local public services as well as the additional public expenditure should these babies come to reside in Hong Kong later on in great numbers within a short period, and devise accordingly a suitable long-term population policy for Hong Kong;*

- (b) *the Government is studying options for curbing mainland women coming to Hong Kong to give birth so as to achieve the objectives of the long-term population policy of Hong Kong; if it is, of the feasibility and merits of these options; and*
- (c) *it has assessed if the situation in which any Chinese national born in Hong Kong has the ROA in Hong Kong even if neither of his parents had been settled or had the ROA in Hong Kong at the time of his birth is in compliance with the legislative intent of the relevant provision(s) of the Basic Law; if the assessment result is in the negative, whether the Government will consider activating the process for amending the relevant provision(s), so as to tackle the problem of a large number of mainland women giving birth in Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have consulted the relevant Policy Bureaux and departments of the Government. Our reply to the three parts of Dr KWOK Ka-ki's question is as follows:

- (a) Regarding the issue of mainland women giving births in Hong Kong, as mentioned by the Government in its reply to Dr KWOK Ka-ki's question on 15 November 2006, there has been a noticeable upward trend in the number of babies born to mainland women in Hong Kong in the recent years. Among which, the increase in the number of babies born to non-Hong Kong permanent residents is comparatively remarkable. In 2001, the number of such babies was 620; however, in 2005, it increased to about 9 200. In the first nine months of 2006, the number has exceeded 10 000.

The key objective of the Government's population policy is to improve the overall quality of Hong Kong's population to secure and nurture a population which sustains our development as a knowledge-based economy and world-class city. The SAR Government has been very concerned about the issue of mainland women giving births in Hong Kong, but at this stage has not come to any conclusion on its long-term impact. If the babies concerned return to and remain in the Mainland after birth, they will not be counted as part of Hong Kong's population. If they come to settle in Hong Kong afterwards, they will be counted towards our

population figures. To allow the government bureaux and departments to grasp the relevant statistical data to facilitate their assessment on the demand for services in areas such as medical care and health services, education, social services and housing, the Census and Statistics Department (C&SD) conducts a population census/by-census and a population projection for Hong Kong regularly. Besides, the C&SD and other relevant bureaux and departments will also proactively study how to gather more information from different channels to enable the Government to grasp more statistics in handling the relevant subject.

- (b) As the Government has not yet at this stage come to any conclusion on the impact of mainland women giving births in Hong Kong, the Government has no plans to specifically target against such women giving births in Hong Kong from the perspective of the population policy. The Government will definitely closely monitor the situation, and take action in response as necessary.
- (c) According to Article 24 para (2)(1) of the Basic Law, Chinese citizens born in the Hong Kong Special Administrative Region have the ROA in Hong Kong. In 2001, the Court of Final Appeal ruled in the CHONG Fung-yuen case that Chinese citizens born in Hong Kong have the ROA in Hong Kong regardless of whether their parents have settled in Hong Kong or possessed the ROA.

Regarding the question on the legislative intent, the Government's stance was clearly elaborated in the CHONG Fung-yuen case in 2001. In a gist, the Government held the view that, from the overall intention of the relevant provisions of the Basic Law, the "Chinese citizens" referred to in Article 24 para (2)(1) of the Basic Law meant those whose father or mother must have been lawfully settled or have the ROA in Hong Kong at the time of their birth or at any later time. Those who were born to illegal immigrants, overstayers or people residing temporarily in Hong Kong were excluded. Nevertheless, the Court of Final Appeal did not subscribe to the above view and has made a judgement. The Government respects the Court's judgement and at present has no plan to seek amendments to the relevant provisions of the Basic Law.

DR KWOK KA-KI (in Cantonese): *President, it is reported today that some Hong Kong women giving births in Prince of Wales Hospital had to wait for more than an hour for a stitch-up. Recently, of the services provided by the neonatal ward of Prince of Wales Hospital, 43% are utilized by mainland women; as for the special care unit, 46% are taken up by them. In fact, the many efforts made by the Hospital Authority (HA) are far from adequate, merely a drop in the ocean. However, I notice from part (a) of the main reply that if the children concerned remained in the Mainland after birth, they would not be counted as part of Hong Kong's population, which means they will only be included in our population figures when they come to settle in Hong Kong. Take this year as an example. If 12 000 children come to Hong Kong, we will need 400 primary classes, equivalent to over 100 primary schools. I wonder what the Government can do in that case, for no plans have been made so far. May I ask the Secretary whether the present approach is suggesting that it is counting on sheer luck?*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, just as I have said earlier, according to the calculation method of the C&SD, Hong Kong's total population refers to the number of people residing in Hong Kong, but not everyone who has the ROA. If these people do not reside in Hong Kong, they will not be included in our population census. The provision of social services, including medical care and health services, education and housing is projected according to the population census conducted. We are not counting on sheer luck. The C&SD will conduct detailed studies, as well as some surveys and research on the projection of population to determine how many of these children whose parents are not Hong Kong residents will come to settle in Hong Kong in future. We will carry out this survey as soon as possible.*

DR KWOK KA-KI (in Cantonese): *President, the Secretary has not answered the part of my supplementary question relating to school places, which involves 100 schools. Will the Government set up these schools before these children come to Hong Kong, or will it set up 100 schools when they arrive?*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, regarding the provision of government services, we have to wait for the C&SD to come up with the relevant information before more accurate deployment can be made to*

cope with the need of the increasing number of school children coming to Hong Kong in future. As to whether they will come to Hong Kong when they grow up, or come here to receive primary or secondary education, we must have accurate figures. We cannot set up 100 primary schools in advance, for if it turns out that they are not coming, it will be a waste of public money.

PRESIDENT (in Cantonese): Members, a total of eight Members are waiting to ask supplementary questions, so will Members who have the chance to ask supplementary questions put their questions direct. Besides, if Members consider that their supplementary questions have not been answered by the Secretary, will they please wait for the President's call before asking their follow-up questions, and will the public officer also give his reply after the President has asked him to do so. *(Laughter)*

MR ANDREW CHENG (in Cantonese): President, I would like to follow up an issue stated in part (b) of the Secretary's reply, that is, "the Government has no plans to specifically target against such women giving births in Hong Kong". At present, it seems that the situation in many delivery rooms of the HA has already returned to that in the '60s when canvas folding beds were used. Since the main reply stated that there were no plans to specifically target against mainland women giving births in Hong Kong, may I ask the two Secretaries how the many issues, including the defaulted payment of medical charges, the safety and health of mainland and local women, and even the long-term population planning of Hong Kong, will be dealt with? Will the authorities address these problems squarely as soon as possible in three to six months and propose some approaches which may solve the problems?

PRESIDENT (in Cantonese): Which Secretary will answer the question? Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, perhaps I will answer this question from the perspective of immigration policy first, and defer to Secretary Dr York CHOW for any supplement.

According to the immigration policy of Hong Kong, it is a fact that no policies regulating the entry of pregnant women have been laid down for the time

being. If any policy regulating the entry of pregnant women is formulated, it cannot target against our mainland compatriots alone, but should be applied across the board. We cannot prohibit their entry just because they come from the Mainland and their bellies bulge out. We definitely cannot do so. Therefore, we must consider the issue as a whole. In other words, we have to consider whether it is necessary to formulate a policy to regulate the entry of pregnant women. Please do not forget that, at present, there are some 20 million visitors visiting Hong Kong every year, and half of them are female. Should we require each woman to undergo pregnancy test before deciding whether they should be granted entry to Hong Kong? At the same time, what impact will the implementation of such a policy have on our tourism industry? We must therefore consider this thoroughly, and I think we cannot hastily decide that we must formulate this immigration policy.

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

Madam President, I may give some information about the HA, about obstetrics services provided by the public sector. We are now conducting a relatively detailed survey. Since giving birth is not an unpredictable incident, and in general, pregnant women have to have checkups with an obstetrician during the early stage, the first three months, of pregnancy, so they will have registered under a registration system. We will examine the situation in the next six months to see how many women who have registered will give birth at HA hospitals each month, and we can thus know from the relevant figures the demand for obstetric services and the services they required.

Certainly, on the Mainland, how many pregnant women from the Mainland will give birth in Hong Kong? We can in no way predict the number. However, the issue has drawn our particular attention, for the figure which was not on the high side in the past was increasing gradually and surged up in October this year. In this connection, we do not know whether the increasing number of mainland women giving births in Hong Kong is a result of certain commercial activities or other factors. These are issues we must examine thoroughly.

Therefore, the HA is considering the measures to be introduced, particularly in respect of services provided by the public sector, where the needs of local women should be adequately catered for. On the external front, we will tie in with the medical services provided by the private sector. It is hoped that a

series of measures will be announced soon. We may co-operate with the Mainland on the issuance of permits, so that mainland women intending to give births in Hong Kong are required to undergo antenatal check-up before they are permitted to come to Hong Kong to give births. If pregnant women seek consultation at accident and emergency departments when they come to Hong Kong, there is no guarantee that they will get the service. Besides, such a practice is hazardous to both the health of the expectant mother and the baby. I hope that a decision on the relevant policies will be reached shortly.

MR JAMES TO (in Cantonese): *President, as far as I know, this issue has been a concern to a number of Secretaries, the Secretary for Security in particular, for more than two years. However, so far, no analysis can tell us the motive of these women who give births in Hong Kong. Do they do so because of the ROA of their children as a result of the CHONG Fung-yuen case? Is it because of the "one-child policy" adopted on the Mainland? Or is it because the medical facilities in Hong Kong are better? Does the Government know the reason? If not, how can we decide the future plan of our services?*

PRESIDENT (in Cantonese): Which Secretary will answer this question? Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have not conducted any so-called scientific opinion poll, say a survey on 1 000 persons. However, we do make enquiries when they apply for birth certificates for their children. Most of them indicated that they had decided to give births in Hong Kong because they wanted their children to get the ROA in Hong Kong. Certainly, the adoption of the "one-child policy" on the Mainland is also one of the reasons. And, thirdly, it is surely because the medical system in Hong Kong is more advanced. It is because of a host of factors that mainland women decided to give births in Hong Kong.

MS AUDREY EU (in Cantonese): *President, earlier on, the Chief Executive urged married women to give birth to three children, but the result is less than desirable. President, may I ask the Secretary whether the Government has considered births given in Hong Kong by mainland women may help alleviate the*

problem of ageing population in Hong Kong in the long term, and drawn up plans in response to this? If it has, what are the relevant plans? Moreover, I would like to know clearly who or which department is now responsible for the population policy. Donald TSANG did conduct studies and submit a report, so who is following up the issue on population policy now?

PRESIDENT (in Cantonese): Your supplementary question asks which department is responsible for the population policy, in that case

MS AUDREY EU (in Cantonese): *Yes, is any plan in place, that is, will the present situation help to alleviate the long-term problem of ageing population?*

PRESIDENT (in Cantonese): Which Secretary will answer this question? Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, just as Ms Audrey EU pointed out earlier, Hong Kong is now facing the problem of dropping birth rate. According to the projection of the C&SD, the percentage of elderly in our population will have increased substantially by 2030. From time to time, we ask who can Hong Kong rely on and who will work in future. From this point of view, if more children are born in Hong Kong, be they children of local women or mainland women, and if they study in Hong Kong, grow up in Hong Kong and serve Hong Kong, this will be one way to solve the problem of ageing population. However, we are going to conduct a study to examine how many of these so-called external supporters will study in and serve Hong Kong in future. In this connection, we will discuss with the C&SD later to see whether some surveys can be carried out in this respect.

In reply to the second part of Ms Audrey EU's follow-up question, the population policy of Hong Kong is not only the work of a single bureau; at present, an inter-bureau working group headed by the Chief Secretary for Administration is examining the long-term population policy of Hong Kong.

MS AUDREY EU (in Cantonese): *President, will the Secretary elaborate this further? Is the Chief Secretary for Administration now leading an inter-bureau*

working group? Will the Secretary inform us which bureaux are involved, so that we can know for sure that an inter-bureau working group is now examining this population policy?

PRESIDENT (in Cantonese): Ms Audrey EU, actually, the Secretary has answered your supplementary question. But since the Secretary is so keen on answering your question that he was already on his feet no sooner than I asked him to give his reply. I will see whether he has anything to add.

SECRETARY FOR SECURITY (in Cantonese): Madam President, the Government indeed has been working on two fronts. In addition to conducting studies within the Government, on the inter-bureau front, so far as I can recall, the two Secretaries sitting next to me also have a part to play. Actually, the Government is not only working internally, the Committee on Social Development and Quality of Life under the Commission on Strategic Development has also discussed this population policy. Moreover, the Council for Sustainable Development has conducted a study on engagement process in respect of population policy to gauge the views of all sectors of society. The Council for Sustainable Development will carefully consider the views collected and make recommendations to the Government in respect of the future direction of the sustainable development of the population policy of Hong Kong. The Government will make reference to the views given by the Commission on Strategic Development and the Council for Sustainable Development in the formulation of the long-term strategy on population policy.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question now.

MR LEE CHEUK-YAN (in Cantonese): *President, in part (b) of the main reply, it is stated that "the Government has not yet at this stage come to any conclusion on the impact of mainland women giving births in Hong Kong". May I ask the Secretary under what circumstances such a conclusion can be drawn? Will the Secretary draw such a conclusion when a certain figure reaches an alarming level, or is it subject to something else? President, in a period of a year and nine months, some 19 000 babies were born, and this figure is already too big.*

Secretary Dr York CHOW said earlier that the figure had surged in this October and could not be sure whether it was the result of certain commercial activities. What is the alarming level adopted by the Government? At which level when the relevant figure reaches will the authorities consider it necessary to formulate a comprehensive policy in this respect? President, regarding the external supporters mentioned by the Secretary earlier, it remains uncertain whether they can unite with their parents. If these external supporters do come to Hong Kong while their parents are not allowed to come, this will result in family separation, which is not so good for these external supporters who will be the next generation, and this will involve many policies.

President, may I ask the Secretary under what circumstances the Government will come to a conclusion and when it will come to a conclusion?

SECRETARY FOR SECURITY (in Cantonese): Madam President, in respect of this supplementary question, I have explained it clearly in my main reply. At this stage, we are really unable to provide a timetable. We have to consider it from a macro point of view. First, we have to decide whether mainland women giving births in Hong Kong is a good thing or a bad thing? Do the advantages of this outweigh the disadvantages, or is it the other way round? I believe we have to consider it from different perspectives. If we all consider it a bad thing, do we need to formulate an immigration policy to screen all pregnant women entering Hong Kong? Thus, we have to take into account a host of factors. It is not that by giving a magic date, say 1 January 2007, we will be able to introduce a policy or a solution. Madam President, it is a very complicated issue.

PRESIDENT (in Cantonese): Fifth question.

Implementation of Small-class Teaching

5. **DR YEUNG SUM** (in Cantonese): *Madam President, will the Government inform this Council:*

- (a) *of the latest progress of the longitudinal pilot study, which started in the 2004-2005 school year, on small-class teaching at Primary One and Two levels in 37 primary schools;*

- (b) *whether it has assessed the effectiveness of the small-class teaching scheme, which started in the 2005-2006 school year, in primary schools with a high concentration of disadvantaged students; if it has, of the assessment results; and*
- (c) *whether it will consider extending the above study and scheme to other grades in primary schools and secondary schools, as well as to all other subjects besides Chinese Language, English Language and Mathematics?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):
Madam President,

- (a) The study on small-class teaching (the Study) is progressing according to schedule, under the guidance of our consultant Prof Maurice GALTON and the supervision of the Steering Committee. We have been collecting qualitative and quantitative data from participating schools regularly to assess the learning process and learning outcome of the first and second cohorts of Primary One students who were admitted to the 37 pilot schools in the 2004-2005 and 2005-2006 school years respectively. In the 2006-2007 school year, the two cohorts of students are studying in small classes at Primary Three and Primary Two levels respectively. These students will continue their study in "regular classes" of comparatively larger class size when they proceed to Primary Four and Primary Three in the 2007-2008 school year. We will continue to collect data about their learning in these "regular classes" for analyses. The final report of the Study is expected to be completed at the end of 2008.

Teachers need to adapt their pedagogy in order to optimize the benefits of small-class teaching. To this end, our school support team has been providing teachers participating in the Study with professional training and support through seminars, workshops, study tours, learning circles, as well as school visits for collaborative lesson planning and school-based workshops. The consultant has also been conducting lesson observations regularly, sharing his views with schools and discussing with them the pedagogy they adopt. Feedback from the schools has been positive.

- (b) We have also commissioned Prof GALTON as consultant to assess the effectiveness of the small-class teaching scheme for primary schools with a high concentration of disadvantaged students (the Scheme) launched in the 2005-2006 school year. Since the Scheme has been operating for about a year only, it would be premature to assess its effectiveness at this stage. We plan to round up our evaluation of the Scheme at the same time when the abovementioned Study is completed.
- (c) Implementation of small-class teaching should be premised upon the benefits to students. As overseas experience has yet to come to a conclusion on the effectiveness of small-class teaching, and taking into account the fact that full-scale implementation of small-class teaching will require considerable financial commitment in the long term, the Government has to be prudent in its strategic planning to ensure that the measure is value for money. While the Study is in progress, it is not appropriate to make random changes to its scope. To do so would affect the design of the Study and delay the completion date.

As regards the Scheme for disadvantaged students, our decision to go ahead before conclusion of the Study was purely based on overseas findings that the effects of small-class teaching would be more significant on disadvantaged students at junior primary levels. We are of the view that it is worthwhile to make an early attempt to help those students strengthen their learning at Key Stage 1 (Primary One to Primary Three) through small-class teaching to ameliorate their weak family support. The Scheme is also in line with the Government's pledge to alleviate poverty. The Scheme targets at the actual needs of a specific group of students. Whether the Scheme should extend to other grade levels or subjects will hinge on the results of the holistic review of both the Study and the Scheme.

DR YEUNG SUM (in Cantonese): *Madam President, the Study commenced in 2004, and the Secretary said that it was planned that the final report would be completed at the end of 2008. Madam President, since the Study shall have far-reaching implications, may I ask the Secretary whether it is possible to submit*

an interim report of the Study to the Legislative Council Panel on Education, so as to facilitate members of the Panel to conduct an interim discussion on this?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have not prepared any interim report because we do not want to affect the findings of the Study. However, we welcome Prof GALTON's meeting with members of the Panel on Education whenever he is in Hong Kong in order to explain things that are going on as well as the progress.

DR YEUNG SUM (in Cantonese): *The Secretary said that he had not considered it. It is exactly because of the fact that he had not considered it that I am asking him to submit an interim report to the Panel on Education. In this connection, is it possible for the Secretary to consider the issue from this perspective?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): We believe that the submission of an interim report would affect the results of the Study. Therefore, we would not do so.

MR CHEUNG MAN-KWONG (in Cantonese): *We have heard that, in meeting with primary education organizations, the Secretary disclosed that in this Study, with the exception of Chinese Language in which students had shown improvement in their academic results, their performance in both English Language and Mathematics had dropped, therefore the Study was not effective.*

However, Prof GALTON of the Cambridge University had said that, in the early phase of the pilot study, the effectiveness of small-class teaching would not be reflected in the academic results, but in students' interpersonal relationship and communication skills. May I ask the Secretary whether, in the study on small-class teaching, research studies have been conducted on aspects other than academic results, such as students' communication skills, learning motivation, interpersonal relationship and teacher-student interaction, and so on? What

are the findings? In the opinion of the authorities, in assessing the effectiveness of small-class teaching, with regard to the disadvantaged students, is it appropriate to assess only their academic results?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, my answer to Mr CHEUNG Man-kwong is "yes". We did conduct comprehensive studies.

MS AUDREY EU (in Cantonese): *President, in answering Dr YEUNG Sum's supplementary question, the Secretary said that he did not plan to table an interim report to the Legislative Council because he did not want to affect the results. However, as Mr CHEUNG Man-kwong said in his earlier question, we learned from the newspapers that the Secretary had pointed out in his meeting with primary education organizations that the effectiveness of small-class teaching was not good because the academic performance of students (particularly in English Language and Mathematics) had dropped. I would like to ask the Secretary: Was the report true? Had the Secretary said this? If so, will this affect the results which he did not wish to affect? If he had said that, and it was reported in the press, will it affect the results?*

PRESIDENT (in Cantonese): Ms Audrey EU, I must remind you that, during Question Time, Members cannot request the Government to comment on newspaper reports. As such, you may have to ask your question in another manner. Can you put your supplementary question again?

MS AUDREY EU (in Cantonese): *President, all I want to ask is whether the Secretary had met with primary education organizations and told them that the effectiveness of the study on small-class teaching was not good because the academic results of students had not shown any improvement, but regression instead. Had the Secretary said that? If so, will this affect the results of the Study? On the other hand, why was the Secretary reluctant to tell this Council?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I have made it very clear that what we are evaluating is not

just the results of one subject, but whole-person development. Therefore, we cannot conclude and say whether small-class teaching is good or bad just by assessing any one single aspect. Likewise, I will not make such comments here.

MS AUDREY EU (in Cantonese): *President, I am not asking the Secretary to comment whether small-class teaching is good or bad. My supplementary question is: Did the Secretary tell primary education organizations that small-class teaching had not brought about good results and its effectiveness was not good? If the Secretary had said that, and at the same time, he refused to table an interim report to the Legislative Council, will it affect the final results of the Study?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I have already made it very clear. First, there is no such thing as an interim report. It is all about the progress. Each year, we would analyse what the progress of the year is. Under such circumstances, one of the items in our analysis is the academic results of the subjects. However, if we wish to study the overall situation, and if we disclose the findings now, we think it would affect the results of the Study.

MS AUDREY EU (in Cantonese): *President, I am sorry. I do not mean to embarrass the Secretary, but he really has not answered my supplementary question. I was asking him whether he had said so; if so, whether it would affect the results of the Study.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I am very prudent in this regard, so as not to affect the results of the Study.

MR LEUNG KWOK-HUNG (in Cantonese): *Secretary Prof Arthur LI, may I ask you whether you have said that the effectiveness of small-class teaching is not*

good because students' academic results in subjects like English Language were not good? Has the Secretary said so? Has he said so to anyone?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, it is very simple. What we are discussing is an ongoing study which has not arrived at any conclusion. How can we suddenly come to the conclusion that the study on small-class teaching is not doing very well? This is something nobody knows yet. Therefore, the Study is still ongoing. We are in the middle of a transitional period.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Secretary has not answered my supplementary question. I asked him whether he had said so.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): No.

MS EMILY LAU (in Cantonese): *President, I really do not know why the Secretary does not even have the courage to say something as simple as whether he had made that remark. I feel that this is really not very good. However, I would not pursue any further because even if I do so, he will still not answer it.*

President, I would like to ask a question in relation to the disadvantaged students because I do not know how many students have actually participated in the Scheme. At that time, people did worry about one issue, that is, many parents might not want their children to join the Scheme because they would be labelled as "disadvantaged students". But still the authorities insisted on doing it. Therefore, may I ask how many students have participated in the Scheme and how the authorities defined a "disadvantaged student"? Is it necessary for him to be a recipient of Comprehensive Social Security Assistance (CSSA) or are there other criteria he must fulfil before he can be regarded as "disadvantaged"? How many schools and students have participated in the Scheme and what are the criteria?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have already made it very clear, and clarified to the Panel on the definition of "disadvantaged" as well as the situation of schools' participation in the Scheme.

Perhaps let me repeat the information here. If there are 40% students in a school receiving support or CSSA, we would include such a school into the Scheme. If a school is willing to join the Scheme — on a voluntary basis — then we shall provide the support. I would like to provide some supplementary information here: 29 schools joined the Scheme in the initial stage, and now the number of participating schools has gone up to 48.

MS EMILY LAU (in Cantonese): *President, I was asking how many students had participated in the Scheme.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): In terms of figures, there are 48 schools participating in the Scheme. Some are large schools, while there are also smaller ones. Statistics are kept using schools as units, not the number of participating students. And now 48 schools have joined the Scheme.

MR JASPER TSANG (in Cantonese): *President, the Secretary said that, insofar as overseas experience is concerned, there is no definitive conclusion on the effectiveness of small-class teaching. May I ask the Government, in studying such overseas experience, whether it is aware of the size of ordinary classes in such places? Regarding the standard in Hong Kong, is it possible that the size of their ordinary classes is already equivalent to that of our small classes?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Regarding the situations in overseas countries, there are different circumstances in different countries. Therefore, we had studied how overseas countries implemented small-class teaching in the context of their respective circumstances. The Honourable Member is correct in saying that many countries have already found their class of 25 students too large and may have to reduce the number to 15. However, some other countries are reducing from 30 to 40 students a class to 25 or below.

DR FERNANDO CHEUNG (in Cantonese): *I also wish to follow up the issue of the number of students because as far as I understand it, regarding the effectiveness and experience of small-class teaching in many overseas countries, an ordinary class would be reduced from 25 students to about 15. However, in Hong Kong, we are talking about a reduction from 35 students in a class to 26 or 27 students.*

If we compare overseas experience to ours, it is just like comparing an orange to an apple. May I ask the Secretary, with regard to the present study on small-class teaching, what the size of a small class is? Besides, when the Study is ongoing, is the Secretary aware of the differences that exist in the two studies in both quantitative and qualitative terms, thus making a full comparison impossible?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, this is a study project of Hong Kong conducted according to the local circumstances. Therefore, we have defined a small class as a class of 25 students or less. Regarding our follow-up on the effectiveness, we would assess not only the academic results, but also various aspects such as contact, attitude, motivation, and so on.

MR JAMES TO (in Cantonese): *President, I would like to follow up the supplementary questions raised by Ms Audrey EU and Mr LEUNG Kwok-hung to give the Secretary the third opportunity to answer whether he had told primary education organizations that students' academic results in Chinese Language had improved, but their results in both English Language and Mathematics had dropped. Did he say that? Why should a Secretary act like this, and why is he unable to tell us even whether he did say that?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, if I answer the question, then it would turn out to be an open reply. I have already said that I would not openly comment on the effectiveness of small-class teaching. I very much hope that small-class teaching can be implemented in Hong Kong. Therefore, I would not do anything that would affect the results of the study on small-class teaching.

PRESIDENT (in Cantonese): Last oral question.

Impact of Voucher System on Remuneration of Teachers

6. **MR CHEUNG MAN-KWONG** (in Cantonese): *Regarding the impact of implementing a voucher system to subsidize pre-primary education on the remuneration of the teachers concerned, will the Government inform this Council:*

- (a) *whether it knows the respective numbers of kindergartens and child care centres which are currently paying teachers in accordance with the Government's "Recommended Normative Salary Scale for Kindergarten Teaching Staff" (the salary scale), the respective percentages of these numbers in the total numbers of kindergartens and child care centres in Hong Kong, and list out in a table the names of these kindergartens and child care centres;*
- (b) *whether it has assessed how the remuneration of the above teachers will be affected upon the abolition of the salary scale when the voucher system is implemented; if it has, of the assessment results; if not, the reasons for that; and*
- (c) *whether it has consulted the profession on the abolition of the salary scale; if it has, of the results; if not, the reasons for that; and how the authorities ensure that no layoffs or pay cuts will result from the abolition of the salary scale?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):
Madam President,

- (a) All kindergartens and kindergarten-cum-child care centres (hereafter collectively named as "KGs") are privately run and they are free to agree on the terms of employment with their teachers. However, as one of the conditions for subsidy under the Kindergarten and Child Care Centre Subsidy Scheme (KCSS), KGs are required to pay teachers according to the Recommended Normative Salary Scale (RNSS). As of September 2006, the number of KGs joining KCSS is 529, representing 51% of the total

number of 1 031 KGs. A list of these KGs and KG-cum CCCs is attached at the Annex.

- (b) The introduction of the voucher scheme enables KGs to continue to benefit from the flexibility of operating in a private market, including the capacity to decide on the appropriate remuneration of staff, with minimum regulations. The Government's commitment to investing an additional \$2 billion recurrent subsidy in pre-primary education can support KGs to offer remuneration commensurate with the expected enhanced qualification of principals and teachers. The face value of the proposed KG voucher, at \$13,000 per student per annum (pspa) in 2007-2008 and progressively increasing to \$16,000 pspa by 2011-2012, can cover salary increment and qualification creep over the years. We expect KGs to take advantage of the voucher scheme to retain talents.
- (c) Since September 2005, we have taken the initiative to engage the key stakeholders of the KG sector in continuous dialogue on the future development of pre-primary education in Hong Kong. We fully understand the concerns of the sector, including the salary scale for KG teachers. The proposed education voucher is a new funding mode which replaces part of the existing subsidies such as KCSS and paves the way for the next phase in raising the quality of pre-primary services, capitalizing on the adaptability, diversity and responsiveness of the private market.

We fully agree that KG teachers should be reasonably remunerated. We note that members of the KG sector are planning to develop their own salary scales for teachers. With increased government financial commitment, disclosure requirements and quality assurance arrangements, the KG operators should be accountable to teachers and parents for not paying qualified and performing teachers the appropriate level of salary. By the end of the 2011-2012 school year, only accredited non-profit-making kindergartens may redeem the voucher. KGs operators will have a strong incentive to attract and retain good teachers by providing appropriate remuneration to ensure high quality pre-primary education.

Annex

List of Kindergartens and Kindergarten-cum-Child Care Centres joining the KCSS

參加幼稚園及幼兒中心資助計劃的幼稚園及幼稚園暨幼兒中心名單

(2006-2007 School Year)

(2006-2007 學年)

With school names in alphabetical order:

依英文校名次序排列：

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
1	AEFCHK-EFCC-PO NGA NURSERY SCHOOL	香港基督教播道會聯會寶雅幼兒學校
2	AEFCHK EFCC TIN YAN NURSERY SCHOOL	香港基督教播道會聯會天恩幼兒學校
3	AEFCHK-EFCC-SO SUM MEMORIAL NURSERY SCH	香港基督教播道會聯會蘇森紀念幼兒學校
4	AEFCHK-EFCC-AGC ABUNDANT GRACE NURSERY	香港基督教播道會聯會厚恩堂厚恩幼兒學校
5	AEFCHK-EFCC-VERBENA NURSERY SCH	香港基督教播道會聯會茵怡幼兒學校
6	AGNES ENGLISH KINDERGARTEN	雅麗斯英文幼稚園
7	AGNES KINDERGARTEN (GRANDEUR TERRACE)	雅麗斯俊宏軒幼稚園
8	AL & VS EDUCATION FUND DELIA PEI KG	藍如溪盛成皿教育基金邊陳之娟幼稚園
9	AL & VS EDUCATION FUND GORDON PEI KG	藍如溪盛成皿教育基金邊耀良幼稚園
10	ANANI KINDERGARTEN	主蔭幼稚園
11	ANNUNCIATION CATHOLIC KINDERGARTEN	天主教領報幼稚園
12	AOG WA WAI CHURCH HIN KENG A/C KG	華惠神召會顯徑中英文幼稚園
13	AOG WA WAI CHURCH WALKER HALL A/C KG	華惠神召會何華閣中英文幼稚園
14	AOG WA WAI KINDERGARTEN (CHEUNG HONG)	華惠神召會幼稚園 (長康)
15	AOG WA WAI KINDERGARTEN (WANG TAU HOM)	華惠神召會幼稚園 (橫頭磡)
16	ASBURY METHODIST KINDERGARTEN	循道衛理聯合教會亞斯理幼稚園
17	ASSEMBLY OF GOD PAUL CHURCH KG (T W E)	神召會保羅堂幼稚園 (天華邨)
18	ASSEMBLY OF GOD UNION CHURCH KG	基督教神召會合一堂幼稚園
19	B.O.K.S.S. CHEUNG SHA WAN PRE-PRIMARY SC	浸會愛群社會服務處長沙灣幼兒學校

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
20	BAPT CONVENTION OF HK RCHK NORTHWEST KG	香港浸信會聯會香港西北扶輪社幼稚園
21	BAPTIST CONVENTION OF HK LEE ON NURSERY	香港浸信會聯會利安幼兒園
22	BAPTIST PUI LI SCHOOL	浸信會培理學校
23	BGCA HK CHEERLAND KG (KOWLOON BAY)	香港小童群益會樂緻幼稚園 (九龍灣)
24	BGCAHK CHEERLAND KG (TSEUNG KWAN O)	香港小童群益會樂緻幼稚園 (將軍澳)
25	BGCAHK CHEERLAND KG (WONG TAI SIN)	香港小童群益會樂緻幼稚園 (黃大仙)
26	BGCAHK CHEERLAND KINDERGARTEN (WAN CHAI)	香港小童群益會樂緻幼稚園 (灣仔)
27	BUDD TCFS YEUNG TAM YUEN FONG KG	道慈佛社楊譚婉芳幼稚園
28	BUDDHIST CHEUNG MUI KWAI KINDERGARTEN	佛教張梅桂幼稚園
29	BUDDHIST CHI KWONG KINDERGARTEN	佛教慈光幼稚園
30	BUDDHIST CHI WAI DAY NURSERY	佛教慈慧幼兒園
31	BUDDHIST CHUN YUE KG (TUNG CHUNG)	佛教真如幼稚園 (東涌)
32	BUDDHIST FOO HONG KINDERGARTEN	佛教傅康幼稚園
33	BUDDHIST KAM LAI KINDERGARTEN	佛教金麗幼稚園
34	BUDDHIST SUM TUNG FOOK KINDERGARTEN	佛教沈東福幼稚園
35	BUDDHIST TSANG KOR SING A/C KG	佛教曾果成中英文幼稚園
36	BUT SAN KINDERGARTEN	拔臣幼稚園
37	C&MA JOYFUL PEACE KINDERGARTEN	基督教宣道會頌安幼稚園
38	C&MA FU SHAN NURSERY SCH	基督教宣道會富山幼兒學校
39	C&MA LEI TUNG NURSERY SCH	基督教宣道會利東幼兒學校
40	C&MA PLOVER COVE NURSERY SCH	基督教宣道會寶湖幼兒學校
41	C&MA SHATIN NURSERY SCH	基督教宣道會沙田幼兒學校
42	C&MA SOUTH HORIZONS NUR SCH	基督教宣道會海怡幼兒學校
43	C&MA TIN CHUNG NURSERY SCH	基督教宣道會天頌幼兒學校
44	C&M ALLI CHURCH UN TSEUNG KWAN O ALLI KG	基督教宣道會香港區聯會將軍澳宣道幼稚園
45	C&M ALLIANCE FAIRVIEW PARK KINDERGARTEN	基督教宣道會錦繡幼稚園
46	CA SAU MAU PING CHEN LEE WING TSING KG	宣道會秀茂坪陳李詠貞幼稚園
47	CALVARY CHILDREN'S CENTRE KINDERGARTEN	聖十架幼兒中心幼稚園
48	CARITAS KAI YAU NURSERY SCHOOL	明愛啟幼幼兒學校
49	CARITAS LING YUET SIN KINDERGARTEN	明愛凌月仙幼稚園
50	CARITAS LIONS CLUB HK (PACIFIC) NUR SCH	明愛香港太平洋獅子會幼兒學校

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
51	CARITAS NURSERY SCHOOL — KENNEDY TOWN	明愛堅尼地城幼兒學校
52	CARITAS NURSERY SCHOOL — LEI YUE MUN	明愛鯉魚門幼兒學校
53	CARITAS NURSERY SCHOOL — SHATIN	明愛沙田幼兒學校
54	CARITAS NURSERY SCHOOL — TA KWU LING	明愛打鼓嶺幼兒學校
55	CARITAS NURSERY SCHOOL — TSUI LAM	明愛翠林幼兒學校
56	CARITAS NURSERY SCHOOL — YAU TONG	明愛油塘幼兒學校
57	CARITAS ST FRANCIS KINDERGARTEN	明愛聖芳濟各幼稚園
58	CARITAS ZONTA CLUB OF HK NURSERY SCH	明愛香港崇德社幼兒學校
59	CASTAR KINDERGARTEN	世德幼稚園
60	CASTAR KINDERGARTEN (LEI MUK SHUE)	世德幼稚園 (梨木樹)
61	CCC HK CHI TO CHURCH KEI POK KG (TKO)	中華基督教會香港志道堂基博幼稚園 (將軍澳)
62	CCC HK COUNCIL FUK YAU KG	中華基督教會福幼幼稚園
63	CCC HK COUNCIL FUK YAU NO II KG	中華基督教會福幼第二幼稚園
64	CCC KEI CHUN KINDERGARTEN	中華基督教會基真幼稚園
65	CCC KEI FAAT KINDERGARTEN	中華基督教會基法幼稚園
66	CCC KEI WA KINDERGARTEN	中華基督教會基華幼稚園
67	CCC SHATIN CHURCH POK HONG KINDERGARTEN	中華基督教會沙田堂博康幼稚園
68	CCC TUEN MUN KG	中華基督教會屯門堂幼稚園
69	CCWF LTD CHOI PO KINDERGARTEN	神召會華人同工聯會彩蒲幼稚園
70	CCWFL KING SHING KINDERGARTEN	神召會華人同工聯會景盛幼稚園
71	CECES ORGANIZED AETNA PRESCHOOL	幼聯主辦安泰幼兒學校
72	CFSC CHEERLAND KG	基督教家庭服務中心趣樂幼稚園
73	CHAI WAN K/F ASSN KAI MING KINDERGARTEN	柴灣區街坊福利會主辦啟明幼稚園
74	CHAN EN MEI LUTHERAN DAY NURSERY	路德會陳恩美幼兒園
75	CHAN MUNG YAN LUTHERAN KINDERGARTEN	路德會陳蒙恩幼稚園
76	CHEUNG CHAU SACRED HEART KINDERGARTEN	長洲聖心幼稚園
77	CHEUNG CHING LUTHERAN DAY NURSERY	路德會長青幼兒園
78	CHEUNG SHA WAN K.W.A. LAM TAM YIN WAH KG	長沙灣街坊福利會林譚燕華幼稚園
79	CHINESE YMCA KINDERGARTEN	中華基督教青年會幼稚園
80	CHINESE YMCA KWAI CHUNG KINDERGARTEN	中華基督教青年會葵涌幼稚園

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
81	CHING CHUNG HING TUNG KINDERGARTEN	青松興東幼稚園
82	CHING CHUNG WU KING KINDERGARTEN	青松湖景幼稚園
83	CHIU HA KINDERGARTEN	肖霞幼稚園
84	CHIU YANG KINDERGARTEN	潮陽幼稚園
85	CHO YIU CHUEN METHODIST KINDERGARTEN	祖堯邨衛理幼稚園
86	CHOI HA ESTATE KIT SAM KINDERGARTEN	天主教彩霞邨潔心幼稚園
87	CHR THE FAITH HOPE L CH YAT TUNG KG	基督徒信望愛堂逸東幼稚園
88	CHR THE FAITH HOPE LOVE CH WAH MING KG	基督徒信望愛堂華明幼稚園
89	CHRIST & MISS ALLI TAI WO KINDERGARTEN	基督教宣道會太和幼稚園
90	CHRIST & MISSIONARY ALLIANCE TAI O KG	基督教宣道會大澳幼稚園
91	CHRISTIAN ALLI LOUEY CHOY KWAN LOK KG	宣道會雷蔡群樂幼稚園
92	CHRISTIAN ALLIANCE CHEN LEE W T MEM KG	宣道會陳李詠貞紀念幼稚園
93	CHRISTIAN EVANGELICAL CENTRE LOK FU KG	基督教佈道中心樂富幼稚園
94	CHRISTIAN FAMILY SERVICE CTR TAK TIN KG	基督教家庭服務中心德田幼稚園
95	CHRISTIAN LITTLE ANGEL KG (KAM FUNG CT)	基督教小天使(錦豐)幼稚園
96	CHRISTIAN LITTLE ANGEL KG RICHLAND GDN	基督教小天使(麗晶)幼稚園
97	CMAC VERBENA KINDERGARTEN	基督教宣道會茵怡幼稚園
98	CNEC CHRISTIAN KINDERGARTEN	中華傳道會基石幼稚園
99	CPC GREEN PASTURE KINDERGARTEN	金巴崙長老會青草地幼稚園
100	CUHK FAA CHAN CHUN HA KINDERGARTEN	香港中文大學校友會聯會陳震夏幼稚園
101	CUHKFAA THOMAS CHEUNG KINDERGARTEN	香港中文大學校友會聯會張煊昌幼稚園
102	CUMBERLAND PRESBYTERIAN CHURCH PO LAM KG	金巴崙長老會寶林幼稚園
103	DOMINIC SAVIO KINDERGARTEN	明我幼稚園
104	DOMINIC SAVIO KINDERGARTEN (OLYMPIC BR)	明我幼稚園(奧運校)
105	ECFB CREATIVITY KINDERGARTEN	基督教中國佈道會恩恩創意幼稚園
106	ELCHK AMAZING GRACE NURSERY SCHOOL	基督教香港信義會基恩幼兒學校
107	ELCHK CHUNG ON NURSERY SCHOOL	基督教香港信義會頌安幼兒學校

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
108	ELCHK GRACE NURSERY SCHOOL	基督教香港信義會天恩幼兒學校
109	ELCHK HING WAH NURSERY SCHOOL	基督教香港信義會興華幼兒學校
110	ELCHK KIN MING NURSERY SCHOOL	基督教香港信義會健明幼兒學校
111	ELCHK LING KUNG NURSERY SCHOOL	基督教香港信義會靈工幼兒學校
112	ELCHK LING ON NURSERY SCHOOL	基督教香港信義會靈安幼兒學校
113	ELCHK NAM CHEONG KINDERGARTEN	基督教香港信義會南昌幼稚園
114	ELCHK TSEUNG KWAN O KINDERGARTEN	基督教香港信義會將軍澳幼稚園
115	EMMANUEL CHURCH SHATIN NURSERY SCHOOL	沙田靈光幼兒學校
116	ENDEAVOURERS CHAN CHENG KIT WAN KG	勵志會陳鄭潔雲幼稚園
117	EVANGELICAL LU CH OF HK CHEUNG WAH KG	基督教香港信義會祥華幼稚園
118	FAITH LUTHERAN CHURCH KINDERGARTEN	深信堂幼稚園
119	FAN HO WAI CHING MEMORIAL KINDERGARTEN	范賀渭清紀念幼稚園
120	FANLING AOG CHURCH GRACE LIGHT KG	基督教粉嶺神召會恩光幼稚園
121	FANLING BAPTIST CHURCH LUI MING CHOI KG	粉嶺浸信會呂明才幼稚園
122	FIRST ASSEMBLY OF GOD CHURCH TIN CHAK N	神召會禮拜堂天澤幼兒園
123	FIVE DIS B W ASSN CHEUNG CHUK SHAN KG	五邑工商總會張祝珊幼稚園
124	FIVE DISTRICTS BUSINESS WELFARE ASSN KG	五邑工商總會幼稚園
125	FM CHURCH BRADBURY CHUN LEI NURSERY SCH	循理會白普理循理幼兒學校
126	FU HENG BAPTIST LUI KWOK PAT FONG KG	富亨浸信會呂郭碧鳳幼稚園
127	FU TAI LUTHERAN DAY NURSERY	路德會富泰幼兒園
128	FUNG KAI KINDERGARTEN	鳳溪幼稚園
129	GARDEN ESTATE BAPTIST NURSERY SCHOOL	花園大廈浸信會幼兒學校
130	GRACE BAPTIST KINDERGARTEN	懷恩浸信會幼稚園
131	GRACE METHODIST CHURCH KG	循道衛理聯合教會主恩堂幼稚園
132	HEEP HONG SOCIETY HEALTHY KIDS NUR SCH	協康會康苗幼兒園
133	HENG FA CHUEN LUTHERAN DAY NURSERY	路德會杏花邨幼兒園
134	HENG ON BAPTIST NURSERY SCHOOL	恒安浸信會幼兒學校
135	HHCKLA BUDDHIST LAM WONG MING WAI KG	香海正覺蓮社佛教林黃明慧幼稚園

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136	HHCKLA BUDDHIST WAI KWONG KINDERGARTEN	香海正覺蓮社佛教慧光幼稚園
137	HIP WO H SCH OF THE HK COUNCIL OF CCC	中華基督教會香港區會協和學校
138	HK & KKWA TING SUN HUI CHIU NURSERY	港九街坊婦女會丁孫慧珠幼稚園
139	HK & KKWA TING YUK CHEE KINDERGARTEN	港九街坊婦女會丁毓珠幼稚園
140	HK & KKWA WAN TSUI KINDERGARTEN	港九街坊婦女會環翠幼稚園
141	HK & KLN K/F W A SUN FONG CHUNG KG	港九街坊婦女會孫方中幼稚園
142	HK & MACAU LUTHERAN CHURCH SHEK ON M KG	港澳信義會錫安紀念幼稚園
143	HK & MACAU LUTHERAN CHURCH TSUI EN KG	港澳信義會翠恩幼稚園
144	HK BETHEL CHURCH GIDEON KINDERGARTEN	香港伯特利教會基甸幼稚園
145	HK SHENG KUNG HUI KEI OI NURSERY SCHOOL	香港聖公會基愛幼兒學校
146	HK&KKWA SUN FONG CHUNG KG (SUI WO COURT)	港九街坊婦女會孫方中幼稚園 (穗禾苑)
147	HKCS CENTRAL NURSERY SCHOOL	香港基督教服務處雋匯幼兒學校
148	HKCS KWUN TONG NURSERY SCHOOL	香港基督教服務處觀塘幼兒學校
149	HKCS LEI CHENG UK NURSERY SCHOOL	香港基督教服務處李鄭屋幼兒學校
150	HKCS SHEK KIP MEI NURSERY SCHOOL	香港基督教服務處石硤尾幼兒學校
151	HKCS TAI HANG TUNG NURSERY SCHOOL	香港基督教服務處大坑東幼兒學校
152	HKCS TIMES NURSERY SCHOOL	香港基督教服務處時代幼兒學校
153	HKCS TIN HENG NURSERY SCHOOL	香港基督教服務處天恒幼兒學校
154	HKFYG CHING LOK KINDERGARTEN	香港青年協會青樂幼稚園
155	HKFYG CHING LOK KINDERGARTEN (YAUMATEI)	香港青年協會青樂幼稚園 (油麻地)
156	HKSKH HA SUI WAN NURSERY SCHOOL	香港聖公會夏瑞芸幼兒學校
157	HKSKH ST NICHOLAS' NURSERY SCHOOL	香港聖公會聖尼哥拉幼兒學校
158	HKSKH ST SIMON'S LEUNG KING NURSERY SCH	香港聖公會聖西門良景幼兒學校
159	HKSKH ST SIMON'S SAI KUNG NURSERY SCH	香港聖公會聖西門西貢幼兒學校
160	HKSKH ST SIMON'S TAI HING NURSERY SCH	香港聖公會聖西門大興幼兒學校
161	HKSKH TUNG CHUNG NURSERY SCHOOL	香港聖公會東涌幼兒學校
162	HKSPC AW HOE NURSERY SCHOOL	香港保護兒童會胡好幼兒學校
163	HKSPC BOC NURSERY SCHOOL	香港保護兒童會中銀幼兒學校
164	HKSPC BUTTERFLY ESTATE NURSERY SCHOOL	香港保護兒童會蝴蝶邨幼兒學校

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165	HKSPC CHEUNG SHA WAN NURSERY SCHOOL	香港保護兒童會長沙灣幼兒學校
166	HKSPC HK BANK FOUNDATION NURSERY SCHOOL	香港保護兒童會滙豐銀行慈善基金幼兒學校
167	HKSPC LAM WOO NURSERY SCHOOL	香港保護兒童會林護幼兒學校
168	HKSPC MA TAU CHUNG NURSERY SCHOOL	香港保護兒童會馬頭涌幼兒學校
169	HKSPC MR & MRS THOMAS TAM NURSERY SCHOOL	香港保護兒童會譚雅士伉儷幼兒學校
170	HKSPC OCEAN SHORES NURSERY SCHOOL	香港保護兒童會維景灣幼兒學校
171	HKSPC OPERATION SANTA CLAUS FANLING N S	香港保護兒童會聖誕老人愛心粉嶺幼兒學校
172	HKSPC PARK'N SHOP STAFF CHARITABLE FUND	香港保護兒童會百佳員工慈善基金幼兒學校
173	HKSPC PORTLAND STREET NURSERY SCHOOL	香港保護兒童會砵蘭街幼兒學校
174	HKSPC SHAM TSENG NURSERY SCHOOL	香港保護兒童會深井幼兒學校
175	HKSPC SIA WHAMPOA NURSERY SCHOOL	香港保護兒童會新航黃埔幼兒學校
176	HKSPC SZE WU SHU MIN NURSERY SCHOOL	香港保護兒童會施吳淑敏幼兒學校
177	HKSPC THE JOCKEY CLUB HOK SAM NURSEY SCH	香港保護兒童會賽馬會學心幼兒學校
178	HKSPC THOMAS TAM NURSERY SCHOOL	香港保護兒童會譚雅士幼兒學校
179	HKSPC WAI YIN CLUB NURSERY SCHOOL	香港保護兒童會慧妍雅集幼兒學校
180	HKYWCA CHEUNG CHING NURSERY SCHOOL	香港基督教女青年會長青幼兒學校
181	HKYWCA CHIU OI WAH NURSERY SCHOOL	香港基督教女青年會趙靄華幼兒學校
182	HKYWCA CHOI WAN NURSERY SCHOOL	香港基督教女青年會彩雲幼兒學校
183	HKYWCA FAITH HOPE NURSERY SCHOOL	香港基督教女青年會信望幼兒學校
184	HKYWCA LUNG HANG NURSERY SCHOOL	香港基督教女青年會隆亨幼兒學校
185	HKYWCA ON TING NURSERY SCHOOL	香港基督教女青年會安定幼兒學校
186	HKYWCA SHIU PONG NURSERY SCHOOL	香港基督教女青年會紹邦幼兒學校
187	HKYWCA TAI HON FAN NURSERY SCHOOL	香港基督教女青年會戴翰芬幼兒學校
188	HKYWCA TSUEN WAN NURSERY SCHOOL	香港基督教女青年會荃灣幼兒學校
189	HO CHING KG (SPONSORED BY SIK SIK YUEN)	嗇色園主辦可正幼稚園
190	HO LAP KG (SPONSORED BY SIK SIK YUEN)	嗇色園主辦可立幼稚園
191	HO OI DAY NURSERY (SIK SIK YUEN)	嗇色園主辦可愛幼兒園
192	HO SHUI KG (SPON BY SIK SIK YUEN)	嗇色園主辦可瑞幼稚園

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193	HO TAK KG (SPON BY SIK SIK YUEN)	可德幼稚園 (齋色園主辦)
194	HO YAN KG (SPON BY SIK SIK YUEN)	可仁幼稚園 (齋色園主辦)
195	HO YU KG (SPONSORED BY SIK SIK YUEN)	齋色園主辦可譽幼稚園
196	HOH FUK TONG KG (TM CH CCC HK CCL)	中華基督教會屯門堂何福堂幼稚園
197	HOMANTIN BAPTIST CHURCH KINDERGARTEN	何文田浸信會幼稚園
198	HOMANTIN YANG MEMORIAL METHODIST PRE-SCH	何文田循道衛理楊震幼兒學校
199	HONG KONG 5-S KINDERGARTEN	香港五常法幼稚園
200	HONG KONG KG ASSOCIATION PRE-SCHOOL	香港幼稚園協會幼兒學校
201	HONG KONG SOKA KINDERGARTEN	香港創價幼稚園
202	HONG KONG STUDENT AID SOCIETY POTAT NUR	香港學生輔助會寶達幼兒園
203	HONG KONG YWCA ATHENA KINDERGARTEN	香港基督教女青年會宏恩幼稚園
204	ISLAMIC ABU BAKAR CHUI MEMORIAL KG	伊斯蘭徐錦享紀念幼稚園
205	ISLAMIC POK OI KINDERGARTEN	伊斯蘭博愛幼稚園
206	KA FUK BAPTIST CHURCH PRE-SCHOOL	嘉福浸信會幼兒園
207	KAM LAM CATHOLIC KINDERGARTEN	天主教甘霖幼稚園
208	KAM TSIN VILLAGE HO TUNG KINDERGARTEN	金錢村何東幼稚園
209	KIN SANG BAPTIST CHURCH BRADBURY PRE SCH	建生浸信會白普理幼兒園
210	KIN SANG LUTHERAN KINDERGARTEN	路德會建生幼稚園
211	KING LAM LUTHERAN DAY NURSERY	路德會景林幼兒園
212	KLN CITY BAPTIST CHURCH HAY NIEN KG	九龍城浸信會禧年幼稚園
213	KLN CITY BAPTIST CHURCH KA FUK KG	九龍城浸信會嘉福幼稚園
214	KOWLOON CITY BAPTIST CHURCH KG	九龍城浸信會幼稚園
215	KOWLOON CITY BAPTIST CHURCH TSZ OI KG	九龍城浸信會慈愛幼稚園
216	KOWLOON WOMEN'S WELFARE CLUB NURSERY SCH	九龍婦女福利會幼稚園
217	KWAI CHUNG BAPTIST CHURCH KINDERGARTEN	葵涌浸信會幼稚園
218	KWUN TONG BAPTIST CHURCH CHOI MING KG	觀塘浸信會彩明幼稚園
219	KWUN TONG BAPTIST CHURCH KINDERGARTEN	官塘浸信會幼稚園
220	KWUN TONG LUTHERAN SCHOOL & KG	路德會觀塘學校暨幼稚園
221	KWUN TONG METHODIST KINDERGARTEN	觀塘循道幼稚園

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222	LAI KING RHENISH NURSERY	禮賢會荔景幼兒園
223	LEE ANDREW MEMORIAL A/C KINDERGARTEN	李榮基紀念中英文幼稚園
224	LEI TUNG LUTHERAN DAY NURSERY	路德會利東幼兒園
225	LEUNG KING LUTHERAN DAY NURSERY	路德會良景幼兒園
226	LOCK TAO CHRISTIAN KINDERGARTEN	基督教樂道幼稚園
227	LOK FU RHENISH CHURCH KG	樂富禮賢會幼稚園
228	LOK FU RHENISH NURSERY	禮賢會樂富幼兒園
229	LOK KING KINDERGARTEN	樂景幼稚園
230	LOK SIN TONG KINDERGARTEN	樂善堂幼稚園
231	LOK SIN TONG KU LEE KWOK SIN KG	樂善堂顧李覺鮮幼稚園
232	LOK SIN TONG MAN NG WING YEE KG	樂善堂文吳泳沂幼稚園
233	LOK SIN TONG STEPHEN LEUNG KINDERGARTEN	樂善堂梁泳釗幼稚園
234	LOK SIN TONG TANG TAK LIM KINDERGARTEN	樂善堂鄧德濂幼稚園
235	LOK WAH KINDERGARTEN	樂華幼稚園
236	LOTUS ASSN HK SIU HEI COURT KINDERGARTEN	香海蓮社兆禧苑幼稚園
237	LOVING HEART LUTHERAN KINDERGARTEN	路德會愛心幼稚園
238	LST CHEUNG YIP MOU CHING KINDERGARTEN	樂善堂張葉茂清幼稚園
239	LUI CHEUNG KWONG LUTHERAN KINDERGARTEN	路德會呂祥光幼稚園
240	LUI KWAN POK LUTHERAN DAY NURSERY	路德會呂君博幼兒園
241	LUTHERAN PHILIP HOUSE MA TAU WAI NUR SCH	粵南信義會腓力堂馬頭圍幼兒學園
242	LUTHERAN PHILIP HSE HING MAN NURSERY SCH	粵南信義會腓力堂興民幼兒學園
243	LUTHERAN PHILIP HSE KAI YIP NURSERY SCH	粵南信義會腓力堂啟業幼兒學園
244	LUTHERAN PHILIP HSE OI LUN NURSERY SCH	粵南信義會腓力堂愛鄰幼兒學園
245	MARITIME SQUARE LUTHERAN DAY NURSERY	路德會青衣城幼兒園
246	MARTHA BOSS LUTHERAN DAY NURSERY	路德會包美達幼兒園
247	MEI LAM ESTATE TO KWONG KINDERGARTEN	美林邨道光幼稚園
248	MEI TUNG ESTATE ON KEE KINDERGARTEN	美東邨安琪幼稚園
249	MISSION COVENANT CHURCH SS ANNIE'S KG	基督教聖約教會司務道幼稚園

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
250	MOON LOK KINDERGARTEN	滿樂幼稚園
251	MUI WOH CHURCH KINDERGARTEN	中華基督教會梅窩堂幼稚園
252	N.T. ASSEMBLIES OF GOD CHURCH WAI MAN KG	新界神召會惠民幼稚園
253	NAAC FANLING DAY NURSERY	鄰舍輔導會粉嶺幼兒園
254	NAAC TUNG CHUNG DAY NURSERY	鄰舍輔導會東涌幼兒園
255	NAAC YUEN LONG DAY NURSERY	鄰舍輔導會元朗幼兒園
256	NEW KLN WOMEN ASSO LOK WAH NURSERY	新九龍婦女會樂華幼兒園
257	NEW KLN WOMEN ASSO SHA KOK NURSERY	新九龍婦女會沙角幼兒園
258	NEW KLN WOMEN ASSO SUN CHUI NURSERY	新九龍婦女會新翠幼兒園
259	NEW KLN WOMEN ASSO TSZ WAN SHAN NURSERY	新九龍婦女會慈雲山幼兒園
260	NMS LUTHERAN KINDERGARTEN	基督教挪威差會主辦信義中英文幼稚園
261	NTW&JWA CHEUNG FAT EST CHILDREN GARDEN	新界婦孺福利會長發邨兒童樂園
262	NTW&JWA FANLING CHILDREN GARDEN	新界婦孺福利會粉嶺兒童樂園
263	NTW&JWA POK HONG ESTATE CHILDREN GARDEN	新界婦孺福利會博康邨兒童樂園
264	NTW&JWA SHEUNG SHUI CHILDREN GARDEN	新界婦孺福利會上水兒童樂園
265	NTW&JWA YUEN LONG CHILDREN GARDEN	新界婦孺福利會元朗兒童樂園
266	NTWJWAL LEUNG SING TAK A/C KG (STE)	新界婦孺福利會梁省德中英文幼稚園—尚德邨
267	OKRBC LUI KWOK PAT FONG KINDERGARTEN	愛群道浸信會呂郭碧鳳幼稚園
268	OUR LADY OF LOURDES CATHOLIC KG	天主教露德聖母幼稚園
269	PEACE LUTHERAN KINDERGARTEN	路德會和平幼稚園
270	PENIEL SCHOOL AND KINDERGARTEN	便以利學校暨幼稚園
271	PENTECOSTAL CH OF HK TSEUNG KWAN O NS	竹園區神召會將軍澳康樂幼兒學校
272	PENTECOSTAL CHURCH OF HK NAM CHEONG NS	竹園區神召會南昌康樂幼兒學校
273	PENTECOSTAL CHURCH OF HK TAI WO NS	竹園區神召會太和康樂幼兒學校
274	PLK CHEUNG POON MEI YEE KINDERGARTEN	保良局張潘美意幼稚園
275	PLK FONG TAM YUEN LEUNG TSZ WAN SHAN KG	保良局方譚遠良(慈雲山)幼稚園
276	PLK FONG WONG WOON TAI KINDERGARTEN	保良局方王換娣幼稚園

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277	PLK FUNG LEUNG KIT MEMORIAL KINDERGARTEN	保良局馮梁結紀念幼稚園
278	PLK LAU CHAN SIU PO KINDERGARTEN	保良局劉陳小寶幼稚園
279	PLK LI TSUI CHUNG SING MEMORIAL KG	保良局李徐松聲紀念幼稚園
280	PLK MRS VICWOOD K T CHONG (WAH KWAI) KG	保良局莊啟程夫人(華貴)幼稚園
281	PLK MRS VICWOOD K T CHONG KINDERGARTEN	保良局莊啟程夫人幼稚園
282	PLK TAI SO SHIU WAN KG	保良局戴蘇小韞幼稚園
283	PLK TANG BIK WAN MEMORIAL KINDERGARTEN	保良局鄧碧雲紀念幼稚園
284	PLK TIN KA PING SIU HONG KINDERGARTEN	保良局田家炳兆康幼稚園
285	PLK TING MAU HUNG HOM KINDERGARTEN	保良局丁卯紅礪幼稚園
286	PLK VICWOOD CHONG KEE TING KINDERGARTEN	保良局莊啟程幼稚園
287	PLK YICK CHARK FUNG KINDERGARTEN	保良局易澤峰幼稚園
288	PO LEUNG KUK BUTTERFLY BAY KINDERGARTEN	保良局蝴蝶灣幼稚園
289	PO LEUNG KUK CHAN SENG YEE KG	保良局曾星如幼稚園
290	PO LEUNG KUK CHOI KOON SHUM KINDERGARTEN	保良局蔡冠深幼稚園
291	PO LEUNG KUK CHOI MING KINDERGARTEN	保良局彩明幼稚園
292	PO LEUNG KUK FONG TAM YUEN LEUNG KG	保良局方譚遠良幼稚園
293	PO LEUNG KUK FUNG PAK LIM KINDERGARTEN	保良局馮伯廉幼稚園
294	PO LEUNG KUK KAM HING KINDERGARTEN	保良局金卿幼稚園
295	PO LEUNG KUK KINDERGARTEN	保良局幼稚園
296	PO LEUNG KUK KOWLOON CITY KINDERGARTEN	保良局九龍城幼稚園
297	PO LEUNG KUK KWAI FONG KINDERGARTEN	保良局葵芳幼稚園
298	PO LEUNG KUK KWAI SHING KINDERGARTEN	保良局葵盛幼稚園
299	PO LEUNG KUK KWONG FUK KINDERGARTEN	保良局廣福幼稚園
300	PO LEUNG KUK KWUN TONG KINDERGARTEN	保良局觀塘幼稚園
301	PO LEUNG KUK LEE SIU CHAN KINDERGARTEN	保良局李筱參幼稚園

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302	PO LEUNG KUK LEI MUK SHUE KINDERGARTEN	保良局梨木樹幼稚園
303	PO LEUNG KUK LEK YUEN KINDERGARTEN	保良局瀝源幼稚園
304	PO LEUNG KUK MRS CHAO KING LIN KG	保良局曹金霖夫人幼稚園
305	PO LEUNG KUK MRS FONG WONG KAM CHUEN KG	保良局方王錦全幼稚園
306	PO LEUNG KUK MRS TAM WAH CHING KG	保良局譚華正夫人幼稚園
307	PO LEUNG KUK NG TOR TAI KINDERGARTEN	保良局吳多泰幼稚園
308	PO LEUNG KUK PING SHEK KINDERGARTEN	保良局坪石幼稚園
309	PO LEUNG KUK SHEUNG LOK KINDERGARTEN	保良局常樂幼稚園
310	PO LEUNG KUK TAI KOK TSUI KINDERGARTEN	保良局大角咀幼稚園
311	PO LEUNG KUK TAK TIN KINDERGARTEN	保良局德田幼稚園
312	PO LEUNG KUK TIN KA PING KINDERGARTEN	保良局田家炳幼稚園
313	PO LEUNG KUK TING MAU KINDERGARTEN	保良局丁卯幼稚園
314	PO LEUNG KUK TONG CHOR NAM KINDERGARTEN	保良局唐楚男幼稚園
315	PO LEUNG KUK TSZ LOK KINDERGARTEN	保良局慈樂幼稚園
316	PO LEUNG KUK WAI YIN KG	保良局慧妍雅集幼稚園
317	PO LEUNG KUK WONG SIU CHING KINDERGARTEN	保良局王少清幼稚園
318	PO LEUNG KUK YAU OI KINDERGARTEN	保良局友愛幼稚園
319	PO LEUNG KUK YICK KWAI FONG KINDERGARTEN	保良局易桂芳幼稚園
320	PO LEUNG KUK YUEN LONG KINDERGARTEN	保良局元朗幼稚園
321	POH CHAN POON PUI CHING MEMORIAL KG	博愛醫院陳潘佩清紀念幼稚園
322	POH MRS CHU KWOK KING MEMORIAL KG	博愛醫院朱國京夫人紀念幼稚園
323	POK OI HOSPITAL CHAN HSU FONG LAM KG	博愛醫院陳徐鳳蘭幼稚園
324	POK OI HOSPITAL MRS YAM WING YIN KG	博愛醫院任永賢夫人幼稚園
325	POK OI HOSPITAL SY SIOK CHUN KG	博愛醫院施淑鎮幼稚園
326	PROSPEROUS GARDEN BAPTIST KINDERGARTEN	駿發花園浸信會幼兒學校

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327	QUEEN ELIZABETH SCH OLD STUDENTS' ASSN KG	伊利沙伯中學舊生會幼稚園
328	REDEMPTION LUTHERAN KINDERGARTEN	路德會救恩幼稚園
329	ROCK OF AGES LUTHERAN KINDERGARTEN	路德會恩石幼稚園
330	ROSARYHILL SCHOOL (KG SECT)	玫瑰崗學校 (幼稚園部)
331	SA CATHERINE BOOTH NURSERY SCH	救世軍卜凱賽琳幼兒園
332	SA HOI FU NURSERY SCH	救世軍海富幼兒園
333	SA JAT MIN NURSERY SCH	救世軍乙明幼兒園
334	SA KAM TIN NURSERY SCH	救世軍錦田幼兒園
335	SA LAI CHI KOK NURSERY SCH	救世軍荔枝角幼兒園
336	SA LEI MUK SHUE NURSERY SCH	救世軍梨木樹幼兒園
337	SA LOK MAN NURSERY SCH	救世軍樂民幼兒園
338	SA MING TAK NURSERY SCH	救世軍明德幼兒園
339	SA NG KWOK WAI MEMORIAL KINDERGARTEN	救世軍吳國偉紀念幼稚園
340	SA NORTH POINT NURSERY SCHOOL	救世軍北角幼兒園
341	SA PAK TIN NURSERY SCH	救世軍白田幼兒園
342	SA SAM SHING NURSERY SCH	救世軍三聖幼兒園
343	SA TAI WO HAU NURSERY SCH	救世軍大窩口幼兒園
344	SA TAI YUEN NURSERY SCH	救世軍大元幼兒園
345	SA TIN PING NURSERY SCH	救世軍天平幼兒園
346	SA TSUEN WAN NURSERY SCH	救世軍荃灣幼兒園
347	SA WAH FU NURSERY SCH	救世軍華富幼兒園
348	SA WO CHE NURSERY SCH	救世軍禾輦幼兒園
349	SACRED HEART CANOSSIAN KG	嘉諾撒聖心幼稚園
350	SAI KUNG LOK-YUK KINDERGARTEN	西貢樂育幼稚園
351	SALEM KINDERGARTEN — SHAUKIWAN	南亞路德會幼稚園 (筲箕灣)
352	SALVATION ARMY CHAN KWAN TUNG KG	救世軍陳昆棟幼稚園
353	SALVATION ARMY FU KEUNG KINDERGARTEN	救世軍富強幼稚園
354	SALVATION ARMY HING YAN KG	救世軍慶恩幼稚園
355	SALVATION ARMY TIN KA PING KINDERGARTEN	救世軍田家炳幼稚園
356	SAN PO KONG RHENISH NURSERY	禮賢會新蒲崗幼兒園
357	SHAN KING ESTATE BAPTIST KINDERGARTEN	山景邨浸信會幼稚園
358	SHARON LUTHERAN CHURCH KG (TSZ OI BR)	路德會沙崙堂幼稚園 (慈愛分校)
359	SHARON LUTHERAN CHURCH KINDERGARTEN	路德會沙崙堂幼稚園

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360	SHAUKIWAN K F W C CENTRE ELEMINTI KG	筲箕灣街坊福利會培元幼稚園
361	SHENG KUNG HUI KG (MOUNT BUTLER)	聖公會幼稚園 (畢拉山)
362	SHENG KUNG HUI KINDERGARTEN	聖公會幼稚園
363	SHEUNG SHUI CHURCH KINDERGARTEN	上水堂幼稚園
364	SHEUNG SHUI RHENISH CHURCH KINDERGARTEN	上水禮賢會幼稚園
365	SHEUNG SHUI WAI CHOW KINDERGARTEN (BR)	上水惠州幼稚園 (分校)
366	SHUN ON KINDERGARTEN	順安幼稚園
367	SHUN SANG ANGLO-CHINESE KINDERGARTEN	信生中英文幼稚園
368	SHUN TIN RHENISH NURSERY	禮賢會順天幼兒園
369	SIS. IMMACULATE HEART MARY GOSPEL SMP KG	聖母潔心會福音秀茂坪幼稚園
370	SIS. IMMACULATE HEART OF MARY WTS KG	聖母潔心會黃大仙幼稚園
371	SJS BELCHER KG	聖雅各福群會寶翠園幼稚園
372	SJS CAUSEWAY BAY KG	聖雅各福群會銅鑼灣幼稚園
373	SJS KATHLEEN MCDOUALL KG	聖雅各福群會麥潔蓮幼稚園
374	ST ANDREW'S CATHOLIC KINDERGARTEN	天主教聖安德肋幼稚園
375	ST ANTONIUS KINDERGARTEN	聖安當幼稚園
376	ST BARNABAS' CHURCH KINDERGARTEN	聖巴拿巴堂幼稚園
377	ST JAMES CATHOLIC KINDERGARTEN	天主教聖雅各伯幼稚園
378	ST JAMES LUTHERAN KINDERGARTEN	路德會聖雅各幼稚園
379	ST JEROME'S CATHOLIC KINDERGARTEN	天主教聖葉理諾幼稚園
380	ST JUDE'S CATHOLIC KINDERGARTEN	天主教聖猶達幼稚園
381	ST LUKE'S CHURCH KINDERGARTEN	聖路加堂幼稚園
382	ST MARGARET MARY'S CATHOLIC KINDERGARTEN	天主教聖瑪加利大幼稚園
383	ST MARK'S CHURCH BRADBURY KINDERGARTEN	聖馬可堂白普理幼稚園
384	ST MATTHIAS' CHURCH NURSERY SCHOOL	聖公會聖馬提亞堂幼兒學校
385	ST MONICA'S A/C KG (HING TUNG)	聖文嘉中英文幼稚園 (興東)
386	ST MONICA'S ANGLO-CHINESE KINDERGARTEN	聖文嘉中英文幼稚園
387	ST MONICA'S KINDERGARTEN	聖文嘉幼稚園
388	ST MONICA'S KINDERGARTEN (TSUEN WAN)	聖文嘉幼稚園 (荃灣)
389	ST PETER'S CATHOLIC KINDERGARTEN	天主教聖伯多祿幼稚園
390	ST PHILIP LUTHERAN CHURCH KINDERGARTEN	路德會聖腓力堂幼稚園

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391	ST STEPHEN'S CATHOLIC KINDERGARTEN	聖斯德望天主教幼稚園
392	ST STEPHEN'S CHURCH PRI SCH & KG (KG)	聖士提反堂小學暨幼稚園 (幼稚園部)
393	ST THOMAS' CATHOLIC KINDERGARTEN	天主教聖多默幼稚園
394	ST VINCENT DE PAUL NURSERY SCHOOL	天主教聖雲先幼兒學校
395	STAR OF THE SEA CATHOLIC KINDERGARTEN	天主教海星幼稚園
396	STEWARDS POOI CHUN KINDERGARTEN	香港神託會培真幼稚園
397	STEWARDS POOI YAN KINDERGARTEN	香港神託會培恩幼稚園
398	SUEN MEI KINDERGARTEN	宣美幼稚園
399	TAI PING KINDERGARTEN	太平幼稚園
400	TAI PO BAPTIST KG TIN CHAK ESTATE BRANCH	大埔浸信會幼稚園天澤邨分校
401	TAI PO BAPTIST KG WAN TAU TONG EST BR	大埔浸信會幼稚園運頭塘邨分校
402	TAI PO BAPTIST KINDERGARTEN	大埔浸信會幼稚園
403	TAI PO CATHOLIC KINDERGARTEN	天主教大埔幼稚園
404	TAI PO MERCHANTS ASSN KINDERGARTEN	大埔商會幼稚園
405	TAI PO METHODIST KINDERGARTEN	大埔循道衛理幼稚園
406*	TAI PO RHENISH CHURCH KINDERGARTEN (1)	大埔禮賢會幼稚園 (1)
407*	TAI PO RHENISH CHURCH KINDERGARTEN (2)	大埔禮賢會幼稚園 (2)
408	TALENT KINDERGARTEN	天樂幼稚園
409	THE BAPTIST CONVENTION OF HK PO TIN KG	香港浸信會聯會寶田幼稚園
410	THE BAPTIST CONVENTION OF HK YIU HING KG	香港浸信會聯會耀興幼稚園
411	THE DYNAMIC KIDS KINDERGARTEN	活力幼樂園幼稚園
412	THE FANLING ASSEMBLIES OF GOD KG	粉嶺神召會幼稚園
413	THE HKCC OF CHRIST THE LIGHT KG	香港華人基督會煜明幼稚園
414	THE HONG KONG CHINESE WOMEN'S CLUB KG	香港中國婦女會幼稚園
415	THE MCC LITTLE ANGEL (TIN SHING) KG	基督教聖約教會小天使 (天盛) 幼稚園
416	THE SALVATION ARMY PING TIN KINDERGARTEN	救世軍平田幼稚園
417	TIN SHUI WAI ALLIANCE KINDERGARTEN	天水圍宣道幼稚園
418	TIN WAN METHODIST KINDERGARTEN	循道衛理田灣幼稚園
419	TIN YIU ESTATE HO KWANG HUNG KG	天耀邨何廣雄幼稚園
420	TKEB LUI KWOK PAT FONG KINDERGARTEN	田景邨浸信會呂郭碧鳳幼稚園

* Counted as two separate kindergartens as from 2006-2007 school year.

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421	TPMA CHEUNG HOK MING KINDERGARTEN (TKO)	大埔商會張學明幼稚園 (將軍澳)
422	TRUTH BAPT CHURCH PICTORIAL KINDERGARTEN	真理浸信會碧濤幼稚園
423	TRUTH BAPTIST CHURCH EMPOWER KG	真理浸信會富泰幼稚園
424	TRUTH BAPTIST CHURCH GLORY NURSERY	真理浸信會榮光幼兒園
425	TRUTH BAPTIST CHURCH GRACE KINDERGARTEN	真理浸信會恩典幼稚園
426	TRUTH BAPTIST CHURCH HO YUEN WAI KING KG	真理浸信會何袁惠瓊幼稚園
427	TRUTH BAPTIST CHURCH KINDERGARTEN	真理浸信會幼稚園
428	TSEUNG KWAN O METHODIST KINDERGARTEN	將軍澳循道衛理幼稚園
429	TSING YI RURAL COMMITTEE KINDERGARTEN	青衣鄉事委員會幼稚園
430	TSING YI TRADE ASSN KINDERGARTEN	青衣商會幼稚園
431	TSING YI TRADE ASSN TSEUNG KWAN O KG	青衣商會將軍澳幼稚園
432	TSING YI TRADE ASSN TIN SHUI WAI KG	青衣商會天水圍幼稚園
433	TSING YI TRADE ASSOCIATION SHEK YAM KG	青衣商會石蔭幼稚園
434	TSUEN WAN BAPTIST CHURCH KINDERGARTEN	荃灣浸信會幼稚園
435	TSUEN WAN BAPTIST CHURCH SHEK LEI KG	荃浸石籬幼稚園
436	TSUEN WAN OUR LADY KINDERGARTEN	荃灣聖母幼稚園
437	TSUEN WAN ST ANDREW ANGLO-CHINESE KG	荃灣聖安德中英文幼稚園
438	TSUEN WAN TRADE ASSN CHU CHEONG KG	荃灣商會朱昌幼稚園
439	TSUEN WAN TRADE ASSN YAU KIN FUNG KG	荃灣商會邱健峰幼稚園
440	TSUI LAM ESTATE BAPTIST KINDERGARTEN	翠林邨浸信會幼稚園
441	TSUNG KYAM KINDERGARTEN	崇謙幼稚園
442	TSUNG TSIN MISS GRACEFUL KG (MA ON SHAN)	崇真會美善幼稚園 (馬鞍山)
443	TSUNG TSIN MISSION GRACEFUL KINDERGARTEN	崇真會美善幼稚園
444	TSUNG TSIN MISSION OF HK ON HONG N SCH	基督教香港崇真會安康幼兒學校
445	TSUNG TSIN MISSION OF HK ON KEI NUR SCH	基督教香港崇真會安基幼兒學校

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446	TSUNG TSIN MISSION OF HK ON KEUNG N SCH	基督教香港崇真會安強幼兒學校
447	TSUNG TSIN MISSION OF HK ON YAN KG	基督教香港崇真會安仁幼兒學校
448	TSUNG TSIN MISSION OF HK ON YEE N SCH	基督教香港崇真會安怡幼兒學校
449	TSUNG TSIN MISSION PAK TIN GRACEFUL KG	崇真會白田美善幼稚園
450	TSZ WAN SHAN K/F WELF ASSN RAINBOW AC KG	慈雲山街坊福利會天虹中英文幼稚園
451	TUNG CHUNG BAPTIST KINDERGARTEN	東涌浸信會幼稚園
452	TUNG CHUNG CATHOLIC KINDERGARTEN	東涌天主教幼稚園
453	TW TRADE ASSN CHUNG LOI KINDERGARTEN	荃灣商會鍾來幼稚園
454	TWGH CHAN KING HAR KINDERGARTEN	東華三院馬陳景霞幼稚園
455	TWGH FONG SHU FOOK TONG KINDERGARTEN	東華三院方樹福堂幼稚園
456	TWGH HUNG WONG KAR GEE KG	東華三院洪王家琪幼稚園
457	TWGH KO TECK KIN MEMORIAL KINDERGARTEN	東華三院高德根紀念幼稚園
458	TWGH LAI TANG YUEN KAW KINDERGARTEN	東華三院黎鄧潤球幼稚園
459	TWGH LEE WONG HING CHEUNG MEMORIAL KG	東華三院李黃慶祥紀念幼稚園
460	TWGH LIU YAN TAK MEMORIAL KINDERGARTEN	東華三院廖恩德紀念幼稚園
461	TWGH LUI FUNG FAUNG MEMORIAL KG	東華三院呂馮鳳紀念幼稚園
462	TWGH NICKON KINDERGARTEN	東華三院力勤幼稚園
463	TWGH TIN WAN KINDERGARTEN	東華三院田灣幼稚園
464	TWGH TSUI TSIN TONG KINDERGARTEN	東華三院徐展堂幼稚園
465	TWGH WONG CHU WAI FUN KINDERGARTEN	東華三院黃朱惠芬幼稚園
466	TWGH WONG SEE SUM KINDERGARTEN	東華三院黃士心幼稚園
467	TWGH WONG WU LAI MING KINDERGARTEN	東華三院王胡麗明幼稚園
468	TWGHS FONG TAM YUEN LEUNG NURSERY SCH	東華三院方譚遠良幼兒園
469	TWGHS HUNG WONG KAR GEE NURSERY SCH	東華三院洪王家琪幼兒園
470	TWGHS NG SHEUNG LAN MEMORIAL NUR SCH	東華三院伍尚能紀念幼兒園
471	TWGHS SHIU WONG LEE MOON FOOK N SCH	東華三院蕭旺李滿福幼兒園
472	TWGHS ZONTA CLUB OF KOWLOON NURSERY SCH	東華三院九龍崇德社幼兒園

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
473	TWGHS CHAN HAN NURSERY SCHOOL	東華三院陳嫻幼兒園
474	TWGHS CHIAP HUA CHENG'S NURSERY SCHOOL	東華三院捷和鄭氏幼兒園
475	TWGHS FONG LAI MING NURSERY SCHOOL	東華三院方麗明幼兒園
476	TWGHS FONG SHIU YEE NURSERY SCH	東華三院方肇彝幼兒園
477	TWGHS FONG SHU CHUEN NURSERY SCHOOL	東華三院方樹泉幼兒園
478	TWGHS KWAN FONG NURSERY SCHOOL	東華三院群芳幼兒園
479	TWGHS LIONS CLUB OF METROPOLITAN HK KG	東華三院香港華都獅子會幼稚園
480	TWGHS LIONS CLUB SOUTH KLN NURSERY SCH	東華三院南九龍獅子會幼兒園
481	TWGHS LIONS CLUB THE PEAK HK NUR SCH	東華三院香港鑪峰獅子會幼兒園
482	TWGHS LO WONG PIK SHAN NURSERY SCH	東華三院羅黃碧珊幼兒園
483	TWGHS TIN KA PING NURSERY SCH	東華三院田家炳幼兒園
484	VICHY KINDERGARTEN	瑋琦幼稚園
485	W F B AVALOKITESVARA NURSERY SCH	世佛會觀自在幼兒學校
486	W F B MANJUSRI NURSERY SCH	世佛會文殊幼兒學校
487	W F B MANTRA INSTITUTE NURSERY SCH	世佛會真言宗幼兒學校
488	W F B WONG SHING TSANG NURSERY SCH	世佛會黃繩曾幼兒學校
489	WAH KWAI ESTATE A/C KINDERGARTEN	華貴邨中英文幼稚園
490	WANCHAI CHURCH PRIMARY SCHOOL	灣仔堂小學校
491	WOMEN'S WELFARE CLUB W-DIST HK KG	香港西區婦女福利會幼稚園
492	WWC (EASTERN DIST) NURSERY HK	香港東區婦女福利會幼兒園
493	WWC (ED) HK LAI KWAI TIM DAY NURSERY	香港東區婦女福利會黎桂添幼兒園
494	WWCWDHK AP LEI CHAU KG	香港西區婦女福利會鴨脷洲邨幼稚園
495	WWCWDHK DAVID WOO MEM KG	香港西區婦女福利會何瑞棠紀念幼稚園
496	YAN CHAI HOSPITAL CHOI PAT TAI KG	仁濟醫院蔡百泰幼稚園
497	YAN CHAI HOSPITAL FONG KONG FAI KG	仁濟醫院方江輝幼稚園
498	YAN CHAI HOSPITAL JU CHING CHU KG	仁濟醫院裘錦秋幼稚園
499	YAN CHAI HOSPITAL KWOK CHI LEUNG KG	仁濟醫院郭子樑幼稚園
500	YAN CHAI HOSPITAL MING TAK KINDERGARTEN	仁濟醫院明德幼稚園
501	YAN CHAI HOSPITAL NINA LAM KINDERGARTEN	仁濟醫院林李婉冰幼稚園
502	YAN CHAI HOSPITAL SHAN KING KINDERGARTEN	仁濟醫院山景幼稚園

No./序號	School Name in English/英文校名	School Name in Chinese/中文校名
503	YAN CHAI HOSPITAL TUNG PAK YING KG	仁濟醫院董伯英幼稚園
504	YAN CHAI HOSPITAL WING LUNG KINDERGARTEN	仁濟醫院永隆幼稚園
505	YAN CHAI HOSPITAL YAU OI KINDERGARTEN	仁濟醫院友愛幼稚園
506	YAN CHAI HOSPITAL YIM TSUI YUK SHAN KG	仁濟醫院嚴徐玉珊幼稚園
507	YAN OI TONG ALLAN YAP KINDERGARTEN	仁愛堂葉德海幼稚園
508	YAN OI TONG DAN YANG WING MAN KG	仁愛堂鄧楊詠曼幼稚園
509	YAN OI TONG KINDERGARTEN	仁愛堂顏寶鈴幼稚園
510	YAN OI TONG LAU WONG FAT KINDERGARTEN	仁愛堂劉皇發幼稚園
511	YAN OI TONG MRS AUGUSTA CHEUNG KG	仁愛堂張慕良夫人幼稚園
512	YAN OI TONG PANG HUNG CHEUNG KG	仁愛堂彭鴻樟幼稚園
513	YAN OI TONG PONG LO SHUK YIN KG	仁愛堂龐盧淑燕幼稚園
514	YAN OI TONG TIN KA PING KG	仁愛堂田家炳幼稚園
515	YAN OI TONG TIN YIU KINDERGARTEN	仁愛堂天耀幼稚園
516	YAN OI TONG WEST KOWLOON KINDERGARTEN	仁愛堂西九龍幼稚園
517	YAUMATEI YANG MEMORIAL METHODIST PRE-SCH	油麻地循道衛理楊震幼兒學校
518	YCH ZONTA CLUB OF KOWLOON KINDERGARTEN	仁濟醫院九龍崇德社幼稚園
519	YIU TUNG BAPTIST KINDERGARTEN	耀東浸信會幼稚園
520	YIU WING A/C KINDERGARTEN	耀榮中英文幼稚園
521	YL TK DIST ASSN MRS WONG SIU KEUNG KG	元朗東莞同鄉會王少強夫人幼稚園
522	YL TUNG KOON DIST ASSN HUNG TING KA KG	元朗東莞同鄉會熊定嘉幼稚園
523	YLPMSAA LAU LEUNG SHEUNG MEM KG	元朗公立中學校友會劉良驥紀念幼稚園
524	YMCA OF HONG KONG FARM ROAD NURSERY SCH	香港基督教青年會農圃道幼兒學校
525	YUE TIN COURT YIU WING A/C KINDERGARTEN	耀榮中英文幼稚園(愉田苑)
526	YUEN KONG KINDERGARTEN	元岡幼稚園
527	YUEN LONG MERCHANTS ASSOCIATION KG	元朗商會幼稚園
528	YUEN LONG RHENISH NURSERY	禮賢會元朗幼兒園
529	YUEN LONG SAM YUK KINDERGARTEN	元朗三育幼稚園

MR CHEUNG MAN-KWONG (in Cantonese): *President, I am very glad to hear the Secretary say in the main reply that the Government fully agrees that KG teachers should be reasonably remunerated, and that remuneration commensurate with the enhanced qualification of principals and teachers should be offered to them. But the question is the method of enforcement. Will the Government inform this Council whether there will be any monitoring mechanism? For example, in case it is discovered during an annual audit or the processing of an application for school fee increase that certain KG teachers are not reasonably remunerated, or the remuneration offered is not commensurate with the upgraded qualification of KG teachers, or certain KG teachers are even exploited, what measures can parents, or even the Administration, adopt in order to achieve the aim of enabling KG teachers to receive reasonable remuneration commensurate with their qualifications?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we must be guided by principles in whatever we do. I am therefore very pleased that the Government has set down five principles for the implementation of education vouchers. One of these very clear principles is that there must be a high degree of transparency, meaning that the qualifications and remuneration of teachers must be made known to parents. If parents notice that the teachers of a certain KG are unhappy because of exploitation, will they still send their children to this KG? I believe a high degree of transparency can already provide protection. Besides, we will also conduct a review five years later, and if the teachers of a KG cannot obtain the required qualifications, or if the teachers are unhappy and unable to perform well, we will not continue to subsidize the relevant KG. As for sponsoring organizations, they will certainly be more than happy to retain good teachers, and in order to do so, they must offer reasonable remuneration to teachers.

MR CHEUNG MAN-KWONG (in Cantonese): *President, my supplementary question is not purely about the disclosure of teachers' remuneration. If it is discovered after the disclosure of remuneration information that many KG teachers are facing salaries suppression or exploitation, or if it is observed that teachers are not given any pay adjustments after upgrading their qualifications, will the Government take any actions to tackle the problems? Should all the responsibility be put on parents instead of the Government?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, Hong Kong is a free market, so we will not interfere with its operation. But I have great confidence in the education sector. I know that they are people of integrity and will not exploit our teachers.

MISS CHAN YUEN-HAN (in Cantonese): *President, from the standpoint of the labour side, I wish to raise with the Secretary several points related to this question.*

Currently, KGs are not under any government regulation. But in part (b) of the Secretary's main reply to Mr CHEUNG Man-kwong's question, it is said that the Government will invest \$2 billion as recurrent expenditure in providing subsidy to KGs under the voucher scheme. One of the purposes is to make sure that KG teachers can enhance their qualifications. And, it is also said that there will be a salary scale. In other words, there will be an open salary scale for teachers employed by KGs under the voucher scheme. However, some KGs are not covered by the voucher scheme — the Government is holding negotiations with them, but from the news report this morning, I know that both sides have failed to reach any agreement, and I do not know what will happen later — so what will become of the teachers employed by these KGs?

I do not know whether Mr CHEUNG Man-kwong was referring to this problem. My question is just based on a simple concern about employees' well-being. There may be two or even three scenarios in the market. What will become of the teachers employed by KGs not covered by the voucher scheme? The policy will indirectly lead to the emergence of one more yardstick in the market. What was on the mind of the Government when it was considering this policy?

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, the main question is about the conditions of subsidized KGs following the implementation of the voucher scheme. But your present question is about the conditions of KGs not covered by the voucher scheme. It is therefore very difficult for me to permit you to ask this supplementary question. Maybe, you should consider how you can possibly rephrase your question.

MISS CHAN YUEN-HAN (in Cantonese): *President, let me perhaps try to rephrase my question to make it better. What I am saying is that the*

Government will put in place a mechanism to regulate the remuneration of teachers employed by those KGs under the voucher scheme. But we can observe that some KGs are not covered by the scheme. I assume that some KGs are not covered, and this is also the case in reality. Roughly 51% of all KGs are covered. This means that more than 40% of all KGs in the market should originally be alright, but due to the Government's introduction of the voucher scheme (which we do welcome) Has it ever occurred to the Government that the voucher scheme will, in the objective circumstances, do unfairness to certain KG teachers? Did the Government consider this question before implementing this policy?

Madam President, I am, in other words, saying that the Government's introduction of an education voucher system will result in unfair treatment among KG teachers.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, very clearly, the main question is about the remuneration for KG teachers under the new system. But your present supplementary question is about something outside this new system. The main question is not about anything outside the new system. Your supplementary question must be related to the main question. Miss CHAN, let me perhaps give you some time to reconsidering it. I shall in the meantime call upon other Members to ask their supplementary questions. After that, I shall let you ask your supplementary question again. I hope you can relate your supplementary question to his reply and the main question. You have already worked out the whole thing, right?

MISS CHAN YUEN-HAN (in Cantonese): *President, I shall try to ask my question from the perspective of subsidy. This is related to the content of the main question which you mentioned just now — the impacts of the education voucher scheme on the teachers concerned What I mean is that there will be a specified salary scale for teachers employed by those KGs covered by the subsidy scheme. But will this produce impacts in other areas? President, can I ask my question in this way?*

PRESIDENT (in Cantonese): You had better think about it first. I will let you ask your question again at a later time.

MR HOWARD YOUNG (in Cantonese): *President, the Secretary mentioned in his main reply that about 51% of all KGs have joined the KCSS, and these KGs are required to pay teachers according to the recommended salary scale. May I ask whether the Government has ever compared the salary levels in the 51% of KGs adopting the salary scale and those in other KGs which have not joined the KCSS? If yes, are the overall levels roughly on a par, or are there any differences?*

PRESIDENT (in Cantonese): Mr Howard YOUNG, I cannot quite understand your supplementary question. You want the Secretary to tell you the salary levels of teachers in KGs which have joined the KCSS, and at the same time, you also ask him to tell you the salary levels of teachers in KGs which have not joined the scheme. Am I correct?

MR HOWARD YOUNG (in Cantonese): *No.*

PRESIDENT (in Cantonese): This is not what you mean?

MR HOWARD YOUNG (in Cantonese): *No. I*

PRESIDENT (in Cantonese): Perhaps, you may ask your supplementary question again.

MR HOWARD YOUNG (in Cantonese): *My question is about the salary scale itself. What I want to know is how the pay levels in this salary scale compare with other salary levels on the whole. Are they on the higher side, just the same as others, or on the lower side? My question is not about anything outside the subsidy scheme.*

PRESIDENT (in Cantonese): Secretary, did you get the point?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): I understand what he means. But my reply is that while we do have such a salary

scale now — maybe, Miss CHAN Yuen-han cannot quite understand this either — it will be abolished in the future. Currently, we hope that KGs in receipt of subsidy can pay teachers according to this salary scale. As for those KGs that have not joined the subsidy scheme, they are free to pay teachers at whatever levels. It is not necessary for them to follow this salary scale. Mr YOUNG asked whether their pay levels are the same as those in the government pay scale, or whether they are on the high side or low side. Under the existing system, there is no transparency in this regard. We do not know the situation at all. The pay levels may be higher, or they may be lower. But we do know. For this reason, we will require all KGs wishing to obtain government subsidy in the future to disclose all teachers' pay levels for the information of parents and the general public. This is only fair. Therefore, teachers will no longer be divided into different categories in the future, with some being paid according to a pay scale while others are not.

I can appreciate the concern of those teachers now being paid according to the existing salary scale about the abolition of the salary scale. They are worried as to whether the abolition of the pay scale will result in lower salaries for them. But we have been maintaining very good communication with the KG sector. First, we respect them as professionals. Second, as I have already said, they are guided by principles. They must upgrade the quality of teachers, so they must pay them reasonably. If they do not do so and fail to achieve the required target five years later, we will not grant any more subsidy to them. Therefore, we believe that owing to the transparency and the need for upgrading teacher quality, teachers will not be exploited.

Furthermore, the KG sector have also informed us that they will formulate a salary scale of their own. We will certainly welcome such a move from the standpoint of the Government.

MR TAM YIU-CHUNG (in Cantonese): *President, it seems that what the Secretary believes is vastly different from what KG teachers believe. May I ask the Secretary to clarify whether the Government is actually fearful that the continued existence of the salary scale may in effect make it necessary for it to bear the costs of KG teachers' pay rises in the future?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, Miss CHAN Yuen-han might probably have realized just now

that the existence of a salary scale may lead to a situation where some KG teachers are paid according to the scale but others are not. This will lead to differences in salaries. Therefore, if we believe in any market-led approach, the Government should not formulate any salary scale. Our hope is that if there is a good teacher in the market and the principal or sponsoring organization wants to retain him, they will do so by offering him a higher salary. This will serve indirectly as an incentive.

MR LEE CHEUK-YAN (in Cantonese): *I think the Secretary must be suffering from schizophrenia. When trying to sell the education voucher scheme, he will say that it is not a free market and private KGs will not receive any subsidy. But when it comes to the salary scale of KG teachers, he now talks about a free market. I think there are very great problems with his logic here.*

President, may I ask the Secretary why he is suddenly so confident that the free market can ensure reasonable salaries for KG teachers? Does he really think that transparency can solve all problems? Has he ever heard of the theory of unequal access to information in economics? The one who espouses this theory is a Nobel Laureate in Economics. According to him, with unequal access to information, there is no such thing as a free market. Therefore, in the future, even though the teachers in a KG may be exploited, parents may still choose that particular KG. Precisely for this reason, KG teachers are worried. Has it ever occurred to the Secretary that there will never be equal access to information in a free market, so the market will be distorted, thus leading to the exploitation of teachers?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, this is actually a political issue. Mr LEE Cheuk-yan likes intervention and regulation. But traditionally, Hong Kong has been a free market.

MR LEE CHEUK-YAN (in Cantonese): *President, the Secretary has not answered my question. Did he first study the relevant economic theories before deciding whether there are any problems with formulating a salary scale for KG teachers? If he does not have knowledge of this, he should say so. If he has never conducted any studies, he should also say so.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have been conducting studies on the implementation of the education voucher scheme since last year. That is why we can understand and appreciate the worries of all sides. We have introduced the education voucher scheme only after balancing the interests of all in a prudent manner.

MISS CHAN YUEN-HAN (in Cantonese): *President, I will ask my supplementary question with reference to the main question.*

The whole world, so to speak, was all in peace. But since the Secretary is going to implement the education voucher scheme, teachers have started to worry. Actually, when considering the implementation of this scheme, did the Secretary conduct any discussions with all those teachers' organizations? At present, there is protection for these teachers, but the Government is going to abolish the salary scale. The Secretary says that he believes teachers should be able to enjoy protection because the market will require them to hold higher qualifications. But this is only the Secretary's personal belief. I think if the Secretary really wants to abolish the salary scale, he must discuss with the relevant organizations. I do not know whether the Secretary conducted any such consultation during the formulation of this policy. If they are to be impacted under the new system, to say the very least I very much hope that the Government can now

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

MISS CHAN YUEN-HAN (in Cantonese): *Yes, I know.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, it cannot be denied that KG teachers do have worries in the regard. However, I believe most sponsoring organizations of KG are full of enthusiasm and want to offer good education. We also have faith in their professionalism and trust that they will implement sound measures. Therefore, after considering all factors, we think that this is a feasible approach. But if the KG sector itself wants to formulate a salary scale, we will certainly encourage and welcome such a move. We will not raise any objection.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MISS CHAN YUEN-HAN (in Cantonese); *President, the Secretary has not answered my supplementary question. My question is about whether or not he conducted any consultation. But he just kept talking about the KG sector without saying whether he had conducted any consultation.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): President, we have been conducting consultation all along. Consultation is still going on even now. I also hope that we can now stop all consultation and go ahead with the implementation of the education voucher scheme. However, as long as we cannot come to any consensus, we will have to continue with the work of consultation.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Last supplementary question.

DR YEUNG SUM (in Cantonese): *Madam President, according to the Government, the Hong Kong version of an education voucher scheme is marked by choices for parents and a free market. But, as the Secretary also knows, there is actually a school fee ceiling under this scheme. For this reason, many middle-class families will not be entitled to any education vouchers. However, the Government has still decided to abolish the salary scale in the name of free market. Is the Government's policy self-contradictory and confusing?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, it is not self-contradictory at all. In case anyone says that middle-class families will not benefit, I must tell him or her that once the scheme is implemented, 90% of all parents are expected to benefit. This means that only 10% of parents will be unable to benefit. But the number of middle-class and rich families will certainly be bigger than this mere 10%. Therefore, it can be said that most parents will benefit. But I do admit that not all parents will benefit.

As for the school fee ceiling of \$24,000, I must point out that currently, the average subsidy for each whole-day primary school student in Hong Kong is just \$23,000. If anyone says that \$24,000 is not yet enough, he must tell us whether he thinks that kindergartens should charge higher school fees than primary schools.

DR YEUNG SUM (in Cantonese): *Madam President, I think the Secretary has misunderstood my question. The point of my supplementary question is as follows: The Government has decided to abolish the salary scale on the ground that Hong Kong is a free market, but there is no free market under the Hong Kong education voucher scheme because the Government has imposed a ceiling.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): The only restriction we will impose is that there shall be no subsidy for profit-making KGs. This is only reasonable, whether in terms of principle or convention. There is no violation of any principles. Conversely, if only \$90 out of the \$100 we have used is spent on education and the remaining \$10 goes to the pocket of someone, I am sure that even Members here will not let me go.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Marine Accidents Involving River Trade Vessels

7. **MR WONG YUNG-KAN** (in Chinese): *President, the Government has enacted a subsidiary legislation to introduce multiple entry permits for river trade vessels (RTVs) to facilitate the transportation of cargoes via river. As marine traffic is becoming busier day by day, will the Government inform this Council:*

- (a) *of the number of reports, received by the Marine Department (MD) in the past three years, on collisions involving RTVs and locally-licensed vessels (LLVs) in the waters of Hong Kong, together with a breakdown by the type of LLVs involved, as well as the resultant casualties and property losses; and*

- (b) *as the Government said in April last year that the MD would organize seminars for the operators, masters and crew of local and mainland-registered vessels to enhance their awareness of navigational safety, of the relevant details and whether there are other measures to reduce marine accidents involving RTVs; if there are, of the details of the measures; if not, the reasons for that?*

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

- (a) From 1 January 2003 to 30 June 2006, the MD received a total of 181 accident reports involving collision of RTVs (including cargo vessels and high-speed passenger crafts) with LLVs within Hong Kong waters. Types of vessels and number of casualties involved are set out below:

		2003	2004	2005	2006 (January to June)	Total	
Number of accidents involving collision of RTVs with LLVs		60	49	45	27	181	
Number and types of vessels involved	RTVs	Cargo vessels	60	49	44	27	180
		High-speed passenger crafts	0	0	1	0	1
		Total	60	49	45	27	181
	LLVs	Fishing vessels	3	2	11	1	17
		Tugs	22	16	18	14	70
		Barges	40	35	29	23	127
		Others*	12	7	5	3	27
		Total**	77	60	63	41	241
	Number of casualties	Injuries	12	5	16	1	34
		Deaths	0	0	1	0	1
		Total	12	5	17	1	35

* Other types of vessels include local miscellaneous and pleasure vessels.

** There might be more than one LLV involved in each accident.

Of the 181 accidents, one caused the death of a local crew member, which occurred in December 2005 involving a collision of a river vessel with a local fishing vessel outside the Yau Ma Tei Typhoon Shelter. Two other accidents caused multiple injuries: one in July 2003 involving the collision between a high speed ferry to Cheung Chau and a RTV resulting in 22 injuries; the other in March 2005

between a mainland high-speed passenger craft and a local barge causing 15 injuries.

As the property losses in marine accidents are personal data, the existing legislation does not empower the relevant government departments to require the persons affected, such as shippers, ship owners and charterers, to provide such information.

- (b) To raise the awareness of navigation safety among vessel operators, the vessel masters and crew members, the MD holds seminars and talks on this subject annually and invite attendance of representatives from local marine organizations including fishermen's associations, trade associations of local vessels, as well as operators of RTVs and high speed passenger crafts. It also maintains liaison with the Guangdong Maritime Safety Administration to discuss management issues relating to port and navigation safety at regular meetings held every year. The MD also sends new MD notices to the Administration for distribution to owners and masters of the RTVs concerned.

In addition, staff of the MD attend seminars and talks organized by mainland (for example, Guangzhou, Shantou and Xiamen) maritime authorities from time to time to brief their management personnel, owners, vessel masters, crew members and chief engineers as well as maritime academics on issues requiring attention and legal requirements when RTVs are navigating and operating in Hong Kong waters. At the "Laws and Rules Applicable to Mainland Vessels Navigating in Hong Kong Waters" seminar hosted by the Pearl River Maritime Administration of Navigational Affairs in late March this year, staff of the MD spoke to over 200 representatives from various provincial and municipal maritime administrative units in the Pearl River Delta Region (including Guangdong and Guangxi) on the safety issues and legislation applicable to RTVs navigating in Hong Kong waters.

When conducting routine inspections on RTVs, patrol officers of the MD distribute and explain as necessary relevant MD notices and publicity leaflets on navigation safety to the masters of these vessels.

All serious accident reports involving RTVs are sent to the relevant mainland maritime authorities upon completion of investigation. The reports give an account of the accidents and appropriate measures to prevent recurrence of such accidents.

Elderly Health Centres

8. **MR TAM YIU-CHUNG** (in Chinese): *President, some members of the public have complained to me that they have to wait for a long time to become members of elderly health centres (EHCs). In this connection, will the Government inform this Council:*

- (a) *of the respective current numbers of members and elderly persons on the enrolment waiting list of each elderly health centre;*
- (b) *of the current estimated average waiting time for enrolling as members of EHCs;*
- (c) *of last year's attendance by elderly persons for services in respect of each EHC;*
- (d) *of the respective current numbers of medical staff and nursing staff in each EHC; and*
- (e) *whether it has any plan to allocate additional resources and manpower for EHCs, so that they can serve more elderly persons; if so, of the details; if not, the reasons for that?*

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

- (a) The Department of Health (DH) is operating 18 EHCs. Each EHC has more or less the same number of members. Altogether there are about 38 000 members in the 18 EHCs. About 27 000 elders are waiting for enrolment as new members.
- (b) The median waiting time for enrolling as an EHC member is estimated to be about 38 months.
- (c) In 2005, the 18 EHCs conducted health assessment, follow-up counselling, and medical consultation involving 195 000 attendances, and health education involving 150 000 attendances. The number of attendances in each EHC is more or less the same.
- (d) There are a medical doctor and three nurses in an EHC. Also, paramedical personnel from the DH (including clinical psychologists, dieticians, occupational therapists and

physiotherapists) visit EHCs regularly to provide follow-up counselling services for members in need.

- (e) EHCs' services include health assessment, general out-patient service, physical check up, individual counselling and health education. As the services are heavily subsidized (the annual membership fee is \$110), there is huge demand for EHC services.

Public resources are limited. EHCs alone cannot meet the health care needs of all the elders. The Government at present has no plan to further expand the EHC services. We note that EHCs are not the only provider of primary health care services for elders. The followings are also key components of our health care services for elders:

- (i) the 18 Visiting Health Teams of the DH organize health talks and other health promotion activities for elders and carers, in collaboration with the 200 or so elderly centres run by non-governmental organizations (NGOs) with government subsidy;
- (ii) the Elderly Health Services of the DH produces do-it-yourself health educational kits to further promote health education and disease prevention;
- (iii) elderly centres have been helping to promote health education to elders in the community;
- (iv) the Hospital Authority is running more than 70 General Out-patient Clinics (GOPCs) to provide general out-patient services for the public. Elders are major users of GOPCs' services;
- (v) various NGOs are operating health clinics on a self-financing basis; and
- (vi) private medical practitioners are also key providers of primary medical care for elders. In the discussion paper on "Building a Healthy Tomorrow", the Health and Medical Development Advisory Committee recommended the Government to promote the family doctor concept and leverage effectively on the private medical sector to provide

primary medical care services. The DH will strengthen collaboration with relevant stakeholders (including private practitioners and NGOs) to enhance primary health care services for elders.

The DH will continue to take care of and enhance the health of the elders along these directions.

Promoting Women's Participation in Advisory Bodies

9. **MISS TAM HEUNG-MAN** (in Chinese): *President, on promoting women's participation in advisory bodies, will the Government inform this Council:*

- (a) *of the number and percentage of the existing advisory bodies with female members accounting for 25% or more of their compositions?*
- (b) *whether it will review the 25% gender benchmark set for the composition of advisory bodies (that is, at least 25% of their members are of either sex); if it will, of the direction and details of the review; if not, the reasons for that; and*
- (c) *whether it will consider formulating guidelines to ensure, as far as possible, that there is women's participation in each advisory body?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the reply to the three-part question is as follows:

- (a) There are 369 advisory and statutory bodies (ASBs) with appointed non-official members. Of these, 180, or nearly half, have 25% or more of their seats taken up by women. These figures do not include the 41 ASBs on which there are no appointed non-official members.
- (b) We continue to monitor the progress in implementation of the 25% gender benchmark for the composition of advisory bodies. As at 31 October 2006, 1 294 (or 25.77%) of the 5 021 appointed non-officials on ASBs were women. Our present focus is on further encouraging the participation of women in government boards and committees and we shall in due course consider

reviewing the 25% benchmark having regard to local circumstances, operational needs and international practices.

- (c) Bureaux and departments are continually reminded to promote women participation in ASBs by taking proactive measures to reach out, identify and cultivate women who are willing and able to contribute to the work of ASBs. It is also established practice for appointing authorities to take into account the need for balanced representation of genders in making appointments, having regard to the operational needs of the ASBs concerned and the availability of suitable candidates.

Strengthening Protection of Intellectual Property

10. **MR JASPER TSANG** (in Chinese): *President, it has been reported that some computer accessories on the market can instantly re-transmit the signals of free and subscription television programmes via the Internet to personal computers, third-generation (3G) mobile phones and other mobile communication devices. In this connection, will the Government inform this Council whether it has assessed if the use of the above accessories to re-transmit, without the authorization of the copyright owners concerned, television programmes for personal viewing contravenes the relevant provisions of the Copyright Ordinance (Cap. 528); if the assessment result is in the affirmative, whether the Government will publicize the relevant provisions to avoid the public breaching the law inadvertently; if the assessment result is in the negative, whether the Government plans to amend the Ordinance to strengthen the protection of intellectual property?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): President, the Copyright Ordinance (Cap. 528) accords copyright protection to various types of copyright works including broadcasts and cable programmes, as well as their contents (for example, films and sound recordings). Any person who, without the authorization of the copyright owner, makes a copy of a copyright-protected television programme, or re-broadcasts the programme or includes it in another cable programme service commits an act of copyright infringement, thereby rendering himself liable to civil action.

In general, if individual consumer re-transmits a free or subscription television programme lawfully received at home to a 3G mobile phone or other wireless mobile devices via certain computer accessories for his personal

viewing somewhere outside his residence, and the process itself does not involve making a copy of the programme, such an act of re-transmitting the programme for personal viewing would not constitute an act of copyright infringement under the Copyright Ordinance.

Individual television service providers may restrict such re-transmission via the service agreements with their clients. Hence, it would be prudent for consumers to ascertain in advance if their acts of re-transmitting television programmes would contravene the terms of the agreements they have entered into with the relevant television service providers.

Apart from the above situation, if anyone provides to the public any means for the latter to access the re-transmitted television programme, it may be construed as re-broadcasting of the programme or its inclusion in another cable programme, which is an act of copyright infringement that may attract civil claims under the Copyright Ordinance.

At present, we have no plan to amend the Copyright Ordinance to restrict the act of re-transmitting television programme by individual consumer for his personal viewing.

Logistics Park Project

11. **MR WONG TING-KWONG** (in Chinese): *President, regarding the project to construct a logistics park at Siu Ho Wan on Lantau Island (the LP project), will the Government inform this Council:*

- (a) *whether the detailed feasibility study commissioned by the Civil Engineering and Development Department to take forward the LP project has been completed; if so, of the specific conclusions drawn from the study; if not, the progress of the study and its projected completion date;*
- (b) *given that in reply to a question from a Member of this Council in June last year, the Secretary for Economic Development and Labour advised that the LP project had to follow all the relevant statutory procedures before it could be implemented and the public would be consulted again in accordance with these procedures, when the statutory procedures will be completed and when the public will be consulted, and how long it will take to complete the whole process, as estimated by the Administration; and*

- (c) *whether there will be a delay in the implementation of the LP project because the implementation timetable for the concrete construction plan for the Hong Kong-Zhuhai-Macao Bridge has not been finalized?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): President, the feasibility study on the proposed Lantau Logistics Park (LLP) commissioned by the Civil Engineering and Development Department in 2005 has reached the final stage, the major outstanding item being work related to the Environmental Impact Assessment Report. With the current progress, the Civil Engineering and Development Department expects that the feasibility study will be completed in the first quarter of 2007.

The statutory procedures related to the proposed LLP include mainly those prescribed in the Foreshore and Sea-bed (Reclamations) Ordinance, the Town Planning Ordinance and the Environmental Impact Assessment Ordinance. In addition to the statutory procedures, the proposed LLP site and its timing for construction also hinge on other factors, including complementary infrastructure development and connectivity with the cargo hinterland. In studying the proposal for a logistics park at Siu Ho Wan of Lantau Island, the Government consulted the industry through the Hong Kong Logistics Development Council on the LLP proposal in 2003. At that time, members of the Hong Kong Logistics Development Council considered that the site was strategically located in the vicinity of the Hong Kong International Airport and the Kwai Tsing container terminals. Furthermore, with its proximity to the proposed Hong Kong landing point of the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong Logistics Development Council considered that the LLP could take advantage of the opportunities presented by the connection to the cargo source in the Pearl River Delta Region. The proposal thus obtained the support of the Hong Kong Logistics Development Council. In this connection, the completion date of complementary infrastructure has an important bearing on the business viability of the LLP and the support of the industry. The Government will consult the public and the industry before confirming the location and the timing for the construction of the LLP, so that the LLP can meet the expectation of the industry.

After the completion of the feasibility study, if the industry supports the site selection and the construction of the LLP, the Government will follow the requirements of the Town Planning Ordinance and the Foreshore and Sea-bed (Reclamations) Ordinance to prepare the draft outline zoning plan and to set out

the reclamation works related to the project. According to relevant procedures, it requires about three months before the draft outline zoning plan and the reclamation works related to the project can be gazetted for public consultation. According to the statutory procedures and past experience, the whole process from gazettal to completion is expected to take 14 months.

In the meantime, to meet the industry demand for land for port and logistics uses, the Government has identified about 15 hectares of land in Tai Po and Kwai Chung which was tendered out in the period between April and August 2006. The Government also, as a pilot scheme, plans to tender out on a long-term basis a total of 18 hectares of land adjacent to the Kwai Chung container terminals, to meet the industry's demand for logistics land use.

Automated Phone Appointment Service of Hospital Authority

12. **MR JAMES TO** (in Chinese): *President, the Hospital Authority (HA) implemented the automated phone appointment service in the general out-patient clinics (GOPCs) under the Kowloon West Cluster in October this year. Patients with episodic illnesses may make appointments by telephone for consultation and treatment on the same day or the following working day. In this connection, will the Government inform this Council whether it knows:*

- (a) *the total number of persons who have obtained the consultation slots through the above telephone booking system so far, and a breakdown of this number by age groups (above 60, 45 to 60, and below 45) and their respective percentages; the percentages of these numbers in the total number of persons who obtained the consultation slots in the same period; and the percentage of persons who did not turn up after obtaining consultation slots through the above service;*
- (b) *the respective numbers of consultation slots reserved daily by the above clinics for patients who use the telephone booking system and for those who come in person, and, among those who make use of the booking system and those who come in person, the respective average daily numbers of patients who fail to obtain consultation slots;*
- (c) *if the situation in which patients queue in person for consultation slots at the above clinics in the middle of the night has not recurred since the implementation of the above booking service;*

- (d) *the number of complaints received by the HA in relation to the above service so far, with a breakdown by the nature of the complaints;*
- (e) *as some patients have told me that, when all consultation slots of a designated clinic have been allocated, the booking system cannot immediately search and arrange an available consultation slot in another clinic within the same cluster, whether the HA will improve the functions of the automated telephone booking system of out-patient service in view of the above situation; and*
- (f) *if the HA will make other arrangements to improve the phone appointment service such as deploying additional staff to receive appointment calls by elderly with hearing impairment; if it will, of the details of the relevant arrangements; if not, the reasons for that?*

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

President, in response to public demands for improving the crowded queuing conditions in GOPCs, reducing the risk of cross-infection among patients, and making optimal use of the resources in public general out-patient service, the HA has implemented a telephone booking system in the GOPCs on Hong Kong Island since last August on a trial basis. As public reactions to the telephone booking service have been generally favourable, and there has been no significant impact on the utilization of out-patient service including that by the elderly, the HA has extended the service to other districts since October this year. The telephone booking service is in its early days of territory-wide operation, and understandably the system still has room for improvement. We appreciate that it takes time for all the parties involved to adapt to this new system. The Administration will closely monitor the operation of the telephone booking service, and regularly review and enhance the system where appropriate.

Our reply to the different parts of the questions is as follows:

- (a) Since 17 October 2006, the HA has implemented the telephone booking service in 20 GOPCs under the Kowloon West Cluster. This service is applicable to patients who do not require regular follow-up consultations (that is, patients with episodic illnesses). Since its implementation, it is estimated that the telephone booking service has been used by an average of around 58 000 times per month for booking a consultation, accounting for about 79% of the total attendance of patients with episodic illnesses.

A breakdown of the GOPC telephone booking service users by age groups between 17 October and 7 November 2006 is as follows:

<i>Age Group</i>	<i>Patients in the respective age groups using telephone booking service</i>		
	<i>Number of times of using telephone booking service</i>	<i>As a percentage of the total number of times of using telephone booking service</i>	<i>As a percentage of total attendance of patients with episodic illness in the respective age group</i>
Under 45	9 751	35%	81%
45 to 60	8 442	30%	80%
Above 60	9 883	35%	77%
Total	28 076	100%	79%

According to the statistics of the HA recorded since the introduction of the telephone booking system on 17 October 2006 until 7 November 2006, patients who had obtained consultation slots but subsequently failed to turn up account for about 7% of the total number of patients who made use of the telephone booking service.

- (b) The numbers of consultation slots available at the GOPCs under the Kowloon West Cluster between 20 November 2006 and 26 November 2006 are as follows:

<i>GOPCs</i>	<i>Number of slots</i>
Caritas Medical Centre	1 019
Cheung Sha Wan Jockey Club General Out-patient Clinic	1 805
Nam Shan General Out-patient Clinic	377
Shek Kip Mei General Out-patient Clinic	792
West Kowloon General Out-patient Clinic	801
Kwong Wah Hospital	2 060
Li Po Chun Health Centre	1 803
East Kowloon Polyclinic	1 365
Our Lady of Maryknoll Hospital	2 333
Robert Black Health Centre	2 343
Wang Tau Hom Jockey Club Clinic	928
Wu York Yu Health Centre	782
Tsing Yi Cheung Hong Clinic	1 702

<i>GOPCs</i>	<i>Number of slots</i>
Ha Kwai Chung Polyclinic and Special Education Services Centre	845
Mui Wo Clinic	393
North Kwai Chung Clinic	1 172
South Kwai Chung Jockey Club Polyclinic	1 070
Tung Chung Health Centre	1 268
Tai O Jockey Club Clinic	391
Tsing Yi Town Clinic	1 278
Lady Trench Polyclinic	2 878
Mrs Wu York Yu Health Centre	842
Yan Chai Hospital	1 092

The HA does not set aside consultation slots for patients with episodic illnesses. The number of consultation slots available to patients with episodic illnesses per day depends on the remaining number of slots left after bookings by other categories of patients (including chronically ill patients who require regular follow-up). In this regard, prior to the introduction of the telephone booking service, the Kowloon West Cluster had started to arrange gradually pre-booking of follow-up consultations for chronically-ill or elderly patients who require regular follow-up, thereby freeing them from having to obtain consultation slots separately and attending follow-up consultation too frequently. Currently, patients who need to obtain consultation slots on the same day or the previous day are mainly those with episodic illnesses, who, as mentioned above, do so mostly through the telephone booking service.

The HA has no statistics on the number of patients who made use of the telephone booking service but failed to obtain a consultation slot. As regards patients who go to the clinics in person to queue for consultation slots, the number is limited and the clinic staff will usually assist these patients to make a booking for the next one or two consultation sessions, and allow the patients to decide whether to accept the bookings.

- (c) Since the implementation of the telephone booking service in October this year, there has been significant improvement to the situation of patients queuing outside clinics. Queues which used to start building up outside clinics in the early morning hours have so far disappeared. Most clinics no longer have long waiting queues

outside in the morning. Occasionally, some clinics may have a handful of patients (on average about five or six patients) waiting outside for consultation slots. For afternoon and evening sessions, clinics generally have no more waiting queues outside.

- (d) As at 23 November 2006, the Kowloon West Cluster received a total of 13 written complaints and 43 enquiries through telephone. Details of the complaints are as follows:

<i>Type</i>	<i>Number</i>
Line busy	24
Difficult to use	4
System design yet to be improved	11
New patients yet to be registered	2
Others (for example, handling skills of staff)	9
Suggestions	6
Total	56

- (e) If a particular clinic has exhausted its consultation slots, the computer system of the telephone booking service will automatically be diverted to nearby clinics to search for remaining time slots available for booking, so as to maximize the use of resources in general out-patient services. So far until last week, the HA has not received any complaint or enquiry about the system failing to divert to other nearby clinics. If there are further particulars, the HA will follow up as necessary.
- (f) We understand that some patients may encounter difficulties in using the telephone booking service in the early days of its implementation. The HA has been embarking upon a series of improvement measures including the following:
- (i) Step up publicity and teach patients on how to effectively use the telephone booking service, including the registration and booking procedures as well as the time of the day when booking can be more easily made, and so on;
 - (ii) Set up patient service counters and make available assisting staff to deal specifically with problems related to the telephone booking service encountered by patients and assisting them in using the booking service;

- (iii) Streamline the flow of making appointments through the telephone booking system and allow flexibility for the elderly in entering their date of birth (they may choose to enter only the year of birth) to make it easier for them to adapt to the use of the telephone booking service;
- (iv) Improve the computer system of telephone booking service, including remaking the interactive voice response with authentic human voice, and improving its content, speed and tone, to make it more user-friendly;
- (v) Allow flexibility in the transitional period by assisting patients (especially the elderly) who come to the clinics in person to book a consultation slot. In the long run, it is hoped that all users will be familiarized with the use of telephone booking system;
- (vi) Arrange medical consultations for individual disabled patients (including people with hearing impairment) directly without the need to use telephone booking; and
- (vii) Liaise with different District Councils and community organizations, such as the Senior Citizen Home Safety Association, in order to make use of community resources to provide assistance to people who need help in using the telephone booking service.

Given the huge volume of out-patient services, it is necessary for the HA to automate and computerize its various operations with a view to achieving the optimal use of resources, while maintaining and improving the level of out-patient services. The telephone booking service enables the HA to use its resources in general out-patient service more efficiently. Switching to or adding a manually-operated telephone booking service on top of the existing automated computer system would create both resources and technical difficulties. Nevertheless, we will continue to monitor the situation closely and consider other means of improving the booking system.

The Administration and the HA will continue to closely monitor the operation of the GOPC telephone booking service in various

districts, keep in view the use of the telephone booking service by the public, and consider the suggestion of the local community positively. Having regard to the actual operation of the system and patients' need, the HA will review regularly the operating mode of the telephone booking system and enhance accordingly, with a view to improving service quality as far as practicable within existing resources.

Maintenance and Management of Statutory Monuments

13. **MR ALBERT HO** (in Chinese): *President, it has been reported that in certain statutory monuments and historical buildings (such as the Central Police Station Compound (the Compound) and Victoria Prison Compound), water leakage and exposed steel reinforcements have appeared as a result of dilapidation, and the Lui Seng Chun tenement, Yau Ma Tei Theatre (the Theatre), quarters at Yau Ma Tei Pumping Station (commonly known as Red Brick House), and so on, have been left unattended for a long time. In this connection, will the Government inform this Council:*

- (a) *of the amount of the Government's expenditure on the maintenance, repair and management of statutory monuments in each of the past three years;*
- (b) *of the current progress of the restoration work for the Compound and Victoria Prison Compound, and whether it will consider opening these buildings for visits by the public on a long-term basis;*
- (c) *whether it has studied the uses of the Lui Seng Chun tenement, the Theatre and quarters at Yau Ma Tei Pumping Station, and whether they will be declared as statutory monuments and open for visits by the public;*
- (d) *of the government departments currently responsible for the inspection, management and restoration of monuments and historical buildings, as well as the number of officers involved;*
- (e) *of the statutory monuments and historical buildings which are open for visits by the public at present, as well as those which are not open to the public together with their reasons (please provide the relevant details using the table below); and*

<i>Name of monument/ historical building</i>	<i>Statutory monument/ Grade I historical building/ Grade II historical building/ Grade III historical building</i>	<i>Opening hours/ reasons for not opening to the public</i>

- (f) *whether it has studied the feasibility of opening the monuments and historical buildings which are currently not open to the public, as listed in part (e) above, for visits by the public; if so, of the results of the study?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) The restoration, maintenance and management responsibilities of the 81 declared monuments are currently undertaken by various parties including the Antiquities and Monuments Office (AMO), Architectural Services Department (ArchSD), other user government departments and private owners. In the past three years, the AMO spent \$8.1 million (2004-2005), \$10 million (2005-2006) and \$8.1 million (from April to November 2006 inclusive) on restoration and maintenance of declared monuments.
- (b) Since March 2005, the AMO has been conducting monthly inspection on the Compound to ensure that the historical buildings and the special architectural features are in good conditions. Should there be any defects identified, the AMO will report to the relevant departments for appropriate follow-up action. The ArchSD is planning to carry out maintenance works for the Compound in December 2006. These works include making good the damaged plaster, clearance of blocked drains, and repair to cracked doors and windows. We have received a lot of public views on the future development of the Compound and would take these views into account when formulating the adaptive re-use proposal. At present, non-governmental organizations (NGOs) may apply to the Government for using the site to organize public activities.
- (c) Following the ArchSD's completion of basic repair works on Lui Seng Chun in 2005, the AMO commissioned a consultancy study on its potential for adaptive re-use and sustainable development. The

consultancy study would take into account a series of relevant factors, including its historical background and building structure, district characteristics, transportation, tourism attractiveness, and so on, when drawing up possible adaptive re-use proposal(s) for Lui Seng Chun. The consultancy study will be completed shortly.

In addition, the ArchSD completed basic repair works on the Theatre in late 2005. Repair works are now being undertaken on the ex-Quarters of the Former Pumping Station (ex-Quarters), which are scheduled for completion by next month. We are planning to convert the Theatre into a small-scale Cantonese opera venue with the ex-Quarters as a supporting facility. We consulted the Cantonese Opera Advisory Committee who was supportive of the proposed conversion and facilities. We will soon be consulting the Yau Tsim Mong District Council. If the District Council is also supportive of the proposal, we will identify resources and seek funding for the proposed conversion project through the normal procedures.

- (d) Generally speaking, the works departments (for example, the ArchSD) are responsible for the routine maintenance and repair works to government-owned graded historical buildings, while the management responsibility rests with the user departments (that is, the government departments using the buildings). The AMO will conduct regular inspections on the 81 declared monuments to ensure that they are properly maintained. At present, the AMO has eight staff members responsible for carrying out this specific duty.
- (e) The lists of declared monuments and government-owned graded historical buildings for which the Government is directly responsible for their maintenance and repair are at Annexes A and B respectively.
- (f) As shown in the Annexes, most of the declared monuments and a substantive number of government-owned graded historical buildings are already open to the public. The main reasons for not opening to the public those remaining government-owned graded historical buildings are: (1) They are being used by government departments, public or NGOs for specific purposes, such as schools, barracks or non-government welfare facilities, and so on; (2) They are not suitable for opening owing to their structural condition or public safety concern; and (3) They are not open for the time being

pending completion of repair works or studies on their feasibility for adaptive re-use.

We have been reviewing the use of government-owned graded historical buildings from time to time. We would consider the structural conditions of these buildings and other relevant factors (for example, the possible adaptive re-use options) with a view to deciding whether each of them should be opened for public use.

Annex A

Declared Monuments

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Opening hours/Reason for not open to public</i>
1	Yi Tai Shu Yuen, Shui Tau Village, Kam Tin	Yuen Long	Opening Hours: Wednesdays, Saturdays, Sundays and Public Holidays: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm Closed on Mondays, Tuesdays, Thursdays, Fridays and the first three days of the Lunar New Year
2	I Shing Kung, Wang Chau, Yuen Long	Yuen Long	Open to public
3	Cheung Ancestral Hall, Shan Ha Tsuen, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
4	Yu Kiu Ancestral Hall, Ping Shan, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on the first three days of the Lunar New Year
5	Tsui Sing Lau Pagoda, Ping Shan, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
6	Tang Ancestral Hall, Ping Shan, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on the first three days of the Lunar New Year
7	Yeung Hau Temple, Ha Tsuen, Yuen Long	Yuen Long	Open to public
8	Tai Fu Tai, San Tin, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
9	Man Lun Fung Ancestral Hall, San Tin, Yuen Long	Yuen Long	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Opening hours/Reason for not open to public</i>
10	Leung Ancestral Hall, Pat Heung, Yuen Long	Yuen Long	To be opened to public soon
11	Remnants of the South Gate of Kowloon Walled City, Kowloon Walled City Park	Kowloon City	Opening Hours: 6.30 am – 11.00 pm daily
12	Former Yamen Building of Kowloon Walled City, Kowloon Walled City Park	Kowloon City	Opening Hours: 6.30 am – 11.00 pm daily
13	Fan Sin Temple, Sheung Wun Yiu, Tai Po	Tai Po	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
14	King Law Ka Shuk, Tai Po Tau Tsuen, Tai Po	Tai Po	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5:00pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
15	Island House, Yuen Chau Tsai, Tai Po	Tai Po	World Wide Fund for Nature as a Conservation Studies Centre (Open to public by booking)
16	Man Mo Temple, Tai Po	Tai Po	Opening Hours: 8.00 am – 6.00 pm daily
17	Remains of Ancient Kiln, Wun Yiu Village, Tai Po	Tai Po	Not open to public
18	Old Tai Po Market Railway Station (Hong Kong Railway Museum)	Tai Po	Opening Hours: 9.00 am – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
19	Old Pathological Institute, Caine Lane, Sheung Wan (Hong Kong Museum of Medical Sciences)	Central and Western	Opening Hours: Tuesdays to Saturdays: 10.00 am – 5.00 pm Sundays and Public Holidays: 1.00 pm – 5.00 pm Closed on Mondays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
20	Western Market (North Block)	Central and Western	Opening Hours: Mondays to Saturdays: 10.00 am – 7.00 pm daily
21	Government House, Upper Albert Road, Central	Central and Western	Residence and office for the Chief Executive of the Hong Kong Special Administrative Region
22	Former Central Magistracy, Arbuthnot Road, Central	Central and Western	Under the management of the Lands Department/Not open to public
23	The Exterior of the main Building, the Helena May, Garden Road, Central	Central and Western	Clubhouse (exterior open to the public)
24	St John's Cathedral, Garden, Central	Central and Western	Open to public
25	Former French Mission Building, Battery Path, Central	Central and Western	Hong Kong Court of Final Appeal
26	Flagstaff House, Cotton Tree Drive, Central	Central and Western	Opening Hours: 10.00 am – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Opening hours/Reason for not open to public</i>
27	North and West Blocks of St Joseph's College, Kennedy Road, Central	Central and Western	School building/Not open to public
28	Former Central Police Station Compound, Hollywood Road, Central	Central and Western	Under the management of the Lands Department/Not open to public
29	The Exterior of the Old Supreme Court, Central	Central and Western	General Office of the Legislative Council
30	Victoria Prison Compound, Old Bailey Street, Central	Central and Western	Under the management of the Lands Department/Not open to public
31	Main Building of St Stephen's Girls' College, Lyttelton Road, Mid-Levels	Central and Western	School building/Not open to public
32	The Exterior of University Hall of the University of Hong Kong	Central and Western	School building (exterior open to the public)
33	The Exterior of Hung Hing Ying Building of the University of Hong Kong	Central and Western	School building (exterior open to the public)
34	The Exterior of the Main Building of the University of Hong Kong	Central and Western	School building (exterior open to the public)
35	The Exterior of Tang Chi Ngong Building of the University of Hong Kong	Central and Western	School building (exterior open to the public)
36	Former Gate Lodge	Central and Western	To cope with the Peak development project, will be opened to public soon
37	Duddell Street Stone Steps and Gas Lamps	Central and Western	Open to public
38	Morrison Building, Hoh Fok Tong Centre, Tuen Mun	Tuen Mun	Not open to public
39	The Entrance Tower of Kun Lung Wai, Lung Yeuk Tau, Fanling	North	Open to public
40	Hau Kui Shek Ancestral Hall, Ho Sheung Heung, Sheung Shui	North	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
41	Liu Man Shek Tong Ancestral Hall, Sheung Shui	North	Opening Hours: Wednesdays, Thursdays, Saturdays, Sundays and Public Holidays: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm Closed on Mondays, Tuesdays, Fridays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
42	Kang Yung Study Hall, Sha Tau Kok	North	Opening Hours: 9.00am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Opening hours/Reason for not open to public</i>
43	Cheung Shan Monastery, Ping Che, Fanling	North	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
44	Tin Hau Temple, Lung Yeuk Tau, Fanling	North	Opening Hours: 9.00 am – 5.00 pm daily
45	Entrance Tower and Enclosing Walls of Lo Wai, Lung Yeuk Tau, Fanling	North	Opening Hours: 9.00 am – 5.00 pm daily
46	Tang Chung Ling Ancestral Hall, Lung Yeuk Tau, Fanling	North	Opening Hours: 9.00 am – 1.00 pm and 2.00 pm – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
47	The Entrance Tower of Ma Wat Wai, Lung Yuek Tau, Fanling	North	Open to public
48	Kun Lung Wai (San Wai) Gate House, Lung Yeuk Tau, Fanling	North	Open to public
49	Old District Office (North)	North	New Territories Eastern Region Headquarters of the Scout Association of Hong Kong
50	Sheung Yiu Village, Sai Kung (Sheung Yiu Folk Museum)	Sai Kung	Opening Hours: 9.00 am – 4.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
51	Rock Inscription at Joss House Bay, Sai Kung	Sai Kung	Open to public
52	Site of Chinese Customs Station, Junk Island, Sai Kung	Sai Kung	Open to public
53	Rock Carving at Tung Lung Island, Sai Kung	Sai Kung	Open to public
54	Tung Lung Fort	Sai Kung	Open to public
55	Rock Carving at Kau Sai Chau, Sai Kung	Sai Kung	Open to public
56	Hung Shing Temple, Kau Sai Chau, Sai Kung	Sai Kung	Opening Hours: 6.00 am – 6.00 pm daily
57	Rock Carving at Lung Ha Wan, Sai Kung	Sai Kung	Open to public
58	Old House, Wong UK Village, Sha Tin	Sha Tin	To be opened to public soon
59	Law UK Hakka House, Chai Wan (Folk Museum)	Eastern	Opening Hours: Mondays to Saturdays: 10.00 am – 1.00 pm and 2.00 pm – 6.00 pm Sundays and Public Holidays: 1.00 pm – 6.00 pm Closed on Thursdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
60	Tin Hau Temple, Causeway Bay	Eastern	Opening Hours: 7.00 am – 5.00 pm daily
61	Former Kowloon-Canton Railway Clock Tower, Tsim Sha Tsui	Yau Tsim Mong	Not open to public

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Opening hours/Reason for not open to public</i>
62	Former Kowloon British School, Tsim Sha Tsui	Yau Tsim Mong	Currently used as the AMO's office (exterior open to the public)
63	Hong Kong Observatory, Tsim Sha Tsui	Yau Tsim Mong	Not open to public
64	Former Marine Police Headquarters, Tsim Sha Tsui	Yau Tsim Mong	To be redeveloped as Cultural Tourism-themed Hotel
65	Rock Carving at Big Wave Bay	Southern	Open to public
66	Rock Carving at Wong Chuk Hang	Southern	Open to public
67	Old Stanley Police Station	Southern	Supermarket/Open to public
68	Cape D'Aguilar Lighthouse, D'Aguilar Peninsula	Southern	Not open to public
69	Sam Tung Uk Walled Village, Tsuen Wan (Sam Tung Uk Museum)	Tsuen Wan	Opening Hours: 9.00 am – 5.00 pm daily Closed on Tuesdays, Christmas Day, Boxing Day, New Year's Day and the first three days of the Lunar New Year
70	Old House, Hoi Pa Village, Tsuen Wan (Tsuen Wan Environmental Resource Centre)	Tsuen Wan	Opening Hours: Mondays, Tuesdays, Thursdays and Fridays: 10.00 am – 1.00 pm and 2.00 pm – 6.00 pm Wednesdays, Saturdays and Sundays: 2.00 pm – 6.00 pm Closed on Public Holidays
71	Tang Lung Chau Lighthouse (commonly known as Kap Sing Lighthouse)	Tsuen Wan	Not open to public
72	Lei Cheng Uk Han Tomb, Sham Shui Po (Lei Cheng Uk Han Tomb Museum)	Sham Shui Po	Opening Hours: Mondays to Wednesdays, Fridays to Saturdays: 10.00 am – 6.00 pm Sundays and Public Holidays: 1.00 pm – 6.00 pm Closing Days: Thursdays, Christmas and the day after, New Year's Day, the first three days of the Lunar New Year; The Museum will close at 5.00 pm on Christmas Eve and Lunar New Year's Eve
73	Tung Chung Battery, Lantau Island	Islands	Open to public
74	Stone Circle, Fan Lau, Lantau Island	Islands	Open to public
75	Fan Lau Fort	Islands	Open to public
76	Rock Carving at Shek Pik, Lantau Island	Islands	Open to public
77	Tung Chung Fort	Islands	Open to public
78	Rock Carving on Cheung Chau	Islands	Open to public
79	Rock Carving on Po Toi Island	Islands	Open to public
80	Waglan Lighthouse, Waglan Island	Islands	Not open to public
81	Wan Chai Post Office (Wan Chai Environmental Resource Centre)	Wan Chai	Opening Hours: Mondays to Saturdays: 10.00 am – 5.00 pm Wednesdays: 10.00 am – 1.00 pm Sundays: 1.00 pm – 5.00 pm Closed on Public Holidays

Government-owned graded historical buildings

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Heritage status</i>	<i>Opening hours/Reason for not open to public</i>
1	Façade of the Old Mental Hospital	Central and Western	Grade I	Sai Ying Pun Community Complex/Open to public
2	Former Explosives Magazine, Victoria Barracks	Central and Western	Grade I	To be used by Asia Society Hong Kong Centre/Will be opened to public
3	West Point Filters Bungalow	Central and Western	Grade I	To be converted as Environmental Education Centre by the Environmental Protection Department/Will be opened to public
4	Kowloon Reservoir Valve House	Sha Tin	Grade I	Reservoir building/Not open to public
5	Kowloon Reservoir Valve House	Sha Tin	Grade I	Reservoir building/Not open to public
6	Shek Lei Pui Reception Reservoir Valve House	Sha Tin	Grade I	Reservoir building/Not open to public
7	Shing Mun (Jubilee) Reservoir Lower Reservoir Gate Shaft	Sha Tin	Grade I	Reservoir building/Not open to public
8	Shing Mun (Jubilee) Reservoir Lower Reservoir Bellmouth Overflow	Sha Tin	Grade I	Reservoir building/Not open to public
9	Shing Mun (Jubilee) Reservoir Lower Reservoir Steel Bridge	Sha Tin	Grade I	Reservoir building/Not open to public
10	Shing Mun (Jubilee) Reservoir Lower Reservoir Valve Tower	Sha Tin	Grade I	Reservoir building/Not open to public
11	Shing Mun (Jubilee) Reservoir Lower Reservoir Supply Basin	Sha Tin	Grade I	Reservoir building/Not open to public
12	Shing Mun (Jubilee) Reservoir Lower Reservoir Weir	Sha Tin	Grade I	Reservoir building/Not open to public
13	Shing Mun (Jubilee) Reservoir Upper Reservoir Valve Tower	Sha Tin	Grade I	Reservoir building/Not open to public
14	Shing Mun (Jubilee) Reservoir Upper Reservoir Bellmouth Overflow	Sha Tin	Grade I	Reservoir building/Not open to public
15	Shing Mun (Jubilee) Reservoir Upper Reservoir Steel Bridge	Sha Tin	Grade I	Reservoir building/Not open to public
16	Kowloon Reservoir Dam	Sha Tin	Grade I	Reservoir building/Open to public
17	Kowloon Reservoir Dam	Sha Tin	Grade I	Reservoir building/Open to public
18	Shek Lei Pui Reception Reservoir Dam	Sha Tin	Grade I	Reservoir building/Open to public
19	Shing Mun (Jubilee) Reservoir Lower Reservoir Pineapple Pass Dam	Sha Tin	Grade I	Reservoir building/Open to public
20	Shing Mun (Jubilee) Reservoir Upper Reservoir Gorge Dam	Sha Tin	Grade I	Reservoir building/Open to public
21	Shing Mun (Jubilee) Reservoir Upper Reservoir Memorial Stone	Sha Tin	Grade I	Reservoir building/Open to public

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Heritage status</i>	<i>Opening hours/Reason for not open to public</i>
22	Lyemun Military Installations	Eastern	Grade I	Hong Kong Museum of Coastal Defence/Open to public Opening hours: Monday to Wednesday and Friday to Sunday: 10.00 am to 5.00 pm; Thursdays (except Public Holidays); The first two days of the Chinese New Year
23	Lyemun Barracks Block 25	Eastern	Grade I	Lei Yue Mun Park and Holiday Village/Open to public
24	Lyemun Barracks Block 18	Eastern	Grade I	Lei Yue Mun Park and Holiday Village/Open to public
25	Lyemun Barracks Block 10	Eastern	Grade I	Lei Yue Mun Park and Holiday Village/Open to public
26	Lyemun Barracks Block 21	Eastern	Grade I	Lei Yue Mun Park and Holiday Village/Open to public
27	Whitfield Barracks Kowloon West II Battery	Yau Tsim Mong	Grade I	Within Kowloon Park area/Open to public
28	Lui Seng Chun	Yau Tsim Mong	Grade I	Temporarily not open to the public; study on adaptive re-use underway
29	The Former Pumping Station of Water Supplies Department	Yau Tsim Mong	Grade I	Temporarily not open to the public; study on adaptive re-use underway with the Yau Ma Tei Theatre
30	Tai Tam Reservoir Tunnel Inlet surmounted by a Recorder House	Southern	Grade I	Reservoir building/Not open to public
31	Tai Tam Tuk Reservoir Valve House	Southern	Grade I	Reservoir building/Not open to public
32	Tai Tam Tuk Pumping Station Senior Staff Quarters	Southern	Grade I	Reservoir building/Not open to public
33	Tai Tam Tuk Pumping Station Chimney Shaft	Southern	Grade I	Reservoir building/Not open to public
34	Tai Tam Tuk Pumping Station Engine House, Store and Office	Southern	Grade I	Reservoir building/Not open to public
35	Tai Tam Tuk Pumping Station Staff Quarters	Southern	Grade I	Reservoir building/Not open to public
36	Tai Tam Tuk Pumping Station Staff Quarters with extended concrete stairways and connected to a store	Southern	Grade I	Reservoir building/Not open to public
37	Tai Tam Reservoir Large Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
38	Tai Tam Reservoir Large Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
39	Tai Tam Reservoir Large Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
40	Tai Tam Reservoir Large Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
41	Tai Tam Reservoir Valve House	Southern	Grade I	Reservoir building/Open to public
42	Tai Tam Reservoir Dam	Southern	Grade I	Reservoir building/Open to public
43	Tai Tam Reservoir Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
44	Tai Tam Reservoir Masonry Bridge	Southern	Grade I	Reservoir building/Open to public
45	Tai Tam Tuk Reservoir Dam	Southern	Grade I	Reservoir building/Open to public
46	Tai Tam Tuk Reservoir Memorial Stone	Southern	Grade I	Reservoir building/Open to public
47	Pok Fu Lam Reservoir Pok Fu Lam Management Centre	Southern	Grade I	Reservoir building/Open to public
48	Stanley Fort Stanley Battery Gun Emplacement	Southern	Grade I	Fort/Not open to public

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49	Block 41 (Mei Ho House), Shek Kip Mei Estate	Sham Shui Po	Grade I	Under the management of the Housing Department/Not open to public
50	Some buildings/military facilities within the Ngong Shuen Chau Barracks	Sham Shui Po	Grade I, II and III	Barracks/Not open to public
51	Ex Royal Air Force (RAF) Station (Kai Tak) Headquarters Building	Kwun Tong	Grade I	Family Crisis Support Centre/Not open to public
52	Ex RAF Station (Kai Tak) Officers' Quarters Compound Annex Block No. 2	Kwun Tong	Grade I	Hong Kong Baptist University campus/Open to public
53	Ex RAF Station (Kai Tak) Officers' Quarters Compound RAF Officers' Mess	Kwun Tong	Grade I	Hong Kong Baptist University campus/Open to public
54	Tai Po Lookout	Tai Po	Grade II	Under the management of the Government Property Agency/Not open to public
55	Old Tai Po Police Station	Tai Po	Grade II	Under the management of the Hong Kong Police Force/Not open to public
56	Old Police Bungalow	Tai Po	Grade II	International school building/Not open to public
57	Ex-Commodore's House	Central and Western	Grade II	Mother's Choice/Not open to public
58	Victoria Barracks Montgomery Block	Central and Western	Grade II	Mother's Choice/Not open to public
59	Peak Depot	Central and Western	Grade II	Under the management of the Water Suppliers Department/Not open to public
60	Green Island Lighthouse Compound European Quarters	Central and Western	Grade II	Drug Treatment and Rehabilitation Centre/Not open to public
61	Old Lunatic Asylum	Central and Western	Grade II	Eastern Street Methadone Clinic/Open to public
62	Old British Military Hospital	Central and Western	Grade II	Used by NGO/Partial open to public
63	Old Dairy Farm Depot	Central and Western	Grade II	Used by NGO/Open to public
64	Elliot Pumping Station and Filters Senior Staff Quarters	Central and Western	Grade II	Government Quarters/Not open to public
65	Rawlinson House	Central and Western	Grade II	Cotton Tree Drive Marriage Registry/Open to public
66	Chinese Y. M. C. A. of Hong Kong (Central Building)	Central and Western	Grade II	Chinese Y. M. C. A. of Hong Kong (Central Building)/Open to public
67	Victoria Barracks Wavell Block	Central and Western	Grade II	Hong Kong Park Education Centre/Open to public
68	Victoria Barracks Cassels Block	Central and Western	Grade II	Visual Art Centre and Office/Open to public
69	The Bethanie	Central and Western	Grade II	School campus of The Hong Kong Academy for Performing Arts/Open to public
70	Former Peak School	Central and Western	Grade II	Used by the Fire Services Department/Not open to public

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71	Kom Tong Hall	Central and Western	Grade II	To be used as Dr SUN Yat-sen Museum/Will be opened to public
72	Victoria Barracks Roberts Block	Central and Western	Grade II	Jockey Club New Life Hostel/Unknown
73	King's College	Central and Western	Grade II	School building/Not open to public
74	Green Island Lighthouse Compound Lighthouse (1875)	Central and Western	Grade II	Lighthouse/Not open to public
75	Green Island Lighthouse Compound Lighthouse (1915)	Central and Western	Grade II	Lighthouse/Not open to public
76	Peak Café	Central and Western	Grade II	Restaurant/Open to public
77	Old Ping Shan Survey Camp of Crown Lands and Survey Office	Yuen Long	Grade II	Halfway Houses of Richmond Fellowship of Hong Kong/Not open to public
78	Half-Way House Hong Kong Golf Club	North	Grade II	Hong Kong Golf Club/Open to public
79	MacIntosh Fort (Nga Yiu)	North	Grade II	Police facilities/Not open to public
80	MacIntosh Fort (Pak Fu Shan)	North	Grade II	Police facilities/Not open to public
81	MacIntosh Fort (Pak Hok Chau)	North	Grade II	Police facilities/Not open to public
82	MacIntosh Fort (Pak Kung Au)	North	Grade II	Police facilities/Not open to public
83	MacIntosh Fort (Nam Hang)	North	Grade II	Police facilities/Not open to public
84	MacIntosh Fort (Kong Shan)	North	Grade II	Police facilities/Not open to public
85	MacIntosh Fort (Ma Tso Lung)	North	Grade II	Police facilities/Not open to public
86	Kowloon Reservoir Valve House	Sha Tin	Grade II	Reservoir building/Not open to public
87	Kowloon Byewash Reservoir Valve House	Sha Tin	Grade II	Reservoir building/Not open to public
88	Shek Lei Pui Reservoir Valve House	Sha Tin	Grade II	Reservoir building/Not open to public
89	Kowloon Byewash Reservoir Dam	Sha Tin	Grade II	Reservoir building/Open to public
90	Shek Lei Pui Reception Reservoir Dam (northeast)	Sha Tin	Grade II	Reservoir building/Open to public
91	Shek Lei Pui Reception Reservoir Dam (southeast)	Sha Tin	Grade II	Reservoir building/Open to public
92	Woodside	Eastern	Grade II	To be converted as country park visitors and education centre by the Agriculture, Fisheries and Conservation Department
93	Former Clubhouse of Royal Hong Kong Yacht Club	Eastern	Grade II	Temporarily not open to the public; study on adaptive re-use underway
94	Lyemun Barracks Block 07	Eastern	Grade II	Lei Yue Mun Park and Holiday Village/Open to public
95	Old South Kowloon District Court	Yau Tsim Mong	Grade II	Lands Tribunal/Open to public
96	Some buildings within the Gun Club Hill Barracks	Yau Tsim Mong	Grade II and III	Barracks/Not open to public
97	Signal Tower	Yau Tsim Mong	Grade II	Within Signal Hill Garden/Not open to public
98	Yau Ma Tei Theatre	Yau Tsim Mong	Grade II	Temporarily not open to the public; study on adaptive re-use underway

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99	Tai Tam Intermediate Reservoir Valve House	Southern	Grade II	Reservoir building/Not open to public
100	Tai Tam Byewash Reservoir Valve House	Southern	Grade II	Reservoir building/Not open to public
101	Aberdeen Reservoir Upper Reservoir Valve House	Southern	Grade II	Reservoir building/Not open to public
102	Pok Fu Lam Reservoir Embankment	Southern	Grade II	Reservoir building/Not open to public
103	Pok Fu Lam Reservoir Box Culvert	Southern	Grade II	Reservoir building/Not open to public
104	Pok Fu Lam Reservoir Four Masonry Bridges	Southern	Grade II	Reservoir building/Not open to public
105	Pok Fu Lam Reservoir Air Vents at the Service Reservoir	Southern	Grade II	Reservoir building/Not open to public
106	Pok Fu Lam Reservoir Filter Beds	Southern	Grade II	Reservoir building/Not open to public
107	Aberdeen Reservoir Upper Reservoir Bridge carrying outflow main	Southern	Grade II	Reservoir building/Open to public
108	Tai Tam Intermediate Reservoir Dam	Southern	Grade II	Reservoir building/Open to public
109	Tai Tam Byewash Reservoir Dam	Southern	Grade II	Reservoir building/Open to public
110	Aberdeen Reservoir Upper Reservoir Dam with bridge carrying outflow main	Southern	Grade II	Reservoir building/Open to public
111	Stanley Fort Block 09	Southern	Grade II	Fort/Not open to public
112	Stanley Fort Block 17	Southern	Grade II	Fort/Not open to public
113	Stanley Fort Block 38	Southern	Grade II	Fort/Not open to public
114	Stanley Fort Block 51	Southern	Grade II	Fort/Not open to public
115	Old House (No. 10, San Wai)	Southern	Grade II	Not open to public
116	Old Pillbox	Wong Tai Sin	Grade II	Under the management of the Lands Department/Not open to public
117	Haw Par Mansion	Wan Chai	Grade II	Temporarily not open to the public; study on adaptive re-use underway
118	Ex-Ma Tau Kok Animal Quarantine Depot	Kowloon City	Grade III	Cattle Depot Artists Village/Open to public
119	Kowloon Hospital	Kowloon City	Grade III	Hospital/Open to public
120	Former Wong Nai Chung Reservoir Workmen's Quarters	Central and Western	Grade III	Reservoir building/Not open to public
121	Former Wong Nai Chung Reservoir Valve House	Central and Western	Grade III	Reservoir building/Not open to public
122	Former Wong Nai Chung Reservoir Dam	Central and Western	Grade III	Reservoir building/Open to public
123	Former Wong Nai Chung Reservoir Weir	Central and Western	Grade III	Reservoir building/Open to public
124	Central Market	Central and Western	Grade III	Under the management of the Lands Department/Not open to public
125	Old Upper Levels Police Station	Central and Western	Grade III	Under the management of the Hong Kong Police Force/Not open to public
126	Old Tsan Yuk Maternity Hospital	Central and Western	Grade III	Western District Community Centre/Open to public

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127	Elliot Pumping Station and Filters	Central and Western	Grade III	Pumping Station and Filters/Not open to public
128	Ex-Western Fire Station	Central and Western	Grade III	Po Leung Kuk Chan Au Big Yan Home for the Elderly/Open to public
129	Elliot Pumping Station and Filters Workmen's Quarters	Central and Western	Grade III	Government Quarters/Not open to public
130	Old Victoria Hospital Maternity Block	Central and Western	Grade III	Government Quarters/Not open to public
131	Sebourne Villas No. 1	Central and Western	Grade III	Government office/Not open to public
132	West Point Filters Workmen's Quarters	Central and Western	Grade III	To be converted as Environmental Education Centre by the Environmental Protection Department/Will be opened to public
133	West Point Filters Workmen's Quarters	Central and Western	Grade III	To be converted as Environmental Education Centre by the Environmental Protection Department/Will be opened to public
134	Peak Police Station	Central and Western	Grade III	Police station
135	Old Ping Shan Police Station	Yuen Long	Grade III	To be used as a Visitor's Centre for the Ping Shan Heritage Trail; conversion works underway
136	No. 17 Yeung Tsing Road	Tuen Mun	Grade III	To be a new home for children and juveniles in Tuen Mun/Not open to public
137	Old Sheung Shui Police Station	North	Grade III	JPC Club House/Open to public
138	Hung Leng Station, Fanling-Sha Tau Kok Branch Line	North	Grade III	Under the management of the Lands Department/Not open to public
139	Residence of Financial Secretary	North	Grade III	Financial Secretary's Official Residence/Not open to public
140	Lady Ho Tung Welfare Centre	North	Grade III	Dispensary/Open to public
141	Ta Kwu Ling Police Station	North	Grade III	Police station
142	Lok Ma Chau Police Station	North	Grade III	Police station
143	Shek Lei Pui Treatment Works Chemical House	Sha Tin	Grade III	Reservoir building/Not open to public
144	Shek Lei Pui Treatment Works Two connected Treatment Works Buildings	Sha Tin	Grade III	Reservoir building/Not open to public
145	Former Quarry Bay School	Eastern	Grade III	Pui Chi Boys' Home/Not open to public
146	Lyemun Barracks Block 20	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
147	Lyemun Barracks Block 02	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
148	Lyemun Barracks Block 17	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
149	Lyemun Barracks Block 31	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
150	Lyemun Barracks Block 32	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
151	Lyemun Barracks Block 33	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
152	Lyemun Barracks Block 34	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
153	Lyemun Barracks Block 30	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
154	Lyemun Barracks Block 03	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public

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155	Lyemun Barracks Block 05	Eastern	Grade III	Lei Yue Mun Park and Holiday Village/Open to public
156	Whitfield Barracks Block S61	Yau Tsim Mong	Grade III	Already converted into the Hong Kong Heritage Discovery Centre for public visitation Opening hours: Mondays to Saturdays (except Thursdays): 10.00 am to 6.00 pm; Sundays and Public Holidays: 10.00 am to 7.00 pm; Closed at 5.00 pm on Christmas Eve and Chinese New Year's Eve; Closed on Thursdays (except Public Holidays) and the first two days of the Chinese New Year
157	Whitfield Barracks Block S62	Yau Tsim Mong	Grade III	Already converted into the Hong Kong Heritage Discovery Centre for public visitation Opening hours: Mondays to Saturdays (except Thursdays): 10.00 am to 6.00 pm; Sundays and Public Holidays: 10.00 am to 7.00 pm; Closed at 5.00 pm on Christmas Eve and Chinese New Year's Eve; Closed on Thursdays (except Public Holidays) and the first two days of the Chinese New Year
158	Yau Ma Tei Wholesale Fruit Market	Yau Tsim Mong	Grade III	Yau Ma Tei Wholesale Fruit Market/Open to public
159	Whitfield Barracks Block 58	Yau Tsim Mong	Grade III	Hong Kong Museum of History Collection Store Room/Not open to public
160	Whitfield Barracks Block S4	Yau Tsim Mong	Grade III	Health Education Exhibition and Resource Centre/Open to public
161	Yau Ma Tei Police Station	Yau Tsim Mong	Grade III	Police station
162	Old Kowloon Police Headquarters	Yau Tsim Mong	Grade III	Police station
163	Red-Brick Building, Tai Tam Reservoir	Southern	Grade III	Reservoir building/Not open to public
164	Tai Tam Byewash Reservoir Workmen's Quarters	Southern	Grade III	Reservoir building/Not open to public
165	Tai Tam Byewash Reservoir Ruins of a Senior Staff Bungalow	Southern	Grade III	Reservoir building/Not open to public
166	Aberdeen Reservoir Lower Reservoir Chemical House and Air Vents	Southern	Grade III	Reservoir building/Not open to public
167	Aberdeen Reservoir Lower Reservoir Pump House	Southern	Grade III	Reservoir building/Not open to public
168	Aberdeen Reservoir Lower Reservoir Valve House	Southern	Grade III	Reservoir building/Not open to public
169	Aberdeen Reservoir Lower Reservoir Aberdeen Management Centre	Southern	Grade III	Reservoir building/Not open to public
170	Aberdeen Reservoir Lower Reservoir Dam	Southern	Grade III	Reservoir building/Open to public
171	Magazine Building	Southern	Grade III	Under the management of the Lands Department/Not open to public
172	Stanley Public Dispensary	Southern	Grade III	Government office/Not open to public

<i>Item No.</i>	<i>Name of Monuments/ Historical Buildings</i>	<i>District</i>	<i>Heritage status</i>	<i>Opening hours/Reason for not open to public</i>
173	Stanley Fort Underground Bunker	Southern	Grade III	Fort/Not open to public
174	Stanley Fort Stanley Battery Second CASL	Southern	Grade III	Fort/Not open to public
175	Stanley Fort Stanley Battery First CASL	Southern	Grade III	Fort/Not open to public
176	Stanley Fort Stanley Battery SCP	Southern	Grade III	Fort/Not open to public
177	Stanley Fort Stanley Battery Block 45	Southern	Grade III	Fort/Not open to public
178	Stanley Fort Stanley Battery Block 44B	Southern	Grade III	Fort/Not open to public
179	Stanley Fort Stanley Battery Block 44	Southern	Grade III	Fort/Not open to public
180	Stanley Fort Stanley Battery Battery Observation Post	Southern	Grade III	Fort/Not open to public
181	Stanley Fort Block 01	Southern	Grade III	Fort/Not open to public
182	Stanley Fort Block 21	Southern	Grade III	Fort/Not open to public
183	Stanley Fort Block 27	Southern	Grade III	Fort/Not open to public
184	Stanley Fort Block 22	Southern	Grade III	Fort/Not open to public
185	Stanley Fort Stanley Fort Block 23	Southern	Grade III	Fort/Not open to public
186	Stanley Fort Block 25	Southern	Grade III	Fort/Not open to public
187	Stanley Fort Block 26	Southern	Grade III	Fort/Not open to public
188	Stanley Fort Block 24	Southern	Grade III	Fort/Not open to public
189	Stanley Fort Block 20	Southern	Grade III	Fort/Not open to public
190	Stanley Fort Block 12	Southern	Grade III	Fort/Not open to public
191	Stanley Fort Block 18	Southern	Grade III	Fort/Not open to public
192	Stanley Fort Block 13	Southern	Grade III	Fort/Not open to public
193	Stanley Fort Block 15	Southern	Grade III	Fort/Not open to public
194	Stanley Fort Block 14	Southern	Grade III	Fort/Not open to public
195	Stanley Fort Block 10	Southern	Grade III	Fort/Not open to public
196	Stanley Fort Block 03	Southern	Grade III	Fort/Not open to public
197	Stanley Fort Block 04	Southern	Grade III	Fort/Not open to public
198	Old Aberdeen Police Station	Southern	Grade III	Children and youth centre/Open to public
199	Former Chan Yi Cheung Ancestral Hall	Tsuen Wan	Grade III	Not open to public
200	Old House of the Former Hoi Pa Tsuen (Formerly Lot 956 of Hoi Pa Tsuen)	Tsuen Wan	Grade III	Government office/Not open to public
201	Lai Chi Kok Hospital	Sham Shui Po	Grade III	Under the management of the Health, Welfare and Food Bureau/Not open to public
202	Sham Shui Po Public Dispensary	Sham Shui Po	Grade III	Dispensary/Open to public
203	Sham Shui Po Police Station	Sham Shui Po	Grade III	Police station
204	Stone House	Wong Tai Sin	Grade III	Under the management of the Lands Department/Not open to public
205	Former Royal Airforce Hangar	Wong Tai Sin	Grade III	Under the management of the Lands Department/Not open to public
206	Old Tai O Police Station	Islands	Grade III	Under the management of the Hong Kong Police Force/Not open to public
207	Cheung Chau Government Secondary School	Islands	Grade III	School building/Not open to public
208	Cheung Chau Police Station	Islands	Grade III	Police station
209	Wan Chai Police Station	Wan Chai	Grade III	Police station

Historical Buildings

14. **MISS CHOY SO-YUK** (in Chinese): *President, it has been reported that buildings must be at least 50 years old in order to be considered for classification as historical buildings. As it has only been 48 years since the opening of the Star Ferry Pier in Central in 1958, the Pier is not eligible to be classified as a historical building. However, some members of the public, after looking up the relevant information, have pointed out that in fact the Pier officially opened in 1957. In this connection, will the Government inform this Council:*

- (a) of the minimum years of history required for a building to be considered for classification as a historical building; whether the commencement or completion date of the works concerned or the opening date of the building is used as the basis for calculating its years of history, and whether such calculation method is prescribed in any internal guidelines of the Government; if so, of the details and whether the relevant documents may be made public; if such calculation method is not prescribed in any guidelines, the reasons for that;*
- (b) whether it knows the respective commencement and completion dates of the works for the eastern and western arms of the Star Ferry Pier in Central, and their opening dates; and*
- (c) whether it will reconsider classifying the Star Ferry Pier in Central as a historical building so that it will be protected by the Antiquities and Monuments Ordinance (Cap. 53) (the Ordinance); if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) Pursuant to section 3 of the Ordinance, the Antiquities Authority may, after consultation with the Antiquities Advisory Board (AAB) and with the approval of the Chief Executive, by notice in the Gazette, declare any place, building, site or structure, which the Authority considers to be of public interest by reason of its historical, archaeological or palaeontological significance to be a monument. The minimum years of history of a building is not a statutory requirement for declaration as a monument under the Ordinance.

The AAB has adopted a grading system for assessing the heritage value of historical buildings. The grading criteria comprise a series of factors including the historical significance and architectural merits of the building, and its association with important event(s) and person(s), as well as its social value. The Board will, on the basis of these criteria, assess whether a building qualifies to be a declared monument and may recommend so to the Government. As for the other historical buildings which are not yet qualified to be declared monuments, the Board would rate their heritage values according to the following grading system:

Grade I buildings are those of outstanding merit, which every effort should be made to preserve if possible;

Grade II buildings are those of special merit; efforts should be made to selectively preserve; and

Grade III buildings are those of some merit, but not yet qualified for consideration as monuments. These are to be recorded and used as a pool for future selection.

The grading system, which has no statutory authority, serves as general heritage assessment guidelines for the Board and the Government.

- (b) Construction of the Star Ferry Pier in Central commenced in October 1955 and was completed in March 1957. The pier was opened in December 1957.
- (c) The Government conducted a built heritage impact assessment for the Central Reclamation Phase III (CRIII) in 2001. Having assessed the impact of the CRIII project on the Star Ferry Pier, the report recommended to reprovise the Star Ferry Pier at the new Central Ferry Piers. The Star Ferry Pier is neither a declared monument nor a graded historical building on the basis of its heritage value. As such, it would not be preserved *in situ*. In March 2002, the AAB deliberated on the recommendation of the assessment report and had no objection to the reprovise arrangement. Against this background, we would not reconsider declaring the Star Ferry Pier as a monument under the Ordinance.

We understand that there are views in the community that the Star Ferry Pier should be preserved so as to preserve its collective memory. In the context of the Central Reclamation Urban Design Study undertaken by the Planning Department, the Government would consider, from an urban planning perspective, how to incorporate the special features of the Star Ferry Pier in the design of the new Central harbourfront. In addition, the major features of the Star Ferry Pier have been recorded and stored as 3D images through an advanced laser scanning technology by the Civil Engineering and Development Department. The Antiquities and Monuments Office (AMO), together with other relevant government departments, will be taking photographic record on the structural features of the Pier. The AMO is also exploring whether it is feasible to preserve some of the historical items of the Pier, so that these items may be considered for display in future.

Employers Defaulting on MPF Contributions

15. **MR ALBERT CHAN** (in Chinese): *President, in reply to my written question in October last year, the Government indicated that the Mandatory Provident Fund Schemes Authority (MPFA) had taken a number of measures against employers defaulting on contributions to the Mandatory Provident Fund (MPF). In this connection, will the Government inform this Council whether:*

- (a) *it knows the number of reports received by the MPFA regarding employers defaulting on the MPF contributions in the last financial year;*
- (b) *it knows the respective numbers of warning letters issued and prosecutions instituted by the MPFA in relation to employers defaulting on MPF contributions in the last financial year, and the number of employers convicted; and*
- (c) *it will adopt more measures to deter employers from defaulting on MPF contributions, such as increasing the powers of the MPFA, further stepping up prosecution and increasing penalties; if so, of the details of such measures; if not, the reasons for that?*

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

- (a) In 2005-2006, the MPFA received 7 833 complaints against employers defaulting on MPF contributions (involving about 3 600 employers).
- (b) If a complaint is substantiated after investigation, the MPFA will issue a warning letter to the employer. In 2005-2006, the MPFA issued about 4 000 warning letters in respect of complaint cases.

In 2005-2006, the MPFA applied for issue of 924 prosecution summonses to defaulting employers (involving 168 employers). As at 31 March 2006, 584 summonses were successfully prosecuted, while the remainder were being heard or pending hearing, withdrawn because of service failure, or involved cases in which the employers were acquitted.

- (c) To improve the situation of employers defaulting on MPF contributions, apart from imposing a surcharge at 5% of the default contribution amount on the defaulting employers and instituting criminal prosecutions against them, the MPFA has in recent years further strengthened its enforcement measures against the defaulting employers as follows:
 - (i) Stepping up prosecution against company directors, imposing on them criminal liability for defaulting on MPF contributions, for better deterrent effect. In 2005-2006, the MPFA applied for issue of summonses to 20 directors and two officers-in-charge in total;
 - (ii) Stepping up the imposition of financial penalty on defaulting employers. The penalty may be imposed at the higher of \$5,000 or 10% of the amount in arrears. In 2005-2006, a total of 13 employers were imposed a penalty of \$5,000 each by the MPFA. In 2006-2007, as at October 2006, a total of 44 employers were imposed penalties of amounts varying from \$5,000 to \$44,362;
 - (iii) As for conducting onsite inspections on employers, the MPFA has been strengthening co-operation with the Labour Department and other relevant departments to hold joint

surprise inspections at the workplaces of government contractors to check whether they have enrolled their employees in MPF schemes and made contributions;

- (iv) Depending on the amount of contributions in arrears, the MPFA will make claims to the High Court, District Court or the Small Claims Tribunal on behalf of employees. The total number of claims made to the High Court and District Court in 2005-2006 was 88. The total number of claims made to the Small Claims Tribunal in 2005-2006 was 909. Each of these claims may involve many employees; and
- (v) If a claim is awarded and the defaulting employer has not settled the arrears within the specified period, the MPFA will make an application to the Court requesting a bailiff to seize the company or personal assets of the defaulting employer, or apply to the Court for a garnishee order to freeze the employer's bank account for the recovery of the MPF contributions for the employees. In 2005-2006, the total number of applications for garnishee orders was 126.

Moreover, the MPFA is launching an 18-month public education and publicity campaign starting from September 2006 to ensure that employees' MPF benefits are protected through the two-pronged approach of strengthening enforcement and stepping up education and publicity. The MPFA will review and improve the measures from time to time in the light of operation experience.

Clansmen Associations Registered in Hong Kong

16. **MR CHEUNG HOK-MING** (in Chinese): *President, the board of a clansmen association has related to me that earlier on the police arrested 14 persons who were playing mahjong on the premises of the association. They were subsequently convicted of illegal gambling. A voluntary staff member of the association was even convicted of operating a gambling establishment. The board has also pointed out that those persons were convicted mainly because the Court decided that the donations of money made during the mahjong playing were "game levies". In connection with the clansmen associations registered in Hong Kong and their operation and activities, will the Government inform this Council:*

- (a) *of the number of newly registered clansmen associations in each of the past three years and the up-to-date total number of registered clansmen associations;*
- (b) *of the number of arrests, in each of the past three years, of persons suspected of gambling on clansmen association premises and other private premises, such as other types of clubhouses and residential premises, with a breakdown in table form by the type of premises, together with the following information: the basis of the decisions on the arrests, the number of prosecutions instituted, the judgements given by the Court and the main justifications thereof; and*
- (c) *whether it has studied the social functions of clansmen associations particularly in respect of building a harmonious community; if it has, of the details and results of the study; and whether it has drawn up any guidelines to regulate the operation of clansmen associations and the activities conducted in their premises to enable such associations to perform their social functions and to prevent participants of their activities from breaking the law; if so, of the details of the guidelines; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my replies to the three parts of Mr CHEUNG Hok-ming's question are as follows:

- (a) The term "Clansmen Association" (同鄉會) is not defined under the Societies Ordinance (Cap. 151). For the purpose of this question, of the societies registered under the Societies Ordinance, 133 have the words "Clansmen Association" (同鄉會) in their names. New registration of societies, with the words "Clansmen Association" (同鄉會) in their names, in the past three years is as follows:

2004	13
2005	20
2006 (as at November 2006)	23

Clansmen associations can also be registered as limited companies under the Companies Ordinance (Cap. 32). Of the existing companies registered under the Companies Ordinance, 253 have the words "同鄉會" (clansmen association) in their Chinese names. New registration of companies, with the words "同鄉會" in their Chinese names, in the past three years is as follows:

2004	10
2005	8
2006 (as at 5 December 2006)	8

- (b) Statistics on police enforcement against unlawful gambling establishments in the past three years is as follows:

	2003	2004	2005
No. of Successful Raids	156	252	269
No. of Persons Arrested	2 295	3 275	2 678

The police do not maintain breakdown of cases by types of premises. The police will investigate all allegations and reports of illegal gambling activities. Where sufficient evidence exists, the police will carry out raids, arrest and prosecute those involved in unlawful gambling activities.

Statistics on the prosecutions and convictions relating to the offence of "Gambling in an unlawful gambling establishment" in the past three years is as follows:

<i>Conclusion date</i>	2003	2004	2005
No. of defendants prosecuted	1 711	2 329	2 194
No. of defendants convicted	1 637	2 321	2 187

Note: The above figures represent the number of prosecutions and convictions in the relevant years. Some of the cases may have taken place in earlier years.

- (c) Fostering harmony in the community requires the concerted effort of the Government, community organizations and the general public. In this respect, the Government cherishes partnership with different organizations and sectors of the community (including clansmen associations). Through the community building process, the parties concerned help promote a sense of friendship, care, respect and mutual support.

Clansmen associations are registered private organizations or companies. Like other registered private organizations or companies, clansmen associations have to ensure that activities inside their premises are lawful and legitimate in the pursuit of the associations' objects. Hence, other than the relevant legislation, there is no other government guideline governing activities in clansmen associations' premises.

Protection of Personal Data of Public

17. **MR SIN CHUNG-KAI** (in Chinese): *President, in view of the recent cases in which the personal data of members of the public have been leaked by government departments and public bodies, will the Government inform this Council:*

- (a) *of the measures currently adopted by the Information Security Management Committee (ISMC) and the Information Technology Security Working Group, so as to ensure that various Policy Bureaux and government departments comply with the information technology (IT) security policies and guidelines formulated by the Government Chief Information Officer;*
- (b) *whether it has assessed if the above measures can effectively enhance the information protection capabilities within the Government; if it has, of the assessment results; if not, the reasons for that;*
- (c) *whether it has assessed the overall information protection capabilities of Policy Bureaux, government departments and public bodies; if it has, of the results; if not, whether it plans to make such assessment; if so, of the relevant details;*
- (d) *whether it will consider extending the scope of application of the IT security guidelines to all public bodies to protect the personal data of members of the public; and*
- (e) *whether it plans to allocate additional resources, including funding for information security projects and investment in hardware to improve the information protection capabilities of Policy Bureaux, government departments and public bodies?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): *President:*

- (a) The ISMC and the Information Technology Security Working Group were established to oversee information security within the Government. The ISMC has formulated and promulgated comprehensive IT security policies, procedures and guidelines that all bureaux and departments (B/Ds) are required to comply with.

In ensuring their compliance with information security requirements, B/Ds are required to conduct information security risk assessment and review their information systems regularly. On the handling of information security incidents, the Government Information Security Incident Response Office (GIRO) provides central advice and co-ordination to B/Ds whereas individual B/Ds are required to appoint a senior officer to be the Departmental Information Security Officer (DITSO) to take charge of the overall information security management and operation of the department. In addition, each department has to set up an Information Security Incident Response Team (ISIRT) to deal with security incident reporting and response matters.

- (b) The Office of the Government Chief Information Officer (OGCIO) works closely with relevant B/Ds on information security matters, and regularly reviews the Government's related regulations, policies and guidelines to keep them in pace with the advancement of technology and the development of international and industry best practices. Besides, an annual information security survey is conducted on B/Ds, which has enabled us to keep in view of the implementation of IT security measures by the departments as well as provided necessary input for us to continuously enhance the information security management framework and technical measures being deployed. These procedures and measures have proven to be effective in enhancing the overall security status of B/Ds.
- (c) An annual information security survey is conducted on B/Ds to enable us to keep in view of the implementation of IT security measures by the B/Ds and the recent one was completed in July 2006. In March 2006, the OGCIO also conducted a survey through B/Ds regarding the information security protection measures implemented by major public organizations under their purview. B/Ds have reported that the organizations have adopted various measures to protect themselves against information security threats.

In August 2006, the OGCIO solicited the assistance of B/Ds to conduct another survey on the information security status of public organizations which B/Ds have purview over. A report on information security covering the overall security status of the B/Ds and public organizations has been produced and will be tabled at the

Legislative Council Information Technology and Broadcasting Panel meeting to be held on 11 December 2006 for discussion.

- (d) The OGCIO has advised B/Ds to encourage public organizations under their purview to adopt the information security guidelines where applicable. These guidelines are publicly available for access on the information security website (<www.infosec.gov.hk>). Moreover, we will co-operate with the Privacy Commissioner's Office and relevant industry bodies in promoting the importance of personal data privacy protection.
- (e) B/Ds are responsible for implementing and enhancing their information security and may apply for funding for information security projects through the existing funding procedures. The capital expenditures for projects to review and enhance information security are chargeable to CWRP Head 710 Computerization. Regarding the public organizations, they are responsible for their own investment, resources and funding on information security matters.

Residential Property Rates

18. **MR FREDERICK FUNG** (in Chinese): *President, regarding rates of residential properties, will the Government inform this Council:*

- (a) *of the following statistics in each of the financial years 2005-2006 and 2006-2007:*

<i>Monthly rateable value of residential units</i>	<i>Number/estimated number of units and its percentage in the total number of units</i>		<i>The amount/estimated amount of rates collected and its percentage in the total amount of rates revenue</i>	
	<i>number</i>	<i>%</i>	<i>\$</i>	<i>%</i>
<i>below 5,000</i>				
<i>5,000 to 5,999</i>				
<i>6,000 to 6,999</i>				
<i>7,000 to 7,999</i>				
<i>8,000 to 8,999</i>				
<i>9,000 to 9,999</i>				
<i>10,000 to 10,999</i>				
<i>11,000 to 11,999</i>				

<i>Monthly rateable value of residential units</i>	<i>Number/estimated number of units and its percentage in the total number of units</i>		<i>The amount/estimated amount of rates collected and its percentage in the total amount of rates revenue</i>	
<i>12,000 to 12,999</i>				
<i>13,000 to 13,999</i>				
<i>14,000 to 14,999</i>				
<i>15,000 to 19,999</i>				
<i>20,000 to 29,999</i>				
<i>30,000 or above</i>				

- (b) *whether it has studied if the existing arrangement of applying a rates charge of 5% across the board is in line with the "ability to pay" principle; if it has, whether it has made reference to the arrangements in other countries in the course of the study, and of the results of the study; if no study has been conducted, whether it will conduct such a study; and*
- (c) *whether it will consider studying the implementation of the proposal to introduce a progressive scale of rates charges (that is, the rates charges will be progressively increased according to the monthly rateable values of residential properties); if it will, of the details; if not, the reasons for that?*

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

- (a) Because of addition and deletion of assessments, the number of residential properties liable to rates in a year varies from time to time. As such, we only list out the number of properties according to their respective ranges of annual rateable values and their percentage shares in the total number of properties as at 1st of April 2005 and 2006. The relevant statistics are shown in Annex 1 and Annex 2. Besides, the Rating and Valuation Department does not categorize the actual/estimated annual rates received according to the rateable values of properties. As rates exemption or concessions may be granted to properties during a year, and the rates revenue in a particular year may include recovered rates and surcharge from previous years, it would be difficult to determine precisely what percentages of the total rates revenue in a year was contributed by properties of different rateable values respectively.

(b) and (c)

Under the existing system of levying rates by applying a flat rate on the rateable value of properties, the higher the rateable value of a property, the higher will be the amount of rates payable. Therefore, the existing mechanism has already reflected the affordability of different ratepayers. This mechanism adheres to the principle of affordability and keeps our tax system simple.

We from time to time review all kinds of taxes, including rates, to see how our taxation system could be further improved. In the course of that, we also take into account the practices in other jurisdictions. In considering any changes to the current system, we adhere to the principle of maintaining a simple and low tax regime.

Annex 1

Rates payable on domestic premises as at 1 April 2005

<i>Annual Rateable Value⁽¹⁾</i> <i>(\$)</i>	<i>No. of Premises⁽²⁾</i>	<i>% of the Total</i>
3,001 – 59,999	1 690 855	74.9%
60,000 – 69,999	158 953	7.0%
70,000 – 79,999	93 078	4.1%
80,000 – 89,999	66 932	3.0%
90,000 – 99,999	44 863	2.0%
100,000 – 119,999	49 736	2.2%
120,000 – 139,999	32 715	1.4%
140,000 – 159,999	22 874	1.0%
160,000 – 179,999	16 663	0.7%
180,000 – 199,999	11 357	0.5%
200,000 – 249,999	22 335	1.0%
250,000 – 299,999	14 034	0.6%
300,000 – 349,999	8 027	0.4%
350,000 – 399,999	4 988	0.2%
> = 400,000	19 442	0.9%
Total	2 256 852	100.0%

Notes:

- (1) Premises with an annual rateable value of \$3,000 or below are exempted from rates payment.
- (2) The number of properties includes private residential properties and public rental housing units.

Rates payable on domestic premises as at 1 April 2006

<i>Annual Rateable Value⁽¹⁾</i> (<i>\$</i>)	<i>No. of Premises⁽²⁾</i>	<i>% of the Total</i>
3,001 – 59,999	1 621 681	71.1%
60,000 – 69,999	172 872	7.6%
70,000 – 79,999	109 278	4.8%
80,000 – 89,999	72 931	3.2%
90,000 – 99,999	54 402	2.4%
100,000 – 119,999	69 891	3.1%
120,000 – 139,999	39 144	1.7%
140,000 – 159,999	26 178	1.1%
160,000 – 179,999	20 331	0.9%
180,000 – 199,999	14 405	0.6%
200,000 – 249,999	23 918	1.0%
250,000 – 299,999	16 999	0.7%
300,000 – 349,999	10 347	0.5%
350,000 – 399,999	6 584	0.3%
> = 400,000	23 219	1.0%
Total	2 282 180	100.0%

Notes:

- (1) Premises with an annual rateable value of \$3,000 or below are exempted from rates payment.
- (2) The number of properties includes private residential properties and public rental housing units.

Indecent Assault Cases on Public Transport

19. **MR LAU KONG-WAH** (in Chinese): *President, regarding the indecent assault cases on public transport, will the Government inform this Council:*

- (a) *of the respective numbers of relevant reports received by the police and relevant persons convicted in each of the past two years, with a breakdown by the mode of public transport;*
- (b) *whether there are new measures to combat the crime; and*
- (c) *whether it will consider drawing reference from the practices in other places to prevent such crime and studying the feasibility of designating women-only compartments for rush hours?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The number of reported indecent assault cases on public transport received by the police in the past two years, with breakdown by the mode of public transport, is as follows:

<i>Mode of public transport</i>	<i>2004</i>	<i>2005</i>	<i>2006 (January to October)</i>
Bus	80	82	58
Mass Transit Railway (MTR)	39	33	29
Kowloon-Canton Railway (KCR) (including East Rail, West Rail, Ma On Shan Rail and Light Rail)	16	14	19
Public light bus	15	19	8
Others (for example, ferry, tram, and so on)	8	16	11
Total	158	164	125

During the first 10 months of 2006, the number of indecent assault cases occurring on public transport (125 cases) recorded a 10.1% decrease, compared with the number of the same period last year (139 cases).

The number of persons convicted in the cases concerned is as follows:

<i>Mode of public transport</i>	<i>2004</i>	<i>2005</i>	<i>2006 (January to October)*</i>
Bus	42	37	8
MTR	18	10	2
KCR (including East Rail, West Rail, Ma On Shan Rail and Light Rail)	3	5	1
Public light bus	6	12	1
Others (for example, ferry, tram, and so on)	4	5	1
Total	73	69	13

* Only conviction figures of persons concerned between January and June 2006 are available in the latest statistics.

- (b) In response to the trend of the crime in question, the police will formulate corresponding crime-combating measures, including organizing anti-crime publicity campaigns regularly, enhancing uniform police patrols (including patrols within railway premises), planning intelligence-led operations by plainclothes officers, and immediate handling of reports by carrying out investigation and prosecution against arrested persons.

We understand that, at present, the operators of major modes of public transport (including franchised buses and ferries) have provided in their training courses guidance for their staff (for example, inspectors, bus captains and masters, and so on) on actions that should be taken to deal with unforeseen incidents (such as indecent assault cases). At the same time, they have also drawn up guidelines under which the staff have to monitor the situation of the passengers inside vehicle compartments or ferry cabins from time to time, and render assistance to passengers or request for the police's assistance when necessary.

All major public transport operators in Hong Kong will continue to ensure passenger safety, and will work closely with the police to combat crimes on public transport.

- (c) Apart from the police's actions referred to in part (b) above, we understand that, at present, both railway corporations (MTR Corporation Limited and Kowloon-Canton Railway Corporation) deploy staff to man and patrol the stations to keep surveillance on the situation in the stations and provide assistance to passengers, as well as to monitor the situation in the stations through close-circuit television systems. During peak hours, the two railway companies will also deploy staff at the platforms to assist boarding and alighting passengers. In addition, emergency alarm buttons or communication devices have been installed in all train compartments of both railway corporations to allow passengers to communicate with train drivers in case of emergency, so that the railway companies can deploy staff to render assistance and report the case to the police.

Both railway corporations have also taken into account overseas experience in their consideration as to whether women-only compartments should be designated. The views of the corporations

are that due to the walk-through design of the trains in Hong Kong, the establishment of designated women-only compartments will reduce the flexibility of passengers moving between train compartments and have practical enforcement difficulties in controlling passengers from moving between train compartments. Owing to these difficulties in railway operation, and given that the two railway corporations have already adopted the abovementioned measures to ensure the safety of passengers including female passengers, they have indicated that at present they do not have plans to carry out such arrangements.

The Administration will continue to urge the major public transport operators to adopt all reasonable and practicable measures at all times to prevent any crime from happening.

Resignation of Independent Non-executive Directors of Listed Companies

20. **MS EMILY LAU:** *President, there are no rules or regulations prohibiting independent non-executive directors (INEDs) of a listed company from resigning just before the company announces that it is facing financial difficulties or requiring them to disclose their reasons for resignation to the shareholders and the public. In this connection, will the executive authorities inform this Council whether it knows:*

- (a) the number of cases in the past three years in which INEDs resigned within one month before the company concerned announced that it was facing financial difficulties;*
- (b) if the relevant authorities plan to review the current situation in which INEDs are not required to disclose their reasons for resignation to shareholders and the public; and*
- (c) if the relevant authorities plan to strengthen the role of INEDs in order to better protect the interests of small investors?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY: President, the Listing Rules of the Stock Exchange of Hong Kong Limited (SEHK) provide that the board of directors of a listed issuer is collectively responsible for the management and operations of the listed issuer. The SEHK

expects the directors, both collectively and individually, to fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. It means that every director must, in the performance of his duties as a director:

- act honestly and in good faith in the interests of the company as a whole;
- act for proper purpose;
- be answerable to the listed issuer for the application or misapplication of its assets;
- avoid actual and potential conflicts of interest and duty;
- disclose fully and fairly his interests in contracts with the listed issuer; and
- apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the listed issuer.

The above requirements also apply to INEDs.

In the case of wilful or persistent failure of a director to discharge his responsibilities under the Listing Rules, the SEHK may impose sanctions on him, such as issuing a public statement which involves criticism or a public censure, and so on.

- (a) Commonly, where there is a material change in a listed company's financial position and it cannot adequately clarify its financial position, the company may initially request a suspension in dealing in its securities. The company will then remain suspended pending such clarification.

Over the last three years, there were 52 listed companies that were suspended were in financial difficulties. In respect of five of these companies, at least one INED of each company resigned within one month before the date of suspension, and in respect of 10 of the 52 companies, at least one INED of each company resigned within one month after the date of suspension.

- (b) The Listing Rules do require publication of reasons for director's resignations. Specifically, they require that an issuer announces changes in its directorate as well as "the reasons given by the director or supervisor for his resignation (including, but not limited to, any information relating to his disagreement with the board and a statement as to whether or not there are any matters that need to be brought to the attention of holders of securities of the issuer)".

The Listing Rules also require, in respect of all announcements, that:

- (i) the information contained in the document must be accurate and complete in all material respects and not misleading or deceptive; and
- (ii) the issuer must not "omit material facts of an unfavourable nature or fail to accord them with appropriate significance".

Additionally, the Listing Rules require that all directors give the SEHK an undertaking in the prescribed form (the Director's Undertaking). The Director's Undertaking provides that a director must use his best endeavours to procure the issuer's compliance with the Listing Rules including the issuers' obligation to disclose reasons for the director's resignation.

Members may wish to note that these Listing Rule requirements go further than the requirements in the United Kingdom, Australia and Singapore. In those jurisdictions, neither the law nor the Listing Rules requires announcement of directors' reasons for resignations.

The SEHK is considering issuing guidance aimed at clarifying the SEHK's expectations pursuant to the relevant requirements in the Listing Rules.

- (c) The SEHK is continually undertaking initiatives to enhance the standards of corporate governance amongst issuers in Hong Kong. Specifically, between 2002 and 2004, the Exchange conducted an extensive consultation aimed at bringing the Listing Rules up to best international practices, whilst taking into account the circumstances in Hong Kong. The SEHK sought to strike a right balance between commercial practicality and protection of investors.

The review resulted in extensive Listing Rule amendments relating to the role of INEDs and the promulgation of a new Code on Corporate Governance Practices (the Code). The Code requires that every director should ensure that he can give sufficient time and attention to the affairs of the listed company and should not accept the appointment if he cannot do so.

The SEHK also specifies in the Code that every newly appointed director should receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such professional training as is necessary, to ensure that he has a proper understanding of the operations and business of the listed company and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the company.

The SEHK has been monitoring implementation of the new Code and the amended Listing Rules. Now that they have been in force for about 18 months, the SEHK is considering whether further guidance or enhancements should be made.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill. We now resume the Second Reading debate on the Prevention of Cruelty to Animals (Amendment) Bill 2006.

PREVENTION OF CRUELTY TO ANIMALS (AMENDMENT) BILL 2006

Resumption of debate on Second Reading which was moved on 5 July 2006

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, a member of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

MR LEE CHEUK-YAN (in Cantonese): President, I report to this Council the deliberations of the Bills Committee on Prevention of Cruelty to Animals (Amendment) Bill 2006.

The Bills Committee held five meetings, received 63 written submissions and met with 13 organizations and five individuals. While all the organizations and individuals who have submitted views to the Bills Committee welcome the proposals contained in the Bill to increase the penalty for cruelty to animal offence, the majority of them consider the proposed levels insufficient to achieve deterrent effect. The Bills Committee has made reference to the penalties for similar offences in overseas countries, including the United States, the United Kingdom, Canada, Australia, New Zealand, Japan and Singapore. The maximum fine for cruelty acts to animals in these countries ranges from around \$38,000 to \$290,000, and the maximum period of imprisonment from six months to five years.

We note the Administration's explanation that the proposed maximum fine of \$100,000 and maximum imprisonment for one year in the Bill are in line with the penalties for cruelty acts in other developed countries. However, we are not convinced that the proposed levels reflect adequately the severity of animal abuse nor achieve the intended deterrent effect. Members of the Bills Committee are unanimously of the view that heavier penalties should be provided for an aggravated offence. The Bills Committee has proposed to the Administration a maximum fine of \$250,000 and imprisonment for three years for an aggravated offence.

The Administration has explained to the Bills Committee that the addition of an aggravated offence is not necessary or desirable as the appropriate sentence of a case should be left to the Court. The Bills Committee accepts this explanation. To address members' concern, the Administration proposed to raise the maximum fine to \$200,000 and the maximum imprisonment to two years in the principal Ordinance. It also proposed to increase the maximum fine in the Regulations from \$25,000 to \$50,000.

The Administration's proposal in respect of the maximum fine in both the Ordinance and the Regulations was agreeable to members. However, members maintained the view that the maximum imprisonment should be three years. We are glad that the Administration eventually accepted our proposal. The Administration will later on move Committee stage amendments to put into effect our agreed maximum fines and imprisonment terms.

President, I wish to stress that raising the penalty is only one of the measures to combat cruelty acts to animals. We need a comprehensive review of not only the Prevention of Cruelty to Animals Ordinance but also all other related laws. Many of these laws were enacted decades ago and their provisions are no longer in line with the present-day value towards animals. The Bills Committee is pleased that the Administration has undertaken to conduct a comprehensive review of all the laws related to animals and report the outcome to the Panel on Food Safety and Environmental Hygiene in one year's time.

Finally, I would like to take this opportunity to thank the animal welfare groups which have taken a keen interest in the Bill and put forth their views to us for consideration. May I also thank members of the Bills Committee and the Administration for their efforts in scrutinizing the Bill expeditiously and successfully.

With these remarks, I hope Members will support the Bill.

President, may I state my own position on the Bill?

President, the Bill is actually focused on discussing the issue of penalties for cruelty to animals. As pointed out by me on behalf of the Bills Committee earlier, the Government has finally taken on board the unanimous message and views of the Committee, that cruelty to animals can no longer be tolerated in Hong Kong society. Therefore, the Government has eventually acted in compliance with the aspiration of the people. This represents yet another example of the harmonious relationship between the executive and the legislature and the Government's willingness to listen to public opinions. I also have to make it clear that the Secretary has really discussed with us and the consensus eventually reached between both sides is what society is pleased to see. President, despite some "hiccups" in the course of discussion, with the Secretary warning that the Bill would be withdrawn should certain proposals be rejected by the Bills Committee, a consensus was ultimately reached fortunately, for the Secretary did not really act in that way.

We very much hope to, through the consensus reached on this occasion and increasing penalties, especially raising the maximum imprisonment to three years, bring home to the public the strong message that cruelty to animals cannot be tolerated. I consider this a vital component of life education. President, I believe Members have had the experience of presuming that small children find it

fun to throw stones at cats and dogs. What respect will these children have for life when they grow up? Will their practice of animal abuse continue when they grow up? I very much worry that the community at large, in such an atmosphere and coupled with our failure to deter such acts, will suffer terribly in life education.

I recall someone offered some interesting observations during the scrutiny of the Bill. Not only has he done a great deal of research in this area, he has also made a lot of efforts in studying the profiles of serial killers in the United States and found that a lot of serial killers began with animal abuse. Therefore, if we put it in a bit more exaggerated manner, the clear message issued to the public is that animal abuse is wrong and deterring animal abuse may even prevent the emergence of serial killers in the future. Of course, I have no idea if there is really such a direct correlation between the two. However, he has provided abundant evidence and his past observations of the United States in this area have reflected such a trend. Therefore, President, I very much hope to bring the attention of Hong Kong people back to life education through this amendment exercise.

I hope the Secretary will continue to follow up another important point, that is, carrying out a comprehensive review of laws. President, insofar as this point is concerned, the Secretary has undertaken to complete the review in a year's time and expressed his hope to consult all animal welfare organizations during the same period to facilitate the review given that many of the laws are already outdated. For instance, I recall the mention during the scrutiny of the Bill of a case involving a dog being thrown from a height. However, the party concerned was eventually prosecuted for criminal damage rather than cruelty to animal. There were two reasons. First, the penalty for criminal damage was higher, which was understandable. However, another reason given by the prosecutor was that it was not known whether the dog thrown onto the street had been frightened and whether the act had constituted abuse. In other words, such an act was not an abuse. It was extremely ridiculous that the prosecution was initiated on the ground of criminal damage rather than under the provisions concerning animal abuse. The legislation was thus evidently flawed.

There is one more point in the legislation to which I hope the Secretary can pay more attention and that is, negligence causing unnecessary suffering to an animal is considered neither cruelty nor abuse. Likewise, acts of abandoning animals, negligence causing animals to starve or failure to provide animals with

proper food are not considered acts of animal abuse. All this warrants review. If these acts of abuse are not included in the legislation, no penalties will be provided. Furthermore, killing an animal is not considered an act of abuse if it cannot be proved that the animal suffered while being killed as it may be administered hypnotics before the kill. I earnestly hope that the Administration can expeditiously carry out a comprehensive review of the details of these provisions to enable these outdated provisions to keep pace with the values of present-day society. I also hope that society can adopt "zero tolerance" towards cruelty to animals.

Thank you, President.

MS AUDREY EU (in Cantonese): President, the laws in every country or place can actually reflect local civilization and preferences of value. The provisions under discussion concern not only animals, but also life. This explains why, during the scrutiny of the Bill, a number of Members and organizations attending meetings of the Bills Committee greatly emphasized that we were actually discussing our respect for and solemn attitude towards life.

On the treating of animals, it is very disappointing that many cases of animals abused by humans have been reported in Hong Kong. Actually, Members can read from newspapers about numerous cases in the territory in which animals were brutally treated. Though I am not going to repeat them here, people paying some attention to local newspapers will have read about many such horrifying and appalling cases.

Here I wish to thank a number of independent persons, non-government organizations and animal lovers for their perseverance in, starting from early this year, taking a series of actions in street processions, email, protests and such activities as gatherings and candlelight vigils to urge the Government to amend this piece of obsolete legislation to at least increase the penalty for cruelty to animals.

In the middle of this year, Ms Margaret NG asked a relevant question but the Government's response at that time was very cold, feeling that the issues involved were not very serious. Several months later, however, the Government suddenly — to our delight — indicated that this Bill would be tabled. The Bill is actually very simple in the sense that only a small

improvement is intended to be made to increase the existing penalty from a fine of \$5,000 to \$100,000 and a term of imprisonment of 12 months.

After the tabling of the Bill, however, a number of Members, non-government organizations, independent persons and animal welfare organizations found the Bill insufficient and requested that the maximum penalty be raised to imprisonment for five years. As for fines, they did not have too strong an opinion. They merely felt that, in order to achieve deterrent effect, an imprisonment term of five years would be required. A number of organizations have expressed their views on this issue. After listening to these views, Members of this Council lobbied the Government and requested that the term of imprisonment originally proposed in the Blue Bill be raised from one year to three years.

President, there has indeed been a great consensus among Members in discussing this issue at meetings held by the Bills Committee. At one stage, we even suggested that amendments be proposed by Members. After repeated discussions, the Government proposed to raise the penalty to a fine of \$200,000 and imprisonment for two years at the most and no further. In attending the meetings, the authorities even threatened us that the Government would withdraw the Bill should we persist in proposing Committee stage amendments. We were really shocked at that time for all political parties were unanimous in their stand. Even animal welfare organizations and individuals in attendance at Bills Committee meetings were unanimous in their stand and agreed reducing the term of imprisonment from five years to three. They asked why the Government seemed like bargaining in the market. We were really puzzled for we were discussing care and respect for life.

The Government has explained to us that as assaulting police officers attracts a maximum imprisonment term of three years, it is therefore impossible to impose the same term of imprisonment for animal abuse. We told the representative of the authorities that the two were different and should not be compared in the same light because, should someone cause serious bodily harm to a policeman, more stringent legislation could be invoked to deal with that person and he could even be sentenced for murder or manslaughter. Speaking of animal abuse, however, only this piece of legislation can be invoked even if an animal is abused to death or subject to prolonged abuse. Therefore, the analogy is simply inappropriate.

Furthermore, we can see from many cases that animal abuse in Hong Kong is extremely serious. We should take account of the local situation when considering passing legislation and increasing penalties in Hong Kong. Compared with other countries, the penalty in Hong Kong is not considered the most stringent, even if a term of imprisonment of three years is imposed. According to the information provided to us by the Government and some organizations, some places and Hong Kong are comparable in terms of the levels of requirement.

President, we were quite frustrated at that stage. It was good that the animal welfare organizations were very persistent. Insisting on an imprisonment term of three years, they had even written to the Government and staged a candlelight vigil in short notice. The work of Members of this Council was thus made easier, for our views in this respect were consistent.

There is one more request I wish to make. I hope the Government can conduct a comprehensive review in many other areas within a year. President, the whole matter is like removing a tooth. The Government will initially say that it will try its best and act as promptly as possible, and yet it cannot say when its mission can be accomplished. This is actually a very simple matter, and our request is most reasonable too. Insofar as this issue is concerned, many organizations had already offered their views to the Government previously. Why can the Government not conduct a comprehensive review of all ordinances concerning the welfare or treatment of animals within a year? Fortunately, the Government finally changed its mind on these two points, and we managed to reach a consensus.

As stated by Mr LEE Cheuk-yan earlier, we are actually very pleased as it is indeed unnecessary for the relationship between the executive and the legislature to become so tense as if they are always in confrontation. Frankly speaking, if Members do not have the support of public opinion or persist, it is simply impossible for them.....being elected representatives, we simply cannot act according to our own wishes by doing things the public do not want or like. Sometimes, why do we have to persist? We are not opposing for the sake of it. Neither do we like to act against the Government. There is actually such a need. I am very pleased that the Secretary has eventually agreed to two points: First, to increase the penalty to imprisonment for three years; and second, as I pointed out earlier, to increase the level of fine to \$200,000. Furthermore, the

Government has also agreed to review within a year all ordinances concerning treatment of animals. I know that the Secretary will make this commitment when he speaks later at the resumption of the Second Reading debate.

President, I also wish to raise the point that it is already an offence for anyone to abandon or desert an animal wrongfully. This is already provided clearly in section 22 of the Rabies Ordinance (Cap. 421), only that many people are not aware of it. At present, television publicity has often failed to mention this in particular. It is merely said that careful consideration must be given before adopting an animal or keeping a pet. No mention has been made of the fact that abandoning an animal wrongfully already constitutes a criminal offence. We hope the Government can highlight this point in conducting publicity to ensure that everyone gets an even better understanding of animal welfare.

President, I still have to raise another issue concerning law enforcement. Even if we work very hard to lobby the Government to raise penalties, our efforts will be futile without enforcement. According to the figures provided by the police, there were only nine prosecution cases in 2005, and only two in 2004. The prosecution figures were extremely low indeed. However, we can read numerous animal abuse cases in newspapers, with some of them probably involving repeated offenders. This explains why I earnestly hope that the Government will not merely pass the Bill, but also increase the penalty and make more efforts in law enforcement by really using the legislation as a yardstick to measure respect for life and reflect the civilization of Hong Kong society.

We have also discussed the point in the Bills Committee that, very often, people committing acts of cruelty to animals might probably be sick. Therefore, in addition to considering imposing sentences like imprisonment or a fine, other penalties imposed in civilized societies should also be considered. For instance, the offenders might be required to receive certain treatment or prohibited from keeping animals in the future. Of course, this is outside the scope of the Bill today because the Government's stance is to have the Bill passed expeditiously. It is the unanimous wish of all Members to have the Bill passed expeditiously too. However, we hope the Government can consider the issues in every way when conducting a comprehensive review at the next stage.

Lastly, President, I would like to thank the Government. Although there have been some hiccups, as stated by Mr LEE Cheuk-yan earlier, the Government has still finally managed to reach a unanimous view with Members

and non-government organizations. I am very grateful to the Secretary too. Thank you, President.

MISS CHOY SO-YUK (in Cantonese): President, the existing policies relating to animal rights are full of flaws and loopholes. If I remember it correctly, the scope of the Bill merely focuses on increasing the penalty under Cap. 169 to clamp down on acts of cruelty to animals, which are far from the tip of the iceberg. Therefore, the Bill, even if passed today, merely represents a first insignificant step towards improving policies on animal rights.

While I sincerely thank the Secretary for eventually taking on board the views put forward by animal rights concern groups and Members of this Council to raise the maximum penalty for cruelty to animals to a fine of \$200,000 and imprisonment for three years, it is most important that the Government can expeditiously conduct a comprehensive review while enforcing the legislation. I hope the Secretary can undertake in his speech later, as the Government's commitment made during the scrutiny of the Bill, to carry out a comprehensive and thorough review of the issue of animal welfare in a year's time.

Actually, after years of repeated discussions among animal welfare organizations, the Government should know very well the needs in this respect and the relevant proposals. I believe the Government should have acquired all the relevant information, and there is no need for extensive consultation and study. What is most needed now is the Government's willingness to demonstrate its sincerity and determination in implementing the proposals. I will give a brief account on the requests and proposals of various organizations later on.

President, animal welfare policies are at present scattered in different laws. Besides the Bill under examination today, there are at least six or seven relevant pieces of legislation, such as the Public Health (Animals and Birds) (Animal Traders) Regulations, the Rabies Ordinance, and the Animals (Control of Experiments) Ordinance, and many of them are already outdated. Let me cite a simple example concerning abandonment of animals, as has been mentioned by Ms Audrey EU earlier. Abandoning animals should be considered cruelty to animals as the act of abandonment will directly cause unnecessary pain to the abandoned animals which might even die due to lack of care. However, abandonment of animals is not covered by the Bill today.

Instead, such an act is governed by the Rabies Ordinance. The fact that the maximum fine remains unchanged at \$10,000 makes it difficult for efforts to clamp down on abandonment of animals to achieve a deterrent effect. A comprehensive review is therefore urgently required to, on the one hand, make other pieces of legislation to keep pace with the times and on the other, align the penalties in different laws to achieve consistency in order that potential loopholes can be plugged.

Apart from the need to restore legislation to order, I hope the Government can expeditiously address and revise certain long-standing practices which are extremely unreasonable. For instance, the Agriculture, Fisheries and Conservation Department (AFCD) will seek to identify the owner of an abandoned dog from its chip. However, if the owner makes up excuses and insists on not to recover his or her dog, the AFCD will generally not pursue the case any further and dispose of the dog on its own. On the contrary, when some responsible dog owners show up to reclaim their dogs, the AFCD will charge them hundreds of dollars a day. Such arrangements will not only deal a blow to law-abiding pet guardians, but also connive at, or even encourage, their defiance of the law by simply acting irresponsibly.

Furthermore, the places where abandoned animals are kept are seldom open for public inspection. There is no way for the public to know the hygiene conditions therein, the suitability of the environment, and whether weak and sick animals are given proper medical care, not to mention monitoring. As members of the public are encouraged to treat animals properly, the Government should take the lead by enhancing transparency in the abovementioned places to facilitate public monitoring.

In the final analysis, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) considers that, of the various animal welfare policies, it is most crucial to effectively control the number of stray animals. While cats and dogs being abused in a cold-blooded manner deserve our sympathy, it is even more imperative for us to expend more energy to stop the "unseen slaughter" in which nearly 20 000 stray animals a year are, for one reason or another, put down by the authorities silently and legitimately.

In my opinion, the problem is generally attributed to four factors: First, laws and regulations governing import of animals are too loose. Except for dogs, other animals are not required to be registered, not to mention being

subject to import restrictions. Second, the "catch and put down" approach adopted by the AFCD to control stray cats and dogs is ineffective. Third, although abandonment of animals is unlawful, the absence of a registration system makes tracking and production of proof difficult. Fourth, the chances of animals being abandoned naturally surge because of a severe lack of publicity and education and the failure of members of the public to give serious consideration before keeping animals.

Are we really so helpless? This is actually not the case. Actually, there is already a proposal. It merely hinges on, as I pointed out just now, whether the Government is willing and has the sincerity to put it into implementation. A long time ago, animal welfare organizations proposed to tackle the matter at source by putting the number of animals under total control. First of all, the policy of importing animals must be reviewed to establish a tracking system while monitoring the quarantine of animals with a view to accurately assessing the number of local animals and tracking their origins, that is, the origins of stray animals. Furthermore, a comprehensive registration system for animals should be implemented to extend the existing practice of requiring licences for dogs to other animals generally kept. In other words, in addition to dogs, other animals have to be registered as well. In the meantime, economic incentives should be offered to encourage pet guardians to carry out sterilization to their pets by, for instance, charging sterilized animals a mere one tenth of the registration fee, offering inexpensive or subsidized de-sexing services for animals, and so on, in order to stop the number of animals in Hong Kong from rising.

As for control of stray cats and dogs, the AFCD should make reference to the "catch-sterilization-release" approach, which has been proven effective abroad and used by animal welfare organizations on stray cats and dogs, and extend the approach to cover stray dogs in addition to cats. Actually, the approach was tested on stray cats as early as the year 2000 and has proven to work satisfactorily. The number of stray cats on Lamma Island has continued to drop in five years to less than half of their original number. The effect has been obvious when compared to the increasing number of dogs not subject to this procedure. The AFCD is simply required to authorize certain animal welfare organizations to apply the same approach to dogs. It is estimated that the cost of implementing this practice is even less than the \$30 million a year spent on "catching-putting down" animals.

President, we also propose that people keeping dogs to guard construction sites should be strictly required to register with the AFCD, and the dogs should

be properly kept in other places upon the completion of construction works to eliminate one source of stray dogs. Meanwhile, the Government should set up an "animal welfare fund" to offer financial assistance to assist more animal welfare organizations in promoting animal welfare.

President, there is one more point I wish to raise. Under the existing legislation, report of knocking down of cows or goats by vehicles must be made to the police, but cats and dogs are exempted. As a result, slightly injured cats and dogs might eventually die because they are not detected. Some guardians might even be unaware that their cats and dogs have been lost or knocked down, and hence it is virtually impossible for them to recover their cats and dogs. For this reason, I hope the Government can expeditiously review the relevant legislation.

To sum up, to promote Hong Kong as a modern city that truly cares for animals, we actually still have a long way to go. We have only taken a small step today. It is the hope of the DAB that the Bill can be passed today and that we embark from this starting point on the long road ahead from today onwards.

With these remarks, President, I support the Bill.

MS MIRIAM LAU (in Cantonese): Last month, Madam President, a five-month-old stray cat was found dead, with its head severed, under a tree on a slope near Old Main Street Aberdeen. In August this year, a seriously injured three-month-old chow chow was found abandoned on a river bank in Ngan Sin Wan, Lantau (sic), with its right front leg almost chopped off and the bones of its hind legs broken. In July this year, two terriers were left alone at home by their young owner in the balcony and eventually died when food and water ran out. In April this year, at least five stray cats were either clubbed to death or found dead with their abdomens sliced open by a sharp knife within a week at Ka Wo Lei Tsuen, So Kwun Wat in Tuen Mun. There are still many more examples of animal abuse. However, I do not wish to continue as they are really extremely horrifying.

Such animals or pets as dogs and cats are loyal friends of human beings. As living entities of flesh and blood, they should enjoy life with dignity. We can hardly understand why some people could have committed such acts of violence. However, we do know that the existing legislation governing animal

abuse has failed to keep pace with the times. The Prevention of Cruelty to Animals Ordinance was last amended 17 years ago in 1979. In the light of social and economic developments, a review should really be conducted. Some overseas countries, such as Britain, Canada, and so on, are reviewing their laws in preparation for increasing penalties in the relevant legislation.

Actually, the relevant penalties in Hong Kong are lower than those in some overseas countries. Under the Prevention of Cruelty to Animals Ordinance, the prescribed maximum penalty for cruelty to animals is merely a fine of \$5,000 and imprisonment for six months. Compared with the United States, Japan, Singapore and Australia, where the term of imprisonment ranges from one to five years and the amount of fine ranges from \$38,000 to \$280,000, the deterrent effect achieved by the penalties imposed on offenders under Hong Kong legislation is far from adequate. Furthermore, it has failed completely to achieve a warning effect on society, and some people defy the law as a result.

For instance, in March this year, an old man, presumably becoming irritated by an eight-year-old cocker kept by his neighbour, who was also his relative, because of the dog's constant barking, hit it with a wooden stick, causing it a fractured skull. However, the man was only fined \$500, which is even less than the fixed penalty of \$1,500 for littering. In another animal abuse case this year, the 26-year-old defendant was only sentenced to three-month imprisonment for punching and kicking a small dog for disturbing him while he was watching television.

During the period from 2003 to June this year, a total of 51 cases involving cruelty to animals were successfully prosecuted. However, imprisonment sentences were meted out only in three of the cases, with two sentences being imprisonment of less than one month, and one being three-month imprisonment.

We can thus see that the prosecution figures are indeed extremely low. Even if prosecutions are successful, the penalties are still too lenient. Therefore, we support increasing the penalties to raise the maximum fine of \$5,000 and imprisonment for six months, prescribed under the Prevention of Cruelty to Animals Ordinance, to a maximum fine of \$200,000 and imprisonment for three years. We also support increasing the maximum fine prescribed under the Prevention of Cruelty to Animals Regulations from \$2,000 to \$50,000.

Furthermore, if the sentence imposed by the Court cannot reflect the gravity of the relevant offence, the Administration should take positive actions to lodge an appeal. The Government should also expeditiously conduct a comprehensive review of legislation safeguarding animal rights and formulate a specific timetable to ensure that the well-being of animals can truly be protected.

Madam President, I so submit.

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

MR JAMES TO (in Cantonese): President, I am not going to repeat the viewpoints raised by Honourable colleagues earlier. I merely wish to raise two points. First, it is necessary to review the legislation in a comprehensive manner. While I know that a review is being conducted by the Government, I hope the review can be carried out in a comprehensive and extensive manner because no special attention has actually been paid to this respect over the past decades. To answer social concern about animal rights — I even dare to say that keeping animals has already become a trend — and as more and more people express concern about this issue, the Government must care about the same matter and keep pace with the pulse in this respect.

The Government indicated yesterday that, for the sake of acting in compliance with public opinion, further consultation on GST would cease. Actually, I hope the Government can see that the pace of members of the public in this respect is very rapid and developments have been very fast too. Furthermore, public expectations are extremely high. I hope the Government can pay more attention to the fact that the high expectations are universal rather than confined to a handful of people.

I am not entirely pessimistic because so many people have expressed concern. Any animal abuse cases in the future will definitely become a matter of great concern to all of us. Nevertheless, I still think that publicity should be stepped up to encourage members of the public to make reports. For instance, we can explain to members of the public through APIs that child abuse is not purely a domestic affair and that it is imperative for children's rights to be protected so that these concepts will become a social consensus and a general

value. However, it is impossible for the Government, given its manpower, to conduct regular inspections and even undercover operations to detect if there are any animal abuse cases. The Government simply lacks adequate manpower and has to rely on the awareness, awakening and care of society as a whole to take action and make reports. In my opinion, the Government can take this opportunity to conduct publicity to enhance public awareness. The publicity initiatives can be very simple because animals are very lovely. By simply publishing a few photographs of their lovely faces and their looks after abused can actually strike a chord in a lot of people who will participate in the relevant work. Therefore, it is essential to rely on the alertness and reports of society as a whole. I believe the problem will not be so pessimistic after the first stage, that is, after a heavier penalty is imposed and the entire social value is changed.

Anyhow, as care for animals and animal rights are in conflict with the wide range of interests in society as a whole (particularly care and education concerning economic development, hygiene, and so on), I believe a comprehensive and holistic review is warranted.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Health, Welfare and Food to reply.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): To start with, Madam President, I wish to thank Mr James TIEN, Chairman of the Bills Committee on Prevention of Cruelty to Animals (Amendment) Bill 2006 (the Bills Committee) and all the other members for their views and efforts in scrutinizing the Bill. I should also like to extend my special thanks to animal welfare organizations for expressing their valuable views to us during the process of legislative amendment. These views are vital to us in perfecting the Bill further.

The Prevention of Cruelty to Animals Ordinance is the main legislation safeguarding animal welfare in the territory. Acts of cruelty to animals, such as

wantonly or unreasonably causing any unnecessary suffering to an animal, constitute offences under the Ordinance.

The Bill seeks mainly to increase the penalties under the Prevention of Cruelty to Animals Ordinance and its subsidiary legislation to make up for the inadequacy of the existing penalty levels and enhance the deterrent effect of legislation in order to deter relevant offences.

In the course of scrutiny, we conducted in-depth discussions with members on the details of the Bill and proactively responded to members' views. Members were of the view that penalties for cruelty to animals should be further increased to bring home the gravity of the crime concerning cruelty to animals, and adequate penalties be imposed on repeated offenders to deter relevant offences. Having carefully considered the relevant proposals and other factors, the Government further discussed with the Bills Committee and agreed to further increase the penalties. The Government is of the view that the penalty levels, after further enhancement, should adequately give the Court ample room to, when necessary, impose heavy penalties depending on specific circumstances (such as acts of extreme cruelty or repeated offenders) to step up combating relevant offences. We will therefore propose amendments to this end.

With regard to the hope expressed by Members for a comprehensive review of the Prevention of Cruelty to Animals Ordinance, we appreciate the aspirations of Members and animal welfare organizations. Actually, the Government and all animal welfare organizations are working towards the same goal of further promoting animal welfare. We can see from some of the examples cited by several Members earlier that the existing legislation leave much to be reviewed. Hence, we will carry out a review of the relevant legislation within a year after the passage of the Bill and, upon completion of the review, report the outcome of the review to the relevant panel. In carrying out a comprehensive review of the Prevention of Cruelty to Animals Ordinance, we will take into consideration other views raised by the Bills Committee during the scrutiny of the Bill and invite the representatives of major animal welfare organizations to join us.

Upon the commencement of legislation, the Agriculture, Fisheries and Conservation Department (AFCD) will make complementary publicity efforts and step up enforcement for the protection of animal welfare. The AFCD will, after the passage of the Bill, broadcast announcements of public interest (APIs)

to enhance public awareness of cruelty to animals and remind members of the public to properly treat their pets, fulfil their responsibility as a pet owner and respect the lives of animals. Furthermore, the AFCD will launch village and community publicity programmes on a regular basis by, for instance, educating the public on their responsibility towards their pets and ensuring compliance with vaccination and licensing requirements. The public may also visit the homepage of the AFCD for relevant instructional materials. We will seek every opportunity to educate the public in dog shows and other animal-related activities on the proper treatment of their pets. The AFCD is in the process of reproducing the APIs on "being a responsible pet owner" and "prevention of animal abuse" in the form of CD-ROM for distribution to primary and secondary schools and kindergartens throughout the territory for publicity purposes. Posters and leaflets bearing these themes will be produced and then distributed to schools, pet shops, veterinary clinics and private buildings.

Madam President, the Bills Committee has expressed support for the resumption of the Second Reading of the Prevention of Cruelty to Animals (Amendment) Bill 2006. I implore Members to support the Bill.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Prevention of Cruelty to Animals (Amendment) Bill 2006 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Prevention of Cruelty to Animals (Amendment) Bill 2006.

Council went into Committee.

Committee Stage

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

PREVENTION OF CRUELTY TO ANIMALS (AMENDMENT) BILL 2006

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clause stand part of the Prevention of Cruelty to Animals (Amendment) Bill 2006.

CLERK (in Cantonese): Clause 1.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That clause 1 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Clauses 2 to 5.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam Chairman, I move the amendments to the clauses read out just now as set out in the paper circularized to Members. I now briefly introduce to Members the content of the amendments.

We discussed with the Bills Committee the appropriate levels of penalty for cruelty to animals. We are convinced that the penalty levels should be comparable to those of other developed countries or international cities. Furthermore, a clear message should be issued to society, that under no circumstances will our society tolerate acts of cruelty to animals. Having considered the request of the Bills Committee and evaluated all relevant factors, we have decided to further raise the maximum penalty under the Bill.

Hence, clauses 2 and 3 of the Bill will be amended to raise the maximum penalty for the relevant offences under the Prevention of Cruelty to Animals Ordinance to a fine of \$200,000 and imprisonment for three years.

Clause 4(2) of the Bill will be amended to raise the fine prescribed in the Regulations to a fine at Level 5; whereas clause 5(a) of the Bill will be amended to increase the penalty for offences stipulated in the Regulations to a fine at Level 5, that is, \$50,000.

The abovementioned amendments have been discussed in and supported by the Bills Committee. I hope Members will support and endorse the amendments.

Thank you, Madam Chairman.

Proposed amendments

Clause 2 (see Annex I)

Clause 3 (see Annex I)

Clause 4 (see Annex I)

Clause 5 (see Annex I)

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Health, Welfare and Food be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Clauses 2 to 5 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

PRESIDENT (in Cantonese): Bill: Third Reading.

PREVENTION OF CRUELTY TO ANIMALS (AMENDMENT) BILL 2006

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

Prevention of Cruelty to Animals (Amendment) Bill 2006

has passed through Committee with amendments. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Prevention of Cruelty to Animals (Amendment) Bill 2006 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Prevention of Cruelty to Animals (Amendment) Bill 2006.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effects.

First motion: Promoting the development of party politics.

PROMOTING THE DEVELOPMENT OF PARTY POLITICS

MS MARGARET NG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, I grew up in an era when people were afraid of talking about political parties. That was because the Chinese Civil War resulting from the struggles between Kuomintang and the Communist Party of China had caused enormous agonies to the Chinese people. In my childhood and at the time when I was a student, my parents would be very afraid if we should engage in any discussions on political parties, for fear that it would adversely affect our future.

However, in the '80s of the last century, with the commencement of the Sino-British talks, the introduction of the idea of Hong Kong people ruling Hong Kong and the introduction of a legislature underpinned democratic elections, changes began to take place. The need for political parties arose, primarily due to the introduction of direct elections in the legislature. As such, it became necessary for people with common goals and visions to work together in pursuit of democracy and popular elections. Direct elections were too formidable a task for any individual person, so it became necessary for bodies and groups to evolve, such as pressure groups and political concern groups. In the '90s, local political parties began to take shape which, each with their individual sets of values, represented different sectors of society and successfully secured seats through elections to councils at different levels.

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

Political parties have become an integral part of the society of Hong Kong today. Having said that, to date, the development of political parties should

take a step further, because the existing political parties can no longer satisfy the needs of society and the public. Deputy President, in a meeting of the Legislative Council Panel on Constitutional Affairs held on 3 July last year, Prof KUAN Hsin-chi of the Department of Government and Public Administration of The Chinese University of Hong Kong opined that elections had raised expectation for democratic development among the voters, but under the existing widely shattered political system, the elections had no impact whatsoever either on policies or the formation of government, thereby widening the gap between the rulers and the ruled. He opined that since the elections did not determine who govern and the elected representatives had been more concerned about representation of interests rather than participation in governance, there had been no stable, disciplined support rendered to the executive by the legislature. The situation was reinforced by the lack of a role for parliamentary parties or any role for the legislature as a whole in the formation of government. All in all, Prof KUAN believed, the overall institutional configuration was anti-partisan and was not conducive to the healthy development of political parties.

Deputy President, the huge discrepancy between expectations and actual results has led to increased discontents among the public and instability in society. Judging from a negative perspective, changes have to be introduced both to political parties and politics to improve the situation. And judging from a positive perspective, political parties do have an active role to play in the decision-making process. Just as Prof KUAN pointed out in his submission, the most important role political parties could perform was the aggregation of interests and preferences of the citizens. Political parties were supposed to be broadly based, moving beyond particularized interests. They embrace diverse interests, transcend complex shades of opinions and develop higher order policy options by focusing on key values and the priority of development. For this, interest aggregation through political parties is a chemical process of achieving unity within diversity. As a democracy matures, a competitive system of political parties tends to be recognized as an indispensable ingredient of the democratic system that provides some order to the otherwise volatile and uncertain process of democratization. These developments would be conducive to the stability of society and the development of democracy.

Deputy President, according to Prof KUAN, party politics, in his own terms, should evolve from a "parliamentary party" to a "ruling party", including a "ruling coalition" and the ultimate development of "forming the government". Naturally, the entire process cannot be expected to complete in a matter of a few

years, but this certainly is the direction for democratic development and the development of party politics.

With regard to party politics, why I am concerned not just with political parties in general but also party politics in specific? That is because the focal point of the rationale rests with policy platforms. Political parties have to formulate a policy platform through studies, consultations, long-term observations and understandings based on political beliefs specific to the political parties themselves. Apart from policy platforms and rationales, political talents have to be groomed in a systematic manner for the implementation of policy platforms on a consistent basis. Therefore, Deputy President, to me there are two aspects in party politics, one is the development of a policy platform, a policy outline; and the other is the grooming of talents and leaders for the implementation of these policy outlines. It is with this process that forces will be aggregated for the purposes of resolving conflicts of interest and contradictions among different sectors of society, thereby achieving unity within diversity and contributing to stability.

Therefore, political platforms offer choices to the public. In other words, the Government may have their individual set of policy outlines, whereas political parties could have another set of theirs. Furthermore, different political parties can do the same, meaning that different political parties can have different political beliefs, and they may each have their own, distinctive views on the economy, general livelihood and different issues. Each political party could come up with their individual set of beliefs, so that the public could demonstrate their greatest level of support to these policy platforms through elections, party activities and party organizations.

Let me cite the example of Mr Alan LEONG in running in the election of the Chief Executive. During this course, he has to formulate a policy outline to demonstrate if he could propose a different set of views and a different set of visions. He advocates "The Hong Kong We Want", so that we could compare it with the current practices of the Government. And he advocates "The Air Quality We Want" and we could compare it with the air quality improvement measures proposed by the Government. Given these two options, is the public going to make a choice? Therefore, this is what I believe to be the direction for the development of political parties, that apart from coming up with some coherent beliefs and policies, more importantly, they should come up with a set

of policies to demonstrate that they have these coherent beliefs in each respective areas. This is how I hope political parties will develop.

Therefore, Deputy President, in this regard, the motion moved by me today urges the Government to initiate studies and public consultation on the development of party politics. But why would I demand the Government to initiate studies at all? Deputy President, you may recall that over the past few years, government officials rarely took part in the many discussions and studies conducted by the Legislative Council Panel on Constitutional Affairs, and they have always remained evasive. Why would I urge the Government to initiate studies instead of having studies carried out by the Legislative Council or other civic bodies? First, this is because the attitude of the Government is very important. If there are negative impressions about political parties in society, part of the reason is the very negative attitude of the Government. Conversely, if the Government could work with the Legislative Council, it would make our work a lot easier.

With regard to law reform, we are of the opinion that amendments to the current legislation are necessary. For example, in the article "Deepening Democratization through Formulation of Political Parties Law" written by BI Tong published in the *Hong Kong Economic Journal* on 28 November, it was explained why our societies law and companies law were not conducive to the development of political parties. The author pointed out that according to section 31 of the Societies Ordinance, the Commissioner of Police can at any time assign a representative to monitor and take part in any meeting of a registered body; whereas according to section 32, the authority has the power to search the body and seize the articles at any time. Given these provisions, who would be willing to form a political party as a registered society?

Currently, all political parties are actually formed under the Companies Ordinance. However, the Companies Ordinance is very inappropriate for this purpose too, because the original intent of the Ordinance did not target at non-profit-making organizations or political parties; instead, it was intended for profit-making organizations. Therefore, many provisions with regard to shareholders, shares, taxations, and so on, are not conducive to the development of political parties. Not only are they not conducive, they are also detrimental to the development of political parties. However, according to the Societies Ordinance, any organization, with a few exceptions, has to be registered either

under the Societies Ordinance or the Companies Ordinance. In many overseas countries where there is no political parties law, there is no such requirement, so it is all right with them even though they do not have any political parties law or non-profit-making organizations law. But to us, we are compelled to either take this route or the other.

The third piece of legislation to which amendments are necessary is the Chief Executive Election Ordinance. According to the Ordinance, any person elected the Chief Executive has to sever his relationship with the political party. However, in our deliberations regarding whether or not there should be a political parties law, or a non-profit-making organizations law which the Civic Party prefers, we hold that this should be subject to further discussion to ensure that the general direction is to encourage instead of impinge on the development of political parties. As a matter of fact, to give credit where it is due, it is not that the Government has done absolutely nothing to promote the development of political parties. For example, it is good measures that political parties or political bodies are allowed to print their logos on the ballot paper, and to have reimbursements for part of the campaign funding, and so on. However, these measures are far from sufficient as far as the development of party politics is concerned.

Deputy President, in today's meeting, there are representatives from different political parties, each of whom may have different views on the development of party politics. As such, I call upon colleagues to speak up actively and to support the motion.

Thank you, Deputy President.

Ms Margaret NG moved the following motion: (Translation)

"That this Council urges the Government to expeditiously initiate studies and public consultation with a view to promoting law reforms, public policies and measures that are conducive to the development of party politics."

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

DEPUTY PRESIDENT (in Cantonese): Dr Philip WONG will move an amendment to this motion. The motion and the amendment will now be debated together in a joint debate.

I now call upon Dr Philip WONG to speak and move his amendment.

DR PHILIP WONG (in Cantonese): Deputy President, I move the amendment to Ms Margaret NG's motion.

Deputy President, maybe it has come to your attention as well, that in the debates that have taken place in the past three weeks, including "Election of the Chief Executive by Universal Suffrage", "Election of the Legislative Council by Universal Suffrage", as well as the motion proposed by Ms Margaret NG today, although they are about constitutional development, the words "in accordance with the Basic Law" have never been uttered, which prompts people to ponder why.

Members may notice that the motion proposed by Ms Margaret NG is "Promoting the development of party politics". Please allow me to take away the word "politics". As we all know, "development of political parties" and "development of party politics" are two different concepts. The concept of the development of political parties include recruitment of party members and elites, participation in public policy formulation and working for different causes for the public; whereas the concept of the development of party politics include having a ruling party and an opposition party, acquiring a ruling position or causing a change in the ruling position through elections, the interaction between political parties and consortia and the media, as well as the international liaison of political parties, and so on. The latter covers extensive areas and is subject to numerous debates, the details of which I am not about to go into here. Party politics serves an important function in promoting democracy, but generally speaking, party politics must be compatible with the actual, realistic circumstances. Under the current circumstances, promoting the development of party politics is precisely incompatible with the constitutional status of Hong Kong as provided for in the Basic Law.

The Basic Law clearly stipulates that Hong Kong is an inalienable part of China, and that it is a local administrative region directly under the Central People's Government. The authority of the Chief Executive and the

Government of the Hong Kong Special Administrative Region (HKSAR) stems from the Central Government, not just from the voters of Hong Kong. The Chief Executive and the public officers, including the Principal Officials, are accountable to both the HKSAR and the Central Government. Although the constitutional development of Hong Kong differs from that of the Mainland due to historical reasons, this uniqueness does not alter the constitutional status of Hong Kong as part of China. Any policy and measure in relation to constitutional development must comply with both the basic principle of "one country, two systems" and the stipulations of the Basic Law, and they have to be compatible with the actual situation of Hong Kong under the principle of gradual and orderly progress, instead of copying the Western model direct.

My amendment to Ms Margaret NG's motion is primarily premised on my understanding of the Basic Law. In my opinion, according to the Basic Law, Hong Kong, under the sole sovereignty of China, practises "Hong Kong people ruling Hong Kong", enjoys "a high degree of autonomy", is executive-led, has an executive and a legislature that are both complementary to each other and exercising checks and balances on each other at the same time. However, our constitutional arrangement has not provided for the existence of a ruling party and an opposition party. If Hong Kong should adopt the Western model of party politics, in which the government is run by a ruling party which has secured the majority of seats in the legislature, will we be able to ensure political stability? Will we be able to maintain a good relationship between the HKSAR and the Central Government? Will the Chief Executive and the principal officials of the HKSAR be accountable to the HKSAR and the Central Government, or will they be accountable to the political party? Therefore, I believe if we casually promote the development of party politics today, it may transcend the Basic Law.

According to the Basic Law, the original systems and the way of living of Hong Kong shall remain unchanged, and the citizens shall enjoy a wide range of basic rights, with diversified channels for participation in political affairs. The Basic Law encourages citizens to take part in political affairs in a balanced manner. Balanced participation means that the interests of different sectors of society are taken care of, and that people from different sectors, whether or not they have any background of any political party, are allowed to take part in the elections of the geographical constituencies or the functional constituencies. Apart from affecting the principle of executive-led government, the motion proposed by Ms Margaret NG also appears to narrow the scope in which

independents can take part in political affairs. This is another reason why I am proposing my amendment.

Deputy President, in almost a decade since the reunification, the development of political parties has been protected by law. I agree that we should, under the Basic Law and the existing legal framework, continue to carry out studies and discussions on how we could further clarify the role and position of political parties, with a view to cultivating and strengthening political parties in all aspects, so that political parties can rightly assume a positive role in the socio-political arena.

At the policy level, I believe the Government should focus on specific policy initiatives for promoting the development of political parties, such as enhancing the functions of the District Councils, increasing the number of seats in the legislature, the grooming of political talents, exploring ways for achieving universal suffrage, reforming the accountability system, improving the communication between political parties and the Government, upgrading the standard of "people-based" and "country-oriented" governance, and building up a harmonious society, and so on. Measures should also be put in place to safeguard independents' right in taking part in political affairs. Given our historical and cultural constraints, political parties in Hong Kong are limited both in size and in membership, and they are facing shortages in resources. Some citizens may hold the view that they do not necessarily have to join a party in order to take part in political affairs. In some cases, independents not affiliated with any political party may even be in a better position to consider issues in the overall interest of Hong Kong. Some people from the industrial and commercial sectors or professional sectors are not enthusiastic in joining a political party possibly because they can thus better reflect the views and aspirations of members of the sectors to which they belong. As a matter of fact, in the Legislative Council and District Council elections, independent candidates have had their fair share of support from many voters. This being the case, I hope that in promoting the relevant policy, the Government will maintain diversified channels for the public to take part in political affairs and provide enough room for people from different walks of life, people from different sectors, and people who are, and who are not, affiliated with any political party to take part in public affairs.

Insofar as legislation is concerned, I believe there is no need to govern by law the development of political parties at present. Judging from the opinion

polls conducted recently, the public remain unfamiliar with political parties; political parties have yet obtained a high degree of acceptance, and the public is reluctant to identify themselves with political parties. If public consultation exercises were carried out now and major reforms of the relevant legal framework activated, they might even backfire. Casual formulation of a political parties law or casual amendment to the Companies Ordinance and the Societies Ordinance may affect the basic operations of all companies and societies registered in Hong Kong, and this may not necessarily be conducive to the development of political parties.

All in all, "Promoting the development of party politics" is a major and controversial topic. At present, citizens are most concerned with how we could seize the opportunities in developing our economy, improving our livelihood and upgrading our competitiveness. These are major businesses that the Government should focus on. Controversial political issues that cannot be resolved within a short period of time should be dealt with as opportune occasions arise. I hope that after listening to my speech, colleagues will give some thoughts on whether or not it will be in breach of the Basic Law if western-style party politics is promoted prematurely. Will it cause any impact on executive-led government? Will it run counter to balanced participation? Consequently, serious thoughts should be given to whether or not we should oppose the motion proposed by Ms Margaret NG? This is the principal reason why I proposed my amendment in the first place.

Deputy President, I so submit.

Dr Philip WONG moved the following amendment: (Translation)

"To delete "expeditiously initiate studies and public consultation with a view to promoting law reforms, public" after "the Government to" and substitute with "continue to consider and promote, within the framework of the Basic Law and existing legislation,"; and to delete "party politics" after "the development of" and substitute with "political parties, but room for political participation by independents should be allowed". "

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Philip WONG to Ms Margaret NG's motion, be passed.

MR LEE WING-TAT (in Cantonese): Deputy President, it is a very good topic that is being discussed today. Matters relating to the development of political parties in Hong Kong were rarely discussed in this Council in the past. In fact, to many people who are involved in politics, this is not a new issue at all. First of all, in a number of what we call democratic countries or regions, they are all saying that a genuine democratic system necessarily involves party politics, or even party politics with change of ruling parties. In other words, in some places where a specific party always comes out as the winning party, such as the case in Singapore, many people question if that is a genuine democratic system, even though democratic elections are carried out. Many scholars who study democracy have found that insufficient.

Second, as far as local politics is concerned, it is in fact necessary to hold realistic discussions on party politics. There are a number of remarks Dr Philip WONG made just now that I cannot agree with. Many political issues have emerged in society precisely because party politics is not well developed. Simply put, the executive or the Administration does not have the confidence that its policies, such as the Goods and Services Tax (GST) or the legislation on Article 23 of the Basic Law, will have the endorsement of this Council precisely because the Government has no partnership with any ruling party to give it the stable and consistent support it needs in the Legislative Council.

This is actually just the ABCs of politics. I cannot even think of any example of a government in which 50% or more of its representatives are people whom the government does not trust — not even the National People's Congress of the Mainland under the ruling Communist Party — that would be out of the question. Therefore, in the case of Hong Kong, that there are always tensions between the executive and the legislature, or there is a lack of determination on the part of the Government in the implementation of policies, is largely because the ruling government does not have the consistent support from the Legislative Council — a case in point is the sudden withdrawal of GST yesterday, which has now become a non-starter.

In fact, political parties serve the function of consolidating views and opinions of society — they could even consolidate divergent views and come up with a more moderate view that the majority public will find acceptable. This is because political parties must not merely represent a specific sector; instead, they should cater for the needs of different sectors of society. Political parties are not trade unions, nor are they bodies representing the business sector. They are

not functional constituencies either. In this connection, many academic studies have pointed out that political parties have the duty to consolidate different views and opinions in order to manifest the general, common views of society.

Yet, what exactly has our Government done? First, rather disappointingly, the Central Government has indicated, expressly or obliquely, that it found it undesirable to have a ruling party in Hong Kong. Therefore, there is a long way to go in realizing change of the ruling party, and it may never happen at all — it is not just parties in support of democracy who are sharing this view, even Mr James TIEN has been advocating the formation of a ruling coalition or a pro-government coalition — for which I have commended Mr TIEN on several occasions, because at least he has the courage to admit that he found it necessary to have a system in the form of a ruling coalition. If the Liberal Party was to join hands with the DAB, The Alliance and some other independent pro-government bodies, they would be able to secure 30 votes. However, most unfortunately (Deputy President, you seemed to have visited Beijing to meet with senior government officials during the summer holiday too), although Mr James TIEN believes there should be a ruling coalition, the answer is still no, irrespective of the fact that he has indicated that it would be a pro-government coalition, and irrespective of the fact that Mr James TIEN and their numbers are unlike the trouble-making LEE Wing-tat or the "non-behaving" Ronny TONG, who are always against the Government and constantly "causing troubles". The Central Government does not endorse their idea of forming a pro-government ruling coalition. Why? Why would the Central Government oppose the demand from people who are themselves members of the ruling alliance? This is because it does not want to have party politics at all, and it does not want to make it possible for party politics to operate in the HKSAR, much less having a ruling opposition party and the practice of change of ruling party that comes with party politics. Judging from this, a political reality has become evident, and that is, in the development of the political framework as described by the Central Government, there has never been any room for genuine party politics and change of ruling party.

In the remaining two minutes, I will have to scold at the SAR Government of course. What has the SAR Government done with regard to party politics? We can say that it has done nothing at all. As far as political participation in Hong Kong is concerned, there is no distinction between political party and individual participation. Nothing has been done, except for the printing of

logos on the ballot paper, which Ms Margaret NG politely, nicely, and in a slightly "shoe-polishing" manner, attributed as an accomplishment of the Government (which in fact is a very tiny deed). As Mr Stephen LAM is aware, there are preferential systems in the German mechanism, in which the government subsidizes not only individual candidates running for parliamentary membership, but also political parties that succeeded in acquiring a specific percentage of the votes. This is what distinguishes whether or not efforts are made to promote party politics.

What is the SAR Government's practice with regard to those hundreds of so-called statutory advisory committees? Once again, the opposition is being discriminated against. Members of the opposition will not get appointment to these committees. Of course, there will be no problems for members of the DAB and the Liberal Party. People who emphasize the so-called independent status are actually pro-government, and there is no such thing as independent in this world. By appointing an increasing number of pro-government members, the Government is in fact showing a sign of contempt of representatives of political parties with dissenting views, by virtue of not offering them these appointments.

Furthermore, in many instances, when government policies are being considered, the factor of political party is not considered at all. If the Government should continue to adopt this attitude, how could Stephen LAM not be sworn at? His proposals on the introduction of head of bureau, deputy head of bureau and personal assistant to head of bureau only aim at benefiting himself and pro-government parties, not for promoting the development of party politics in the real sense of the words. Even in the absence of these posts, there are many other things the Government can do for more effective promotion of party politics and for grooming of political talents.

Thank you, Deputy President.

DR LUI MING-WAH (in Cantonese): Deputy President, no two countries in the world have their political systems exactly identical. Yet, in whichever country, political parties are always an important constituent of the political system. For example, whether it is the United States, where the President is elected through indirect elections; the United Kingdom, where the Prime Minister is elected by

the ruling party; or Japan, where the Prime Minister is elected by the parliament; these countries are ruled either by a dominant party or by competing political parties in a bipartisan setting.

In Western democratic countries, political parties have important roles to play. Political parties are responsible for the grooming of political talents, collating public opinions and public demands and reflecting them to the government for reference. At times of election, political parties nominate candidates to take part in elections. Political parties which have lost in the election can continue to monitor the implementation of government policies in the capacity of an opposition party. They could formulate public policies, educate the public and mobilize the people to prepare for future elections. This being the case, the ultimate aim of political parties in carrying out all these activities is to canvass the support of voters, win the election, become the ruling party, form the government, and rule the country with a view to materializing the visions and interests of the party. With elections, many countries are ruled by political parties in rotation. This is the very essence of democratic politics, and this is also the constitutional model of democratic politics in the general sense. Therefore, party politics has a significant meaning to a country as far as democratic politics is concerned.

Since the reunification, "one country, two systems" is being fully implemented, and a "high degree of autonomy" is in place. With respect to constitutional development, Hong Kong is on its way towards democratization in accordance with the stipulations of the Basic Law, and democratization is being promoted in a gradual and orderly manner. Given the unique history of Hong Kong and its distinctive political background, the constitutional development of Hong Kong has to take into account the following factors: first, as a special administrative region of China, the political system of Hong Kong must be in compliance with the constitution of China. Second, under the principle of "one country, two systems", Article 45 of the Basic Law provides that ultimately, the Chief Executive will be selected by universal suffrage, but the candidates must be nominated by a nominating committee. The Chief Executive thus elected has the mandate of the Central Government. This is governed by Article 15 of the Basic Law, which stipulates that "the Central People's Government shall appoint the Chief Executive and the principal officials of the executive authorities of the Hong Kong Special Administrative Region in accordance with the provisions of Chapter IV of this Law." Evidently, this is entirely different from the Western democratic countries, where a political party could form and control the

government once it succeeded in gaining the mandate of the voters through winning the election. For this reason, under the existing framework, no political party in Hong Kong stands a chance of coming into rule, nor is there any legal basis on which to promote party politics.

Although Hong Kong is not going to have party politics right away, the roles of political parties in Hong Kong society and in political development, which are not markedly different from those of the political parties of Western democratic countries, are recognized. Since the '70s, the economy of Hong Kong has taken off, and the development of society has been getting more and more diversified. The citizens have developed a strong desire to take part in political affairs in the hope that they could influence the implementation of government policies, safeguard individual rights and interests as well as the rights and interests of the sectors and the bodies to which they belong. Different pressure groups have kept emerging. Prior to returning Hong Kong to China, the British Hong Kong Government introduced a system of representative government to allow the public to take part in political affairs. In 1991, direct election was first introduced to the Legislative Council. Through elections or through official appointment, pressures groups were absorbed into the establishment and started engaging in the work of the district boards, the two Municipal Councils, and even the Legislative Council. As they became more and more influential, they gradually evolved into the political parties as we know them today. Evidently, in the course of the constitutional development of Hong Kong, political parties have acted as the representatives of the people to express their views and opinions, fight for their rights and benefits, and convey their aspirations. They have bridged the gap between the Government and different sectors of society, monitored the implementation of government policies, groomed political talents, and made their fair share of contribution. This being the case, Deputy President, there is no need for Hong Kong to kick-start a massive law reform exercise to build a legal basis for the purposes of promoting party politics. Instead, the Government should implement measures to promote the continual development of political parties in Hong Kong and the continual development of democratization, so that all political parties can continue to work positively for the development of Hong Kong under the existing mode of operation in accordance with the Basic Law and subject to regulation by existing legislation.

I so submit. Thank you, Deputy President.

DR KWOK KA-KI (in Cantonese): Deputy President, I thank Ms Margaret NG for moving this motion debate today. As a matter of fact, I think this motion is actually doing the Government a small favour. As we all know, our Government has encountered a series of major political setbacks, whether it is under the current leadership of Mr Donald TSANG or while it was under the leadership of Mr TUNG Chee-hwa. What happened to the Goods and Services Tax (GST) yesterday is considered by some as a move preparing for the election. Whether or not this is true I know not, but it does appear to be the case, given that everything done by Donald TSANG is by and large politically-driven. He will not make a wrong move, nor will he neglect his individual interest; this is evident to us all.

Last year, the political reform package met its Waterloo, and the same happened to the enactment of legislation on Article 23 of the Basic Law before it. Actually, this shows that the Government, and the Chief Executive as well, do not have any support from voters in these areas. Therefore, I guess what Mr Donald TSANG cares most every day is the so-called opinion poll. He would monitor the opinion poll every day. When he scores high, he will feel euphoric, and he will speak in a louder voice; when he scores low, he has to come up with some "tricks" immediately to please the voters. This is in fact quite condescending. I think he would be asking himself: Why should I put up with all these? So he came up with some new ideas. Deputy President, he told Mr Stephen LAM to formulate a so-called political appointment scheme. Although it is called political appointment, it is more like a "political reward system". Yet, is this "political reward system" necessarily good? I do not think many people will agree; in fact, I think many people will have reservations. As a matter of fact, we all understand that he has done this not because he wants to share powers with the political parties, he is just playing a trick, possibly in an attempt to absorb some of the talents from the political parties. As such, we can see that not even all major pro-government parties unanimously agree with this scheme.

Moreover, having carefully looked at the amendment moved by Dr Philip WONG, I feel sad for some major political parties, including the DAB and the Liberal Party. They are political parties that have been doing quite well. They are talent-rich parties, and they are the biggest major parties of Hong Kong. They have a superior fund-raising capability, and they love both the country and Hong Kong. What have they done wrong? These are much respected people who love the country and who love Hong Kong, and when they

join a political party for the development of party politics, what have they done wrong at all? I do not see that they have done anything that is in breach of first the Basic Law and second the constitution of the People's Republic of China. There are two elements in our foundation: first, the constitution of the People's Republic of China, and second, the Basic Law. If we take a look at our country, we have the Chinese People's Political Consultative Conference (CPPCC), and a number of our colleagues are delegates of the CPPCC as well. Within the CPPCC, there are different democratic factions too. As a matter of fact, our Motherland is also practising multi-party participation, and we may even go so far as to describe it as moving towards party politics. Of course, if we were to ask China the level of development of party politics it is currently experiencing, whether it is at the early stage, the interim stage or the mature stage of development, since I am no scholar in political affairs, I cannot say for sure. However, there are clear provisions in the Basic Law. Apart from Article 45 and Article 68 of the Basic Law, which clearly stipulate that Hong Kong will have universal suffrage, Article 48 of the Basic Law clearly spells out 13 types of powers and functions to be exercised by the Chief Executive. Judging from the entire Basic Law, I do not see how the development of political parties and party politics would be in breach of the Basic Law. That should be no problem at all. We have taken all the troubles to mobilize all these people to join political parties, and we are all aware of this too, that the Liberal Party is saying it will be recruiting more new members, the Democratic Party is saying that it is working on expansion, whereas the DAB too is saying that it aims at maintaining its position as the biggest party in Hong Kong. They are endeavouring towards the development of party politics, and that should be no problem. Why should there be any problems?

The motion moved by Ms Margaret NG is very broad. In fact, I even found it too broad, because the demand she raises is very humble indeed: she is only asking the Government to "initiate studies and public consultation with a view to promoting law reforms, public policies and measures that are conducive to the development of party politics", but even this is being rejected. It covers a board area and it does not affect or undermine the Basic Law of Hong Kong at all, nor does it undermine the foundation of our governance. I even have a suspicion that she is actually doing a favour to Mr Donald TSANG, by proposing a motion that is advantageous to him, one that will facilitate him in promoting party politics in an official manner. Naturally, the Government will be selective, meaning that it will make use of whatever is suitable to it, as long as political talents available in political parties are willing to work with it. Yet,

these are talents, not political parties, so the Government will absorb these talents. An interesting scenario came to my mind with regard to the political appointment system advocated by the Government. Say, for example, if Mr Jasper TSANG was to head the Education and Manpower Bureau, whereas the Home Affairs Bureau was to be headed by the Liberal Party or other party, in this case, how are they going to go about their lobbying activities? This will be very pathetic, because the parties they represent are unable to share the powers, but they will have to take the blame and to do a lot of things on behalf of the Government. In fact, this is party politics executed in a half-baked manner, and the Government knows perfectly well in its mind that this is actually the way to go.

It should be a good thing for Hong Kong if the Government will officially allow the Chief Executive to amend the Chief Executive Election Ordinance, so that party members can form a political coalition or a ruling alliance in ruling the government, because this will reduce disputes and facilitate the passage of laws or motions by virtue of the supporting votes available in the Legislative Council, is that right? Therefore, I believe we are doing the right thing. However, whether or not the Government or members of pro-government parties share the same view, or if they have other agenda in their minds, these are things we do not know. To all intents and purposes, the development of party politics is necessary for the long-term interest of Hong Kong. In fact, this will bring nothing but benefits to the prosperity and stability of both Hong Kong and the Motherland in the long run. Hong Kong has grown into a fairly mature society, and the citizens know clearly what they are doing when they participate in the business of a political party, when they lend their support to a political party, and when they cast their votes. If people continue to treat the people of Hong Kong and the political system of Hong Kong as being in the kindergarten class and trample on them by whatever means, I think sometimes that is going overboard, and some of their allies are trampled on as well.

With these remarks, I support the original motion. Thank you, Deputy President.

DR FERNANDO CHEUNG (in Cantonese): Deputy President, I think today's topic on the promotion of development of political parties in Hong Kong is timely. I do not know if Ms Margaret NG had the power of prognostication to foresee that the Civic Party would be subject to a full-scale onslaught of attacks

and smears in these few days. It also appears that illegal means have been employed to eavesdrop, intercept and pry into the communication within our party on a long-term basis as a means for suppressing the development of newly emerging political parties. I believe the subject of the development of political parties would not lead people to think that this is purely a political issue; on the contrary, this is a fairly serious subject with regard to the overall development of society.

Let us come back to the case of Hong Kong. In the colonial era of the past, we had in Hong Kong a government that could at best be described as responsible, and we never had a government that must be accountable to society. Now, the Chief Executive, Mr Donald TSANG, has used "Strong Governance for the People" as the slogan for his governance. In the past few decades, from the colonial era to post-reunification, a bureaucratic administrative system has been the major framework in use in Hong Kong. Politically, it was a top-down model with emphasis on rational and the so-called professional policymaking. As far as the non-politically motivated, refugee society of the early Hong Kong was concerned, this pattern of governance managed to maintain the social stability and promote economic prosperity.

As a matter of fact, what Dr Ambrose KING Yeo-chi described as the absorption of politics into the administration has had its success. However, since the middle of last century, Hong Kong has undergone drastic changes from a volatile refugee society. Today, what was once a refugee port to the previous generation has emerged as a place where lies the root for the new generation. What was once an introvert society targeted at making both ends meet has evolved into a world-renowned international metropolis. Is the practice of domination of the authority and the top-down political model still effective today?

Since the SAR Government has been established for almost a decade, our opinion is that we should take a serious view on the issue of the development of political parties. As far as administration is concerned, the SAR Government is at times wavering with excessive deliberations and at times over-resolute with insufficient deliberations. Policy-wise, at times it is over-rigid, and at times ever-changing. This is due to the absence of a steady bridge to link up the people and government bodies and the absence of a tie to effectively link up society and the political system. As such, public opinions cannot effectively influence the direction of administration in a "bottom-up" fashion, whereas the

different interests of society cannot be consolidated effectively. Any decision reached on individual policy is to a large extent the result of wrestling among members representing different interests. As such, it is difficult to expect consistency and stability in administration.

Under an undemocratic system, the power that be and people with vested interests are normally the ultimate winners of such wrestling. In a democratic society, political parties act as bridges and ties. It involves three steps. First, contrary to bodies and groups which represent specific interests, political parties develop and expand by integrating different sectors or even different classes which very often represent competing interests, so political parties by nature have to be open and accommodating. Political parties cannot represent just a single body with an insular interest. Second, in a democratic society, the mandate of power comes from the people. Political parties are virtually inseparable from elections. For political parties to gain the ruling position, they have to go through the baptism of elections. This dictates that their policy platforms will have to be as comprehensive and consistent as possible in order to win the confidence and support of voters. Third, through change of regime, political parties will be able to realize the pledge they made to voters, as well as bearing the political consequences for any mistakes they made in policy implementation. This is the system that allows public opinion to be taken on board in a more comprehensive manner, and that provides a steady link through which public opinion will be related to the power core to influence administration.

Hong Kong faces a political predicament today precisely due to the absence of this link. Granted, we may be able to take part in elections, and some political parties are even aiming at obtaining the ruling position. Yet, our political system is very unaccommodating and repressive to political parties. Apart from the fact that our executive and legislature are not returned through universal suffrage, the Chief Executive must not have any affiliation with any political party either. Within the Legislative Council, there are all these functional constituencies which represent just narrow interests and which are unaccommodating to the interests of other sectors. Instead of being a link and assuming a ruling position, political parties are being reduced to insignificant players in the political arena.

I would like to quote Maurice DUVERGER, a scholar on political science, whose words we could reflect upon: "although all kinds of allegations can be

made of political parties and party politics, will a political system without political parties be more preferable? This is where the question really lies. If all candidates take part in the election on an individual basis, where voters have no recourse to identify their political inclination, will public opinions be better represented? If those who face the ruling are unorganized individuals who are not connected through political bodies, will freedom be better protected?"

Therefore, all over the world, there is hardly any place where the development of political parties is lacking; only military juntas and totalitarian regimes, or places where a single party dominates or countries that are under one-party dictatorship will prohibit the development of political parties (*the buzzer sounded*)

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Time is up.

MR LEE CHEUK-YAN (in Cantonese): I thank Ms Margaret NG for proposing this particular motion debate today. If we check the schedule, in the past two weeks we had a debate on dual elections by universal suffrage. It is very good that we are having a debate on issues relating to political parties today, because I can pick up today from what I did not finish last week. Deputy President, as far as dual elections by universal suffrage is concerned, political parties are actually an important infrastructure for the democratic political system as a whole. They are so important that some political parties are even arguing that universal suffrage cannot be introduced on the grounds that political parties are not mature enough. Why are political parties not mature enough? The fact is that neither the Government nor the Central Government supports the development of political parties in Hong Kong, and I wish the Secretary could give me a reply on this issue later on. I wish the Secretary could spell out clearly the views of the Central Authorities.

Deputy President, let me pick up where I left off last time, and those are views closely related to today's party politics. Deputy President, a number of Members talked about "balanced participation" last week. To a certain extent, "balanced participation" is an illegal addition to the Basic Law, because the Basic

Law has not mentioned anything about "balanced participation" at all. Yet, the Government keeps saying "balanced participation" all the time these days, and many colleagues talked about "balanced participation" last week too. But what exactly is "balanced participation"? As a matter of fact, political parties are the guarantee for "balanced participation". In whatever types of democratic political system, how is "balanced participation" achieved? How are the views of the business sector or the views of different sectors be reflected in government policies? This is where political parties come into play. Political parties are subject to the influences of different sectors.

Frankly speaking, political parties are dependent on donations, political donations. And where do all these donations come from? Naturally, they come from the general public. The business sector makes donations to political parties, too. Yet, the business sector in Hong Kong is stingy, as they do not have to make donations to political parties at all — they can "join the game" direct, complete with privileges. However, in a truly democratic political system, how is "balanced participation" achieved? The business sector will make donations to political parties in a bid to influence the political parties, or they will hire lobbyists to influence the political parties, and they will turn the political parties to to a certain extent, political parties must have transparency, and we do not support secret donations either. Exactly how much donations has George W. BUSH received from the oil companies? This should be a matter that the whole United States should know. There must be transparency in this regard.

In the decision-making process of the Government, political parties have to accommodate different interests and to come up with many policy decisions. Often enough, there is a good thing in doing so. With the existence of these political parties of course, after these different interests have been accommodated, some political parties will tilt towards the left, whereas some will tilt towards the right. This is not about the leftist or the rightist in the context the nationalist or the communist parties as we know them in Hong Kong, instead, this is about ideological distinction that is universal all over the world: the leftists are more inclined towards supporting democratic socialism, whereas the rightists are more inclined towards supporting free market or capitalism. In this categorization, people are subject to the influence of different interest groups. Maybe the business sector will exert influence on two political parties each with different ideologies. Within a political party, people aim at integration. Generally speaking, leftist and rightist parties will move towards

the middle. Capitalists are actually most in favour of political parties that position themselves in the middle. I always believe that the democratic system is most advantageous to the capitalists for people would tend to move towards the middle. Even in Brazil, the Workers' Party has to adopt policies that are inclined towards the middle once it has become the ruling party, not to mention the Labour Party of the United Kingdom. The Labour Party of the United Kingdom is even more extreme, and somebody even describe Tony BLAIR as being no different from Margaret THATCHER. Even in the example of Brazil, where evidently it is the Workers' Party that is now ruling the government, it has to move towards the middle, too. Therefore, the overall design for "balanced participation" in the political system rests with political parties. A number of colleagues are even unwilling to acknowledge such basic ABCs for the sake of protecting their self-interest. Instead, they keep arguing on minor points. To me, I found their behaviour truly immature. They may be mature persons, but they are unwilling to adopt an open attitude and act maturely in order to safeguard their privileges.

Deputy President, I would like to make another remark, which accounts for why I questioned the sincerity of the Government in promoting the development of political parties in the very beginning of my speech, and the views of the Central Government in this respect. On one occasion, the Legislative Council's Panel on Constitutional Affairs discussed why the Chief Executive is not allowed to be a member of a political party. This subject has been discussed many times. If the person who is at the very heart of the power centre of Hong Kong cannot be a member of a political party — by law the Chief Executive cannot be a member of a political party — how could political parties develop? Political parties develop with the objective of competing for rulership, but the laws of Hong Kong stipulate that the one who rules the government must not be a member of a political party. Why should this be the case? Up till now I still do not understand this. There is no such a provision in the Basic Law, but we have this stipulation in the laws. Does it mean that the Central Authorities do not have any opinion about this? Therefore, the Secretary has to give an answer as to whether or not until now the Central Authorities do not want the Chief Executive to be a member of a political party. I remember Mr LAU Chin-shek said last time that the Central Authorities did not have any trust at all in the political parties of Hong Kong, and it was unwilling to give power to the political parties. The Central Authorities believed that even if power was given to the political parties of Hong Kong, they might not be willing to take up the responsibility. Whether this is the case, I do not know.

However, it seems probable that the Central Authorities do not trust Hong Kong after all, given that the Chief Executive of Hong Kong must not be a person who is a member of a political party. Now, whose idea is it after all?

Deputy President, there is one more point which shows that the Government is trying to suppress political parties. I remember I once had a discussion with the Secretary on the subject of political appointment. I asked him who will get the political appointment. He said both independents and civil servants can be appointed. I asked him if the independents were to "take part" in the future in the Legislative Council election or District Council elections, to which political party would they belong? The Secretary said they would not have to belong to any political party, because independents could take part in elections too. Actually by introducing political appointment, the Government is not aiming at the grooming of political talents, it is only aiming at mobilizing independents.

So how does the Government look at political parties? It is evident that the current view of the Government is that political parties are not necessary for the political development of Hong Kong, and that independents could do the job. Independents do not have to belong to any political party. After all, there is always a "political back door", which is to say, when the Chief Executive is not a member of a political party, as long as a person can get this post through the back door, the whole lot of his gang can take the back door to gain access to rulership of the entire regime. Therefore, we can see that by introducing the system of political appointment, the Government is simply aiming at suppressing political parties, because in the end nobody knows who will benefit from the political reward. Naturally, some of the benefits will go to the political parties, but then most of the independents do not belong to any political party after all.

Thank you, Deputy President.

DR YEUNG SUM (in Cantonese): Deputy President, if we trace back the history of the development of political parties of Hong Kong, it can be dated back to more than two decades ago. Beginning with the Progressive Hong Kong Society, the earliest body that took part in political affairs in Hong Kong, we have had political commentary groups like the Meeting Point and the Hong Kong Affairs Society, and so on. To a certain extent, these bodies were the prototypes of political parties. Later on, the United Democrats of Hong Kong,

the Democratic Alliance for Betterment of Hong Kong and the Liberal Party were formed, which had the structure of a political party. To date, the political parties of Hong Kong are basically capable of representing all the voices from different strata. Yet, the scale of our political parties cannot be compared with those of the overseas countries. The DAB indicated that their membership was approaching 10 000 members; if that is the case, they have my congratulations. Yet, behind the scene the DAB has the huge support and backing of the State, and I believe other political parties simply cannot compare with the DAB.

Over all these years, whether it was before or after the reunification, the Government has allowed little room for the development of political parties. Although the SAR Government will provide election subsidies to candidates in the current Legislative Council election and the next District Council elections, and that candidates are allowed to print the party logo on the ballot paper, basically these are just "petty" measures. Given the fact that the Chief Executive elect cannot have any political party affiliation, it is evident that the Government holds a fairly contemptuous view of political parties.

The example of Taiwan is good reference. After the Emergency Decree was lifted in 1987, people were free to organize political parties, and the Democratic Progressive Party was formed shortly. Taiwan then entered a new era where multiple political parties flourished instead of having just a single dominant party. In just 13 years, party rotation has been achieved. This is because there were vigorous calls for democracy in the community, and political pressures had forced the ruler to compete with other political parties for rulership under a legal framework. In Taiwan, once a political party is formed, it stands a chance of coming into rule, and people who share the same vision are free to join the party. But in the case of Hong Kong, although the majority public are in favour of democracy, which is still true as at today, but the people in power are unwilling to delegate powers. Instead, they only want to consolidate the vested interests. Whenever the public would like to take part in political affairs, they would question if political parties stand any chance of gaining rulership at all? Will they have enough power to improve society? Will they be able to formulate government policies? And will these people succeed in taking politics as their life-time career after they have joined the party?

As long as political participation in Hong Kong is subject to restrictions, the answer to all these questions could only be "No". This being the case, how can political parties develop in a healthy manner? The Democratic Party

believes that constitutional reform has to be undertaken, with the introduction of universal suffrage as soon as possible to the election of the Chief Executive, the Legislative Council election and the District Council elections in order to provide room for political parties to take part in political affairs.

In fact, Deputy President, the people of Hong Kong are not enthusiastic in taking part in political affairs principally because the room for these endeavours is so restricted. Actually, compared with the pressure groups, political parties are more advantageous only by a small margin. Political parties got the chances to amend government submissions for finance, appropriations, or policies only occasionally, but basically, the influence political parties can exert is not much different from that of the pressures groups. To many people with great visions, what exactly is the purpose of spending all the time and efforts or even sacrificing their individual career in joining a political body, which is being marginalized and which is only marginally "more influential" than other pressure groups?

The election methods for the Legislative Council election are composed of direct elections and functional constituency elections. As such, a majority party cannot be returned to the Legislative Council. On the one hand, effective checks and balances cannot be achieved between the Legislative Council and the executive, and on the other, the executive does not have the support of a majority party. Furthermore, the Chief Executive is returned by a small circle election without any credibility. As such, the quality of public governance cannot go anywhere but downhill. That the Goods and Services Tax was summarily scrapped bears testimony to this. The only way to improve the effectiveness of public governance is, in my opinion, the introduction of universal suffrage as fast as possible. Increasing the opportunity for political participation will invariably attract political talents. Political parties are indispensable to political development, and the development of political parties and the future of democracy are inseparable.

Yet, the attitude of the Central Authorities towards political parties is worrying indeed. In my view, the role of political parties as the Central Authorities see it is to facilitate implementation of government policies and to provide convoy for the Government in the process. Basically, the Government has been placed under the direct or indirect control of the Central Authorities gradually. Given that the Central Authorities are gaining direct or indirect

control of the Government, whereas in the eyes of the Central Government political parties are only responsible for assisting the implementation of government policy and for providing convoy for the Government in the process, it is evident that the Central Government has got mixed feelings about political parties: it likes them and hates them at the same time, but basically it is more hatred than affection. If this should be the case, no matter how hard we work, in this specific historical setting, it will be a rugged road ahead as far as the development of political parties is concerned.

Deputy President, having said that, I do believe political development will be pluralistic, not static. If China continues to open up in a progressive manner and get more involved in the political arena, I believe it can no longer adopt the "close door" policy like it did in the past. Instead, it will have to be open and candid to the outside world. This being the case, sooner or later the time will come when the people of Hong Kong will break the political impasse. Of course, we cannot just sit by the tree waiting for Godot, hoping that the saviour will appear soon. That day will never arrive. But if every one of us can care for our community and contribute our fair share in opening up more room in the political arena, I believe when the right time comes, we will be able to make a strong case for Hong Kong, that we can offer an excellent political window for China, and we will be able to prove that even in a Chinese society, we can basically have a quality civil service system, an independent judicial system, freedom of press, as well as proper protection of human rights. In the meantime, the development of political parties can be a pioneer for democracy in Hong Kong. I hope instead of publicly and properly conducting the Chief Executive election, instead of supporting Donald TSANG on the one hand and suppressing Alan LEONG on the other, the Central Government could evaluate the way they look at the future of political parties in Hong Kong in a serious manner. I think this will be healthier, and only by doing so can we bring about harmony in Hong Kong society.

Thank you, Deputy President.

PROF PATRICK LAU (in Cantonese): Deputy President, I would like to look at the question from another perspective and examine if the promotion of the development of party politics is feasible under the existing legal framework of the Basic Law.

Actually, the system of party politics is already in place in Hong Kong because there are Members of the Executive Council who are representatives of political parties. However, the current inadequacy is that only a handful of seats have been secured by party representatives, so they are not able to exert enough influence. As such, policies endorsed by the Executive Council may not necessarily have the support of the Legislative Council, resulting in inharmonious relations between the executive and the legislature, as well as affecting policy implementation and effective governance on the part of the Government. The development of political parties has not been given vigorous support.

I think the primary reason for party politics not developing smoothly is the absence of a political party capable of securing a majority of seats in the legislature, one that has enough votes to influence the Government. The Government has to canvass support from different parties on every occasion, without any assurance that its policies can be implemented smoothly. The executive and the legislature are constantly in a state of great tension.

If the Government is determined to resolve the deadlock between the executive and the legislature and to promote the development of party politics, the most effective measure is to appoint more Legislative Council Members into the Executive Council. Members so appointed should come from the party which has secured the majority of seats in the legislature, or Members from a coalition formed by a number of parties. This is similar to the practice of having a ruling party or a ruling coalition in other democratic countries. The aim is to institutionalize the influence of political parties and to manifest the power of ruling society through the process of policymaking.

With the prospect of empowerment, the development of political parties will be more robust. On the foundation of party politics, the Government can rest assured that policies formulated by the Executive Council will have the support of the Legislative Council. Meanwhile, the Government can build up a good relationship with a loyal opposition party. Using political parties as a bridge, the views of the public can be genuinely reflected to the policymakers. Given the fact that political parties have to be accountable to voters to be able to keep their seats, in other words, the Government will have to be accountable to the public too in an indirect manner, and this can ensure that government policies will have the support of the public.

Yesterday, the Government announced it would cease the consultation on Goods and Services Tax, one of the reasons, according to the Administration, is that it did not have the support of the three major parties. In other words, the support of political parties is essential to the smooth implementation of government policies, and any failure in getting enough votes can be "fatal". It is also evident that political parties backed by public opinions are certainly capable of exerting instrumental influence on the Government in administration. That the West Kowloon Cultural District project has to be pulled down and to start from scratch is a good example that, with joint forces and collaborated efforts, the Legislative Council is capable of forcing the Government to listen to public opinions.

As a matter of fact, when political parties are endowed with policymaking power and are no longer a paper tiger, more people will be attracted to joining the political parties. They will have more support from the citizens and be able to groom a greater number of political talents. This will be the most effective way for promoting the development of political parties. There will even be no need at all for the Government to have the posts of Deputy Secretary or Assistant to Secretary for the purposes of grooming political talents.

The Alliance recently commissioned a number of scholars to conduct a study to examine in detail the prospects of the development of political parties. The findings of the study concluded that the development of political parties is dependent on market appeal. If every single citizen would be a member of a political party, the market potential in Hong Kong will be huge. However, whether a political party can succeed in gaining a market share is dependent on the availability of suitable services a political party can offer to the public, meaning whether or not it can influence government policies for the public. In other words, the more influential a party is, the more capable it will be in gaining market shares. The absence of a majority party in Hong Kong is in fact conducive to the development of different political parties, and it may even be beneficial to the growth of instrumental minority parties. Given the right environment, any political party has the potential of developing into a major, influential party.

Deputy President, we should strengthen the conditions which facilitate the development of political parties, endow influential political parties with executive and legislative powers, encourage the formation of a coalition or front between political parties and the Government on the basis of public support for

the purposes of monitoring the Government and facilitating its administration, and encourage both parties concerned to facilitate policy implementation in a harmonious manner. I believe this will be an all-win solution beneficial to the public, the Government and the political parties alike. I so submit. Thank you, Deputy President.

MR RONNY TONG (in Cantonese): Deputy President, the topic today is "Promoting the development of party politics", but in this Council, the two major parties have remained silent and have spoken not a word. This has exemplified the problems faced by political parties in Hong Kong. Instead of saying that we must develop party politics

MR MARTIN LEE (in Cantonese): Deputy President, it seems that a quorum is not present now.

DEPUTY PRESIDENT (in Cantonese): All right. Will the Clerk please ring the bell to summon Members back to the Chamber?

(While the summoning bell was ringing, the President resumed the Chair)

(After the summon bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): A quorum is now present. Mr Ronny TONG, please continue with your speech.

MR RONNY TONG (in Cantonese): President, just now I was saying, instead of talking about developing party politics, let us talk about developing a culture for political party. The objective of forming a political party is to gather the forces of society for the purposes of shaping public policies with the ultimate aim of not just exerting influence on policies formulated by the ruler, but also the gaining of rulership for the implementation of public policies which the party believes could perfect society.

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

Political parties regard the gaining of rulership as the ultimate aim, which represents the ultimate commitment and manifestation of their political beliefs. This is also the primary driving force for any democratic system. Only with rotation of rulership by different political parties can it instil a sense of insecurity in the power that be and remind them of their responsibility in improving the quality of governance. This is the very essence of forming a political party. However, in traditional Chinese society, and even in Hong Kong for that matter, people who form a political party or people who have the objective of competing for rulership are viewed as revolutionary elements. They have been described as "a toad fantasizing of becoming a swan". It really did not occur to me that accession to rulership was in fact "fantasizing of becoming a swan". To me, this is the vocation of everyone who has a commitment to the society to which he belongs. Yet, the fact that there are people with this opinion demonstrates that, at least in Hong Kong, many people hold a negative view of political parties. This is why I am saying we need to better nourish a culture for political parties. Deputy President, this is also the biggest obstacle for the development of political parties.

On the other hand, the obstacles we have within the system are not to be overlooked as well. According to Article 64 of the Basic Law, the Government is accountable to the Legislative Council. But the Government has never fulfilled this responsibility; instead, it views the Legislative Council as a stumbling block which is always "standing in the way". Rather than being accountable to the Legislative Council, the Government has never paid any respect to the Legislative Council. Under Article 74, this Council, as we can see it very clearly, does not have the right to introduce bills or to amend legislation. These are all major factors that contribute to the thwarting of the functions of the Legislative Council. Given the fact that this Council is deprived of genuine political authority, many citizens maybe under an impression that the Legislative Council is "capable of" — maybe "capable of" — and that is to say, "capable of nothing" and is unable to accomplish anything. What happens every day in this Council is nothing more than name-calling or finger-pointing, or just some coffee-sipping — pardon me — but in the end, it is usually the Government who will gain the upper hand. A sense of frustration and helplessness has made people think that party politics has no future at all in Hong Kong.

(THE PRESIDENT resumed the Chair)

In the end, the formation of political parties are governed technically by the companies and societies legislation which I believe happens nowhere else in the world except in Hong Kong. Not only is the development of political parties hampered by these regulations, more importantly, political parties are not given any legal status — even the donations they received are taxable. Under such circumstances, and given the defiance of the Government and the prejudice of citizens, the formation and development of political parties are facing enormous difficulties in terms of both cultural support and access to resources. These are also important factors that suppress the growth of party politics. As a matter of fact, if we were to overcome these difficulties, it is most important that the Government takes the lead to improve its view of various political parties in the Legislative Council. The Government should take the lead in trying to instil a more positive political culture in society and to respect the status of political parties in the political system. In order to alter this culture of politics, the Government should be genuinely prepared for accommodating differences with the objective of reaching consensus, and it should join forces with political parties to work together for the well-being of the people of Hong Kong. Most importantly, party politics will have a huge bearing on the quality of governance under our existing so-called executive-led political system. We all understand that it will be very hard for the Chief Executive to come up with a comprehensive and feasible philosophy of governance all by himself. Even if he manages to do so, it would be far from easy for him to form a ruling team with people sharing exactly the same political beliefs shortly after he has been elected. Very often, he is only able to recruit undisciplined mercenaries who appear to support the Chief Executive only on the surface while they have their own hidden agenda up their sleeves.

On the contrary, through the grooming and nurturing of political parties, a Chief Executive with the support of political parties will certainly be equipped with a comprehensive and feasible philosophy of governance, and more importantly, one that with the support of the public. This is because if a political party does not have the support of the public, it would be very hard for its member to get elected as the Chief Executive. Once he gets elected, his fellow party members will form the core of his ruling team. Therefore, party politics is the only way to bring about better quality of governance. Similarly,

if we were to foster a culture for political parties and promote the development of party politics in the true sense of the words, the first thing we have to do is to lift the restrictions of local laws that prohibit the Chief Executive from having any affiliation with any political party. Only with this improvement will the people of Hong Kong be made to understand the enormous influence political parties can exert on the governance of Hong Kong. The enormous influence political parties can exert is a reason why the people should get involved and give them their support. This is the way to promote party politics and foster bright prospects for the development of political parties. Thank you, President.

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

MR MARTIN LEE (in Cantonese): Madam President, on a certain day in 1988, the then Director of the Xinhua News Agency (Xinhua), Mr XU Jiatun, invited me for a talk at Xinhua. At that time, not many people were bold enough to form a political party. As we all know, at that time we had the Communist Party in Hong Kong, and to a certain extent the Kuomintang also existed in Hong Kong, whereas the rest were merely some political groups. On that particular occasion, Mr XU talked with me on matters relating to the formation of political parties in Hong Kong, and that came to me as a big surprise. Naturally, I was very pleased to have listened to what he had said. He said, to this effect, "Martin, you are working with those so-called democratically-oriented people at the same time while you are working with people from the grass-roots level, and this is not right. With your background, you should form a party with people like Allen LEE. As regards the grassroots, I will speak with SZETO Wah separately and ask him to form another party, meaning that two democratic parties will be formed." I was very pleased upon hearing his remarks, and I did not ask him any questions.

The following day, it was Mr SZETO Wah's turn to meet with Mr XU. Mr SZETO Wah met with me after he had finished his meeting with Mr XU, and we found out Mr XU had said exactly the same thing to both of us, except that he had given SZETO Wah an additional remark: "As far as money is concerned, you need not worry at all. The Communist Party will see to it." So I realized that Mr XU Jiatun had wanted people from different fractions to form a party of their own, with the Communist Party pulling the strings from behind.

Now, coming back to the so-called development of political parties, we can see that it is still the Communist Party pulling the strings at the back. With regard to some so-called pro-China parties, such as the DAB, I remember Mr Jasper TSANG wrote an article sometime ago, in which he said the DAB had existed for the purpose of counterbalancing the Democratic Party — I felt uncomfortable and a bit upset at reading that. As regards the Liberal Party, I have read from newspaper reports that they aspire to becoming the ruling party, but apparently this is not allowed by the Communist Party, because that will mean sharing the power. What? Who dare to share the power with the Communist Party? As regards The Alliance, they would not even think of this.

Therefore, the current reality is that although we do not see the existence of the Communist Party on the surface, actually, we all know that it is there. In Hong Kong, the Communist Party is in control of every election, and it is the mastermind of everything. Every single pro-China group is under its control. The democratic camp is its rival of course. As such, under the current political climate, whether political parties are formed does not matter much at all.

Of course, we will continue to keep the party alive because we believe, in any political structure, no society can practise democracy without political parties. However, what is equally important is that democratic elections should be able to bring about other so-called democratic elements. In fact, political parties are one of the elements underpinning a democratic society, whereas the rule of law and civil society are of course some of the supporting elements too.

Recently, I talked to some friends from overseas. They were puzzled as to why a democratic movement has not been unfolded in Hong Kong in all these times. I explained clearly to them that there has always been a consensus for democracy in Hong Kong, only that we do not have the consent from "Grandpa". That explained the matter to them. They understood that Hong Kong has got all the so-called elements of democracy, that we are all set, and that all we need are democratic elections. So when I said Hong Kong should introduce democratic elections as a start, they agreed with me. Once democratic elections are introduced, other supporting elements will fall into place without much ado. But Hong Kong put democratic elections at the bottom of the list instead, I said. Worse still, the Standing Committee of the National People's Congress ruled in 2004 that this was to be postponed indefinitely. This is the fate of the people of Hong Kong.

Of course, we need not resign to fate. Let us come back to the motion proposed by Ms Margaret NG. In fact, we first stated the case for the Chief Executive election, for a democratic election, before we stated the case for a democratic Legislative Council election. Now, we are stating the case for elections for political parties. Apparently, they are a supporting element, a very important supporting element for the development of democracy. However, I believe we should all understand too, that in the end it is most important to have democratic elections. As long as democratic elections are not in place, even if you have all the supporting elements in place, that would not matter much really — irrespective of the fact that it is not easy to have all the supporting elements ready to begin with in the absence of democratic elections. Without democratic elections, nothing could be materialized. Therefore, I hope in our discussion on the development of political parties, we must not forget that it is most important to have democratic elections in place.

Let us take a look at the amendment moved by Dr Philip WONG. By deleting the words "expeditiously initiate", does it mean he prefer delaying the initiation instead? This I do not know. In the amendment it is written "within the framework of the Basic Law and existing legislation", but little has been said in the Basic Law as to whether or not political parties can be formed. As regards the framework of existing legislation, there is no political parties law in our existing legislation. Therefore, the amendment is markedly different from the original motion proposed by Ms Margaret NG. As regards "continue to consider", it means continue to consider forever. When it comes to public policies and measures that are conducive to the development of party politics, I wonder if it is the Communist Party that Dr Philip WONG was referring to. Presently, there are no public policies and measures that are conducive to the development of party politics at all, and since there are no such policies and measures, how can they be continued? Yet, the most important part of the amendment is "room for political participation by independents should be allowed". In any democratic society, there is always room like this, and nobody will strangle it, but no so-called independents will be given preferential treatment either. Therefore, Dr Philip WONG does not have to worry about this last point at all, because such room is available in any democratic country all over the world.

I remember when Margaret THATCHER ran for the election in Britain, a man changed his name to Margaret THATCHER and ran for the election to compete with her too, and that was no problem at all. Therefore, independents should have no problem at all.

MR LEUNG KWOK-HUNG (in Cantonese): President, the motion is "Promoting the development of party politics". I believe there is one party which has progressed very rapidly since the reunification, and that is the Communist Party of China and its ability to exert influence on Hong Kong.

I do not know if this underground party has made its presence in the Executive Council, nor do I know if declaration is necessary in this regard. Donald TSANG does not seem to be a member of the Communist Party — he is not qualified? Okay, he is not qualified. In fact, as far as this issue is concerned, I find it very ludicrous. The development of political parties is the result of two or three major levers: the Chief Executive election, the Legislative Council election, of which there are small-circle elections, and the District Council elections. All these elections are manipulated by a big, well-developed underground party.

The Civic Party has stirred up this huge controversy that their email system has been this and that. Is the Communist Party not there, my friend? Is that a joke? This particular political party has really been developing very rapidly, in almost every corner of society. They have agents deployed here, and they have agents working at different strata. These are cliques working to suppress dissidents and to confuse right and wrong. Simply put, the DAB published an opinion survey, in which a young member of theirs opined that the Legislative Council had nothing much to do, given that the opposition had voted down the constitutional reform package in December last year; as such, those Members should be held accountable. Evidently, this is confusing right and wrong. Hey! Is the constitutional system an invention by the opposition? In fact, they have been stating their opposition for a very long time. Therefore, we can see what is going on with this hand-picking style politics, patriarchal politics, and one party politics. Then orders are issued. Basically, it is totally rotten and full of fishy smell.

Members, what are political parties? Political parties are the product of modern politics. They are bodies or groups formed by popular and fair elections. Voters could exercise their ballots to decide which one or two groups should come into rule. If these two conditions are not present, no matter how a political party is called, it will be like the Communist Party of China, and that is to say, even if it is given the name of a political party, it is still unable to satisfy the requirements required of a political party in the contemporary context in which universal suffrage is the order of the day.

Last time I asked Secretary Stephen LAM when the Chinese People's Political Consultative Committee (CPPCC) called its first meeting, and he has not given me any reply to date. He opined it was convened prior to, instead of subsequent to the founding of the People's Republic of China. Of course he dared not answer the question, because at that time the meeting of the CPPCC had reached a common platform, that they would work together to found the People's Republic of China first before they would mobilize the army to take down Kuomintang. How could he possibly say this? Subsequently the common platform was scrapped, and the Communist Party became the biggest party, an unprecedented powerful party with the support of eight other parties. We will know this if we check the facts. (In fact, that was not really unprecedented, because similar things had happened before in Italy, Germany or the USSR.) In the CPPCC, there were eight democratic parties, all of them being "subordinate" to the big brother. No competition was allowed, and the Communist Party supplied all expenses and assets to all political parties. This was the so-called multi-party co-operation system.

Therefore, regarding this topic, if we rely on the Communist Party of China to give us guidance on how Hong Kong should carry out genuine popular elections for the purpose of developing political parties, it would be impossible. However, I can tell everybody that it is possible now, because apparently we will have an abnormal development. The Commission on Strategic Development mentioned the upper house and the lower house, and that one can run in the Chief Executive election only if he has the nomination from 1 600 people. In other words, when all is said and done, it is no different than a "fixed match". It is like one can foresee the result of a match even before the match begins, and only under these conditions will one be allowed to take part in the match. Party politics of this kind has the name but not the substance. In my opinion, it is most important to sort out one thing clearly in this Council, and that is, in the absence of universal suffrage, all the people in this Council who are saying that we need to develop party politics are either "dreaming" or "out of their minds". Or they are people who "capitalize" on the former two types of people.

Members, this Council is a solemn place. People in this Council should have common sense the level of which should not be lower than what is being taught in the textbooks under the subjects of economics and public affairs for secondary schools. If we study the French Revolution, we will know that party politics was one of the factors contributing to the revolution. They had all those clubs, and those were rivalry clubs formed by people who were uprising and the

aristocrats who were opposed to the uprising. The conflicts resulted in bloodshed, with elections carried out after the bloodshed. This is what political parties are all about.

The League of Social Democrats has always said that political parties are products of class politics. Political parties appeal to one or two classes of society in unequivocal terms that their politics are in the interest of these classes. We represent the labourers, the disadvantaged groups, and the people of Hong Kong who have aspirations for universal suffrage. If the Government dares to open up the constitutional system, we will certainly have a chance to challenge it within a decade. But then there is no need to be afraid. Whether the Communist Party can hold on for a decade longer is open to question. Let me tell you this: Party politics is about opening up all organs and councils, so that people can choose their representatives through "one person, one vote", otherwise, it will be confusing right with wrong.

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

MR CHIM PUI-CHUNG (in Cantonese): President, Members of this Council treat livelihood issues as matters having great personal relevance, but they rarely talk about matters relating to the financial sector. As a result, as a representative for the financial sector, I rarely speak directly on a number of other issues. However, political affairs and the constitutional system are of course something in which I am interested.

The topic today is promoting the development of party politics. Let me try to evaluate this from three perspectives. First, from the perspective of the Central Government. As a matter of fact, we are aware that Hong Kong is not independent. Instead, Hong Kong is a special administrative region under the People's Republic of China, and this is written clearly in the Basic Law. Last week, during one of the motion debates, some Members were close to leading the people of Hong Kong to a revolution. I very much appreciate the vision they had, but very unfortunately, they were actually inciting the citizens, making them martyrs while they themselves enjoy the harvests in the comfort of this Council. The Central Government will never allow or tolerate any revolution in its territory or any movement that attempts to overthrow the Central Government. Of course, he who has the guts to rival with the Central

Government must be prepared to sacrifice, otherwise those will be merely empty talks.

I think the SAR Government has the obligation to provide a learning opportunity to Members who advocate this kind of behaviour and let them know what they actually represent. I do not believe any government would allow any attempt which aims at overthrowing the government, particularly when it comes to the Chinese Government under the leadership of the Communist Party. The Central Government expects the political parties of Hong Kong to develop healthily, but for what purposes? For the well-being of the people of Hong Kong, including matters relating to the economy, the financial business as well as matters in relation to general livelihood. It would not expect any political party to share a part in the context of political affairs, this we have to understand — he who wants to share a part means he wants to have a revolution.

Second, it is about the SAR Government. We understand that since the founding of Hong Kong in 1846 up till now, ours is actually a weird government. It had always been a colonial government before it transformed into the SAR Government in 1997, which was about a decade ago. As we all know, prior to that, the Governors of Hong Kong were all appointed by the United Kingdom, and the Legislative Council as well as the Executive Council were basically there to assist the Governor of Hong Kong in ruling Hong Kong. We also know that there were many non-government organizations, but they never achieved the status of a political party in terms of the influence they had, because there was no opportunity to take part in political affairs at that time after all. In the past nine years or so, after the reunification, the SAR Government would not allow anyone to share its powers, powers that come from the Central Government.

Put it in another way, to local political parties, engaging in politics in Hong Kong can get them nowhere at all. Why? First, political parties cannot come into rule. Without this, there will be no authority; and without authority, no power to lead other people. Without power, there will be no momentum; and without momentum, there will be no interests. Let me stress that these interests are not those about profiteering. Yet, we have to understand that a political party needs enormous resources. Meanwhile, both the business sector and the citizens have great expectations of political parties, and they may offer to provide resources, thus benefiting a small number of people within the political party. Therefore, if it goes on like this, political parties may fail to win any

votes, and without votes they will be disqualified from taking part in political affairs.

We can see that grooming a political figure is a difficult job. I will try to cite an example from one of the nine representatives of the Democratic Party. Since 1985 — if there is any mistake on my part, please correct me — Mr Martin LEE has been taking part in political affairs for 20 years. According to some information, he may step down in 2008. Maybe in the end he will continue with this job against his will in consideration of the big picture. Over the past 20 years, what has he become? Right, all over the world he is considered a democracy fighter, but the way I see it, he has become a summoning bell — which is the bell to be rung to summon Members back to this Chamber whenever the President believes a quorum is not present. He has made no accomplishment at all, is that not pathetic? With regard to the other eight colleagues of his, most of them have been working in this Council for over a decade. Some of them of course were Members of this Council in as early as 1991, and some of them had once dropped out during the course. Therefore, the grooming of a representative political figure is a very difficult task.

President, I observed that in delivering their speeches, many colleagues would read from a speaking note which is not written by them. Very often, it is written by their secretary. As such, how could political parties flourish? They do not have political wisdom themselves. Therefore, I suggest Members should stop reading from the speaking note — just rise, and say what you are capable of saying. Of course, there is no such regulation in this Council, but at least Members should train up themselves politically. Certainly, the lawyers will be in an advantageous position. Therefore, I daresay there is no future in taking part in politics.

However, what will it be like in the future? Given that the SAR Government has got no votes, and in politics those who have no votes will find themselves in a chaotic situation. This being the case, a ruling coalition will be inevitable. As far as future politics is concerned, political parties do not stand a chance at all, but hopefully political parties will continue to assist the Government and work towards a common goal for the well-being of the people of Hong Kong. Not only should members of political parties raise their hands in support of what is correct, they should also deliver speeches that are worthy of support. Only by doing so will Hong Kong be benefited.

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

MR ALBERT CHAN (in Cantonese): President, according to the arguments of Mr CHIM Pui-chung, whether it is the Chief Executive, Secretaries or Directors, none of them are qualified for their respective incumbent offices, because in 99% of the cases, they all read from a prepared script. Even the leaders of the Central Government read from a prepared script, Mr CHIM Pui-chung. According to your argument, you may tell the leaders of the Central Authorities that they are not qualified as the leaders for our country. We have been listening to these illogical arguments for many years now. I wonder when the staff of Securities and Futures Commission has got something to say, do they read from a speaking note too?

President, with regard to the development of party politics, if we look at the Chinese history, from the many Chinese dynasties to the rotation of rulership between Kuomintang and the Democratic Progressive Party in Taiwan of late, we have experienced all sorts of vicissitudes and we can be overwhelmed by such history. Historically, whenever political parties come under discussion among the Chinese people, very often they are described as gang rivalries. Compared what the Civic Party described as penetration and fraternal struggles, and so on, to the penetration of gang rivalries in the past, it is like David meeting Goliath. In the Ching Dynasty, there used to be a fearsomely deadly weapon called the "Flying Guillotine" which could behead a person in a blink of a second. As far as political struggles are concerned, what we are having now is only "kindergarten grade" which are nothing more than political gossips.

In fact, the major obstacles to the concept of developing a model of rotation of rulership in a democratic manner in the Chinese community are cultural and conceptual. Maybe traditionally Chinese people were used to obeying order from a supreme authority, and whoever got the authority would have the power to "give orders", so anyone who had a dissenting view would be viewed as a dissident who was to be suppressed, purged and gotten rid of. In the modern history of China over the past century, there were struggles between Kuomintang and the Communist Party, and there were innumerable cases of assassination and frame-up. Even within a party, whether it was the Communist Party or Kuomintang, there were also numerous cases of internal conflicts leading to deaths and injuries.

The politics of Hong Kong is governed by the Basic Law, which is so designed that the post of the Chief Executive cannot be taken up by any representative of a political party. Apparently, the fate of the Chief Executive is made subordinate to or affiliated with the leadership of the Central Government or the Communist Party. This is because when the candidate for the Chief Executive is not affiliated to any body, he must be supported and assisted by certain kind of power, otherwise he does not stand the slightest chance of succeeding in becoming the Chief Executive.

In the past, the people of Hong Kong held a phobia of party politics. The people from the older generation, in particular, were afraid to talk about political parties, probably due to the fact that they had experienced the power struggles between the Communist Party and Kuomintang. In the absence of a model for peaceful evolution, it is generally believed that whoever engaged in politics will suffer miserably in the end. Once out of power, one will get denounced, or one may even lose his life, so many elderly people discouraged the younger generation from getting involved in politics. A recent survey targeted at young people found that 80% of the young people interviewed were uninterested in becoming a councillor. This kind of political phobia is strangling the political parties in Hong Kong.

Political parties should be lofty both in name and in substance, and they are conducive to the establishment of the government and its effective governance in the context of modern, civilized societies. A political party means the formation of an organization by people with common beliefs or interests — whether it is beliefs-oriented or interests-oriented is the decision of each respective organization. The objective in forming a political party is to realize their beliefs or interests, and to become a ruling party by securing political posts or authority. There is nothing wrong with all these. Whether it is an individual or a group of individuals, the idea is to achieve their aim through a specific mechanism. The role of party politics is to civilize and institutionalize this mechanism.

Basically, the roles of political parties are to reflect public opinions and to recommend suitable candidates to voters for the formation of the government. In the case of opposition parties, their roles are to monitor the government, groom political talents, formulate public policies, and to educate and mobilize the public to participate in political affairs. As a matter of fact, the most important purpose is to serve the public.

As far as competition among political parties is concerned, there are a number of basic rules. In any region, locality or country, any political body must serve the interests of each respective locality, community or country, and no political party will say that they aim at overthrowing their own country. Furthermore, political parties must be formed in accordance with the law for lawful competition. A major problem with Hong Kong is that a comprehensive and reasonable political party law is still wanting to date. As regards competition, it means resolving problems by means of peaceful communication and rational consultations instead of violent measures. Most importantly, there has to be majority rule and respect for the minority.

This is entirely not the case in Hong Kong. It is impossible to form a political party in Hong Kong, where only a handful of people can "dictate commands" while the majority of the people are under repression. As "Long Hair" said just now, the Communist Party of China is the only dominant party which is not governed by any laws or legal provisions, yet it could have complete control of all trades and industries of Hong Kong, including the Legislative Council, through different channels.

Therefore, under the current circumstances, there is a gap between the development of politics and that of political parties, which prevents Hong Kong from developing maturely politically and obstructs the grooming of political talents. A system like this can only groom a greater number of slaves. We can say that in the absence of any development of party politics, Hong Kong has become a place governed by a bunch of slaves. This is the misery of the people of Hong Kong, President.

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

MR TAM YIU-CHUNG (in Cantonese): President, I wonder if it is a deliberate arrangement or simply a coincidence that over the past two weeks, debates with topics on political issues have been carried out in this Council. The motion we have today is the third one. As far as I know, they will keep coming, and political topics will be raised every week. Members of the DAB share the same view with the general public, that we should focus on economic development, liven up our economy, and pay attention to general livelihood. As such, I have been designated as the representative to give remarks on these political topics.

Political parties are an essential element of modern politics. The healthy development of Hong Kong politics depends on whether or not there are mature and stable political parties that can accommodate the different interests of society and keep driving Hong Kong forward.

If we take a look at the status of the political parties of Hong Kong in the realistic light, I believe — and I think Members will all agree too — that political parties in Hong Kong, including the DAB, are in an infancy state of development, although some parties are saying that they aspire to becoming the ruling party. As regards how we could promote the growth of political parties in Hong Kong, the DAB believes the most important thing at this stage is to ensure that each political party can develop freely without further restrictions; as such, we do not think it is necessary to carry out major law reforms in this regard.

As regards how the SAR Government could facilitate the development of political parties, recently, we noticed that the Government had announced a policy under which every vote would be given a subsidy of \$10 effective from the District Council elections to be held next year, the expansion of political appointment, and the admission of political talents into advisory bodies, and so on. These are substantive measures which help political parties ease their financial pressure and accumulate more experience in public administration. In another instance, in the Fifth Report of the Constitutional Development Task Force released last year, the Government suggested increasing the number of elected seats to achieve a higher level of democratic representation. This will provide greater room for political parties to take part in political affairs. All of these are conducive to the development of political parties. We hope the Government will continue to strengthen liaison with different political parties for greater interaction and better administration, which could in turn upgrade the quality of governance. Being a major political party of Hong Kong, the DAB will be pleased to see that different sectors of the community will have an enhanced awareness of political representation. No matter a person takes part in political affairs as a representative of a political party or as an independent, this is a concrete manifestation of our commitment and devotion to Hong Kong.

Recently, we noticed some parties have kept saying that they are dedicated to the promotion of party politics, but their party operations have been "stealthy" with insufficient transparency. For example, not only are their member lists undisclosed, they are even "locking up" these lists. In another instance, while

they have commissioned a United States public relations company for packaging and brand building, they insisted it was strictly about policy studies. Disclosing the party member lists for the purposes of conducting publicity for the party and for its candidates is a necessary measure in modern party politics, which could be done openly, so why should they be done in the dark? Some people always want to keep a halo above their heads, always have immaculate feathers, always fashion a sharp, colourful pocket handkerchief in his breast pocket, but given the high degree of transparency in modern politics, how can these people be allowed to deceive the public?

Insofar as the development of political parties in Hong Kong is concerned, the key lies in the quality of the political parties. If members of a political party are always found to be obtaining public monies by deception, or even convicted by the Court repeatedly; or if there are always internal struggles within the party, in which there are always "fraternal brothers" orchestrating struggles between different factions and the reform fraction, members of the public will be disappointed. Therefore, every political party should first perfect themselves internally before they could win the trust of the public and drive the party forward. Thank you, President.

MR ALAN LEONG (in Cantonese): Madam President, Dr Philip WONG proposed to amend the motion of Ms Margaret NG by suggesting that the development of political parties should be studied within the framework of the Basic Law and existing legislation, but room for political participation by independents should be also allowed. To put it simply, Dr WONG believes any initiatives with respect to the development of political parties must not touch upon the framework of existing legislation, whereas opportunities for political participation by independents must be ensured. In evaluating whether the original motion or the amendment deserves greater support, first of all, we have to study carefully which one of them, that is, political parties, or independents, require more room for political participation. Under the existing legal system, are opportunities of political participation available meeting the needs of society?

Madam President, to observe the current level of political involvement by political parties in the SAR, we have to examine the position of the Chief Executive. For this most important political office of Hong Kong, section 31(1) of the Chief Executive Election Ordinance provides that the person who has been elected the Chief Executive must declare and undertake that he is not a member

of any political party and he will not be subject to the discipline of any political party. In other words, under the existing Hong Kong legislation, political parties are unable to dominate the administration and dictate the direction of social development by running for the office of Chief Executive.

In May this year, when the proposed amendments to the Chief Executive Election Ordinance were tabled at this Council, the Government categorically refused to amend the law to allow the Chief Executive to be a member of a political party. At that time, the Secretary for Constitution Affairs, Mr Stephen LAM, argued that it was necessary for the Chief Executive to maintain communication and co-operation with different parties within the Legislative Council in order to solicit support and to ensure that the Government could amass a consensus to facilitate policy implementation to the greatest possible extent, otherwise it would be detrimental to effective administration; as such, the Chief Executive must not be affiliated with any political party. As regards the Government, it would facilitate the development of political parties by appointing party members to the Executive Council or to the posts of Secretary or Director through the accountability system for principal officials.

Madam President, given a Chief Executive who is not affiliated with any political party, coupled with the accountability system for principal officials, can it really ensure effective administration? Let us review the accountability system for principal officials, which has been implemented for more than four years now. We have had two Chief Executives. Mr TUNG has been described as irresolute and indecisive. Now that we have Mr TSANG, apart from a series of policies that were forced to withdraw for further studies, have we seen any concrete policy initiative or reform? For example, the Government withdrew the consultation paper on Goods and Services Tax just yesterday. Of course, I believe the withdrawal of this consultation is related to the competition introduced to the Chief Executive election, and it is possible that the contested Chief Executive election has scored its maiden victory for the general livelihood of the public.

Madam President, the role of the Chief Executive is not restricted to balancing the interests of different classes and parties and groupings. He needs to put into practice a series of policy objectives. Simply put, having a Chief Executive who is working alone all by himself is not the most effective way of governance. He needs to work with a team. From the accountability system

for principal officials to the consultation on the expansion of political appointment, these are moves that aim at identifying a team with which a Chief Executive not affiliated with any political party can collaborate in administration and lobby for the support of the legislature. However, a series of blunders in policy implementation showed that the Government has yet been able to produce a comprehensive set of policy objectives to discuss with the legislature and the public, that it could only waver passively with public opinions and follow the views of the political parties, so much so that it would make an about-turn in defiance of what it previously believed to be right.

Madam President, when the policy objectives remain unclear, even if the Government has the intention to recruit supportive party members to the posts of Secretary or Director, which party would participate at the risk of becoming martyrs or at the risk of losing votes from the voters? Who would be willing to take part in a losing game? If one has to be caught between whether he is to listen to the party or to listen to the Chief Executive on an everyday basis, which party member would be willing to take up the post of Secretary or Director? In the end, the Chief Executive will have to identify political officials from among the Administrative Officers. Yet given that these officers have always believed in political neutrality in a generalist culture, will they be able to formulate a comprehensive set of policy objectives and to succeed in selling this set of policy objectives to the legislature and to the public?

Madam President, with the experience of the social development over the past four years, it is evident that if political parties are isolated artificially from political rulership, it is not going to facilitate policy implementation, and not even a consensus may be reached. When even the fundamental task of pooling a political team cannot be achieved, there is much less meaning in talking about its expansion. To begin with, the Government should thoroughly review the accountability system for principal officials and institutionalized the way in which the Chief Executive and senior government officials shape their policy objectives. As a matter of fact, each political party itself is a platform for gestating a set of policy objectives. The public could then select from among different sets of policy objectives at regular intervals and give the political party and its team the mandate in running the government. This is the best way to resolve the problems in governance.

Madam President, I so submit.

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

MS AUDREY EU (in Cantonese): President, just now Mr TAM Yiu-chung said he did not understand why topics in relation to politics are being debated three weeks in a row, and he said the DAB only focused on topics in relation to the general livelihood of the public. Upon hearing his remarks, I found it most ludicrous. The biggest party in the Legislative Council are saying that they focus only on people's livelihood and stay away from politics.

As a matter of fact, people's livelihood and democracy are of course intricately related to each other, whereas governance and politics are interactive. A harmonious society is built upon a system that is fair and has a high degree of openness. Mr TAM Yiu-chung asked in his speech why there should be a debate on party politics, and why should some political parties covertly commission United States companies for public relations. Actually, these are only proper things to do. What is there to worry about for commissioning public relations companies? What is there to be afraid of? Yet, there are people who, for reasons inexplicable, are fond of making a fuss out of things like this, with allegations about whether there are any cover-ups or whether there are any skeletons in the cupboard.

In fact, there have been some news reports on this matter, and the Civic Party has explained it clearly as well. As far as the current Chief Executive election is concerned, before we confirmed to have Mr Alan LEONG as our candidate for this election, the Civic Party had conducted some preparatory work with other members of the democratic camp, including the Democratic Party. While the preparatory work was underway, we did commission a publicity company to do some preliminary work. However, the fact is that once the working group formed by the Civic Party and other members of the democratic camp had confirmed Mr Alan LEONG as our candidate for the election, we ceased commissioning that particular publicity company, and this is evident in the timeline of the events. These have been explained clearly and there is not much ingredient worthy of making a fuss. Still, there are people who are fond of using these materials to "make a fuss" in this Council. There is nothing much we can do about it, except to respond to it clearly.

President, there are people in Hong Kong who are most afraid of being alleged as undemocratic. When they are alleged as undemocratic, they would

refute by saying that they are very democratic indeed. In a forum for members from the higher education subsector of the Election Committee, some people claimed that they had democratic elements in their blood. Even scholars would have made this unscientific statement. How do we ascertain if there are democratic elements in his blood? That reminded me that Donald TSANG once said he had the blood of Hong Kong running in his veins. In fact, while these people are claiming that they support democracy, they are also imposing a number of conditions to be met. As they argue democracy should be in place in Hong Kong, they are also saying we are not "ready" yet, and there are a number of conditions which we have not met. Among these conditions, one is that we do not have sufficient political talents and party politics is not mature enough. Even the biggest party are saying that they themselves are not mature enough.

President, in fact, it is absolutely not true that Hong Kong do not have talents. We have got an enormous pool of talents, but the problem is that there is no outlet for them. When it comes to joining a political party and engaging in politics, many people would tell you there is no future in this undertaking. This is because all along, the Government has been unwilling to promote party politics, and this is precisely the reason why Ms Margaret NG has to propose this motion debate today.

Many colleagues have been asking this question too: What exactly has the Hong Kong Government done in grooming political talents? In fact, in many cases, we are merely asking for an open political system, because where there is a system, there will be talents. Some people also say that even Members of the Legislative Council are not a full-time job. When it lacks the support of a system, when there is no system in place to attract devoted and talented people to take part in the business of the legislature on a full-time basis, no wonder people are unwilling to commit themselves to politics.

In fact, the talks on the remuneration for members of District Councils and Members of the Legislative Council are the very crux of the problem. How exactly should we look at this job, and whether or not this should be treated as a profession? Do we agree that this is a job that requires professional knowledge, or is it only a part-time job on a voluntary service basis, which must not be taken very seriously? This is the core problem, but every time this problem is discussed, the Government is unwilling to give a concrete answer. This being the case, how could we criticize Hong Kong for the lack of political talents?

Very often, the very crux of the question is, if greater authority and greater responsibility are to be entrusted to the two-tier Councils, it should be recognized that these are important jobs that should be adequately rewarded. If this should be the case, I believe there will be political talents who are willing to take part in politics and to serve the public.

However, in our observation, what has the Government done? The Government asked in return why we do not allocate some public money for the purposes of grooming political talents. This is definitely a case of the tail wagging the dog. President, it would be fine if the Government was saying that, due to insufficient human resources, they had to recruit more manpower through political appointment to market their policies. However, the Government should not whitewash it as the grooming of political talents. We cannot use public money for the grooming of political talents. Political talents are groomed through daily practices, working at the district level, and running in open and fair elections. I very much hope that the Government would stop doing things the other way round, such as appointing the 102 District Council members, or, as it suggested last year in the proposed constitutional reform package, to increase five additional seats in the Legislative Council for these people and keep them for at least 10 years, not to mention its subsequent remark that appointed members of District Councils would be eligible for running for Chief Executive. The current talks on expansion of political appointment would incur the use of public money too. From the perspective of small government, this will mean an increased number of government posts.

Therefore, President, if we want to examine this issue, very often we can draw reference from overseas countries, such as the United Kingdom. In the United Kingdom, the Government provides subsidies to the opposition party (called the loyal opposition) in order to provide a more level field for competition, considering the fact that there is a gap in the resources available between the ruling party and the opposition party. President, these subsidies are named differently; in the House of Commons, it is called Short Money, whereas in the House of Lords, it is called Cranborne Money. For example, in the House of Commons, political parties are subsidized in proportion to the number of seats and the number of votes they have won. Meanwhile, the party leader, the principal party whip and the assistant party whip of the biggest opposition party will receive additional payments too. For 2006-2007, the opposition Conservative Party and the Liberal Democratic Party each received subsidies amounting to £4.3 million and £1.6 million respectively.

President, the Civic Party fully supports the motion proposed by Ms Margaret NG today, and we very much hope the Government will consider it positively. As a matter of fact, party politics represents a very important cornerstone for the development of democracy and the development of a harmonious society.

MS EMILY LAU (in Cantonese): President, I speak in support of Ms Margaret NG's motion.

I think the topic today is very important because it is not possible to talk about a democratic political system without talking about political parties, otherwise, the premise will be missing. I also want to give Mr TAM Yiu-chung or those people who are apprehensive of talking about politics an advance notice: We have discussed it for three weeks and next week, we will be at it again, President, moreover, it will be something even more terrific because we will talk about the release of CHING Cheong. It is possible that some amendments are being made to it out there right now. What comes the week after the next is even more terrific. We will talk about none other than the "Grandpa" himself and will call on the Central Authorities not to interfere with Hong Kong's internal affairs. President, whoever finds them unbearable will probably have to — he does not necessarily have to resign — stay away from the meeting.

The development of party politics is very important and I myself have all along given it my greatest support. I also hope that there can be a multi-party system in Hong Kong and I am against one-party dictatorship. What have the authorities done so far? Just now, some Honourable colleagues have talked about this. If we look up at the information — the Secretariat has done a great job by doing a lot of research and it has reminded us of something that happened in October 2001. What did the then Secretary for Constitutional Affairs, Mr Michael SUEN, say? He said that in order to increase the transparency of political parties and facilitate their healthy development, the Government was studying the feasibility and desirability of introducing a political party law. This is the information dating back to October 2001.

Afterwards, the accountability system for principal officials was established, President, and Mr Stephen LAM became the Secretary. I would not say that he capitalized on this unexpected opportunity. What did he say in public in December 2002? He said that the Government considered it not

appropriate to introduce a political party law at that stage. So the clock continued to tick and when it came to April 2004, what happened then? What happened was that the Second Report of the Constitutional Development Task Force was published. Very few people would look back to such a long time ago now. What did the report say? It mentioned political parties, saying that this group of people and political groups focused more on issues of the day and individual political incidents. It went on to say that the public was not certain whether political groups could look after the interests of different sectors of society, as well as the long-term interests of the SAR.

President, that was not the first time and it copied what the British had done in the past. For many years, the authorities have said that political parties represent very narrow interests. Some people may ask who represents public interest then? Of course, the Administration would say that it does. Since that bunch of people are so narrow-minded and not up to scratch, why still support them? Sometimes, the mass media would of course lend a hand, saying that all people in political parties are "bad guys" and are untrustworthy. However, not all members of the public are fools, President. In elections, they would often vote for political parties. However, Members can see that even the paper prepared by the Administration also voices such views, so how possibly would it carry out studies and public consultation on how to enable political parties to develop, as suggested by Ms Margaret NG? President, this is really to cherish very fond hopes. However, I understand what Ms Margaret NG means. What she means is that these are the things that should be done and I agree with her. Mr Ronny TONG made it even more pathetic. He said, "Hey, you people are like toads wanting to eat swan meat."

President, political parties are unlike any other thing. For other people, when they have the time, they can organize groups of other nature for activities such as wining and dining, but there is only one *raison d'etre* for political parties and that is, to assume power. This being so, why this talk of toads wanting to eat swan meat? However, in the circumstances in Hong Kong, why would some people say such a thing, as Mr TONG has cited? President, people who say such things mean that some people have inordinate desires. Why are the desires "inordinate"? Dr Philip WONG has already told everyone, that is, the Basic Law is violated. He even wants to delete "party politics". Maybe political parties will also be allowed to develop a little and they will be allowed to do something with hullabaloo. President, party politics refers to the kind found

at other civilized places, where a ruling party and the opposition can be found and they can change places. This is what it refers to. However, Dr Philip WONG says that this will not do and it is not possible for Hong Kong to have such developments.

However, I do not know which provision in the Basic Law stipulates that this is not allowed, President, and I really hope that Dr WONG can enlighten me. I have read at the entire Basic Law and I do not know which provision states that there cannot be any ruling coalition or ruling party. I only know that the Basic Law states explicitly that Members of the Legislative Council cannot serve as the Secretaries in the accountability system. However, there is no provision stating that they are not allowed to do other things. If we do as Dr Philip WONG says, that will be terrible — people will impose restrictions on themselves and dare not do anything, even though nothing of the sort is stipulated in the Basic Law. If we frequently second-guess what "Grandpa" is thinking, then we will have a difficult time. However, if we look at the development of this matter today, there really are a lot of people doing the second-guessing. Therefore, I do not know how Dr Philip WONG's amendment will fare — I will not wish him good luck but I know that Ms NG's motion will definitely not fare well.

However, the problem is that, if things go on this way, universal suffrage will not be allowed, electing the Chief Executive and the Legislative Council by universal suffrage will not be allowed, the conditions which some people maintain must first be met and will make it ripe to introduce universal suffrage will not be allowed, and the development of party politics will also not be allowed. Moreover, coupled with the negative light in which the official report paints matters (everyone can see this on going through the report) — the public are told that they do not understand but in fact, the public only understand too well and they will vote for political parties, only that the authorities do not understand and disapprove of this — therefore, the authorities have done those things and at best, they can only say, "We now pay you \$10 for each vote.". It looks as though the Government has cast a crumb of bread onto the ground as dole. Can such an action be described as a measure to promote the development of party politics?

Therefore, President, I do not know when this Legislative Council of ours will stand united and bring about a breakthrough in the situation. I agree with

Honourable colleagues who say that their demands are not excessive (in fact, their demands are far too excessive) and all that they want is to bring about a breakthrough in the political situation in Hong Kong, so that people who want to take part in politics or form political parties can win a majority of votes and assume power. This is our demand, therefore, the debate today shares the same attributes with the debates held last week and to be held next week. I am feeling very indignant and find it very regrettable because I believe this motion will also be negatived just like those in the last two weeks. Since we are demeaning ourselves, how possible can we defend "a high degree of autonomy" in Hong Kong?

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

MR LEUNG YIU-CHUNG (in Cantonese): President, in recent years, members of the public have kept criticizing the education sector for failing to educate students because apart from having poor academic performance, students also have low social awareness. I agree with such a view.

However, when people make such criticisms, have they ever thought about why this is so? In fact, I have found out one of the reasons but it is neither the most important one nor the only one. One of the reasons is that the entire Government and society cannot deliver a positive and good message to the younger generation. President, why do I say so? For example, some two or three weeks ago, we passed a piece of legislation relating to courier pigeons. This piece of legislation is related to courier pigeons, is it not? However, the Government wanted to force people to obtain a licence which is totally irrelevant to this piece of legislation relating to courier pigeons, that is, an exhibition licence. This is improper and totally irrelevant. It was all about courier pigeons, however, the Government claimed that the pigeons were kept for exhibition purposes.

Apart from the issue of courier pigeons, it is also the case for this issue of political parties being discussed today. Why do I say, seemingly for no apparent reason, that political parties also lack a proper status? Many Honourable colleagues here have joined political parties. The Democratic Party, for example, obviously is a political party, is it not? However, it is not registered as a political party, so in what status is it registered? As a company.

What sort of special legislation is it subject to? It is subject to the regulation of the Companies Ordinance. Strange enough, a political party is subject to the regulation of the Companies Ordinance and I believe that such a practice can rarely be found in any other place in the world. President, what I want to do is only to point out that in this case, the status is also improper. A political party is just what it is and it is different from a company. Since it is not a profit-making organization, why is it subject to the regulation of the Companies Ordinance? This is very strange.

Our group, the Neighbourhood and Workers Service Centre (NWSC), is not a political party, so it is of course not registered as a company, instead, it is registered as a society. However, another problem has thus arisen. Although our group is registered as a society, since I have participated in elections, the Government says that groups that have taken part in elections are considered as political groups. As long as someone in a group has taken part in elections, a group is considered a political group, so it is prohibited from accepting any overseas political donations.

President, I am puzzled by this. If it is said that ours is a political group, is there any law on political groups? No, there is not. However, the NWSC is subject to the regulation of the Societies Ordinance, yet the Ordinance does not provide that we cannot accept political donations. President, we really find this conflicting and we are also confused. Our group is registered as a society but it is considered a political group, so what actually is it, President? One can say that this is really a mess, a shambles. What sort of activities are we engaged in? We really do not know what to do, and we are also not clear about our status and position. The major reason is that from the British-Hong Kong era to the present era of the SAR Government, some issues have all along been evaded and that is, it is hoped that no political force which can become a major and powerful opposition party or opposition force will come into being in society.

What Ms Emily LAU said just now was very correct and her remark is only too correct. What is the aim of developing party politics? So that people can assume power. If the aim is for people to assume power, how possibly can this not be scary? At present, what the people in power are afraid of is that they will be replaced as rulers. If we now go further and demand that legislation be introduced to make it possible for political parties to survive and develop, so that the people in power can be replaced, how can the people in power not be afraid? Who will be so stupid as to be willing to make a law on this? How possibly will

people with vested interests do so? Since this has never been done in the past, that is, this was not done in the British-Hong Kong era and the SAR Government has never done so in the last decade, I believe that — if I can live to see the future — Secretary Stephen LAM will not do so either. People with vested interests will not surrender political power of their own accord. As I said last time, this is a nexus of power that prescribes all institutions and legislation, so how possibly can one surrender everything voluntarily?

Therefore, Members must not have fond hopes that these people will do so of their own accord. However, President, this does not mean that there is no need for us to raise this matter. It is precisely because they will not surrender anything of their own accord that we have to advocate our ideas and convictions through various channels relentlessly and lobby for a share of the powers held by these people who are defending their vested interests, so that the opposition can assume power one day. This is the most important thing and this is what the development of party politics is about.

Today, some Honourable colleagues said that we have to care about issues relating to the people's livelihood. In fact, when we talk about political issues, it is by no means the case that we do not care about the people's livelihood. We believe that if we do not solve the problems relating to the people's livelihood at the political level, it will not be possible for us to solve them. This is just the same with party politics. If we want to hold democratic elections, it will not be possible to do so without the development of party politics. However, it is a pity that the Basic Law states clearly that the pace of democratic development will be gradual and orderly and a democratic system will ultimately be put in place.

However, regrettably, without the development of party politics, how possibly can democracy make any progress? Therefore, if we really want to adhere to the Basic Law, is it not also necessary for the Government to outline the development of party politics clearly, so as to complement the central issue of democratic development? It is unfortunate that up to now, we have not seen the Government do so. How is it going to make us embark on the road of the so-called party politics? We have not seen it do so, so it has not delivered anything in this regard.

Even so, Honourable colleagues of the pan-democratic camp and the forces of civil society will not forget about this matter merely because they find

that the powers that be are defending their own interests. We will definitely continue with this fight. Although the topic of discussion today is party politics, we are in fact rallying the political forces of political parties, so as to campaign for the political status and power that we are entitled to.

I so submit, President.

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

MR JAMES TO (in Cantonese): President, although Dr Philip WONG rarely speaks, each time he did, he would speak very prudently and read from his script very carefully.

I personally believe that Dr Philip WONG's views are indicative of some sort of the thinking within the Central Government, which he is in a position to relate to. Therefore, I attach great importance to his comments. Although we have to continue to campaign for democracy, it is also necessary to consider what the Central Government or the Communist Party of China (CPC) is actually thinking, or what it is worried about, particularly with regard to the issue of party politics or democracy. In fact, Mr Martin LEE has already pointed out that the crux of party politics is democracy, and party politics and the development of political parties only serve to complement and facilitate the development of democracy, so they are only some of the complementary components.

The problem has to do with "Hong Kong people ruling Hong Kong" as understood by Hong Kong people. Be it the "Hong Kong people ruling Hong Kong" discussed several decades ago or the "Hong Kong people ruling Hong Kong" discussed nowadays (the composition of the Central Government is now different and the leadership is also different), so far, the impression I get is that the Central Government is still very leery of the development of party politics for unknown reasons. According to my conjecture or conclusion drawn from all available information, in fact, in the final analysis, they believe that it is not possible for a political party elected by members of the public to rule Hong Kong. If we really want to develop party politics with such a goal in mind, it means that we have to sort out what place we are going to put the Central Government or the CPC.

In the past, our colonial government was called the British Hong Kong Government, that is, the United Kingdom ruled Hong Kong through the Hong Kong Government. In fact, from the time when the negotiations on the future of Hong Kong took place up to the very present, I believe such a pattern has not changed. The thinking of the Central Government or the CPC is that the CPC can rule Hong Kong through some people, including the Chief Executive, whom they have the substantive power to appoint, and through principal officials such as the Secretaries of Department and Bureau Directors under him, as well as various political parties which are formally or covertly under its control and influence. Therefore, when it comes to truly developing party politics, I believe they have a great many misgivings about this and even now, they have not entirely liberated themselves from such an attitude.

However, recently, it is interesting that some people have made some suggestions — or perhaps let us not say making some suggestions but rather, beginning to sound things out — saying that party politics may be inevitable. For that matter, how should we deal with this issue? In view of this, some people suggested that perhaps we should give some consideration to the AO Party, that is, the so-called Administrative Officer Party and consider whether Donald TSANG can take the move of forming a AO Party one way or another, to turn an AO Party into one that is returned by elections or even make it the majority in the Legislative Council, so that the CPC can rule Hong Kong through the Chief Executive and the AO Party, which is composed of people sharing the same ideology, aspirations and ways of thinking, with the executive and the legislature working in tandem.

However, I have this most puzzling question. If Donald TSANG really wants to form an AO Party and he is also the leader of the AO Party (or perhaps he is even organizing it now), then what on earth are the values and beliefs of this party? This is very paradoxical and several points should be examined. Firstly, in the last election, the platform published by Donald TSANG consisted of only one page and it contains nothing. Even the values and concepts were not spelt out clearly or completely. This being so, what actually are the values of these people?

I know a number of Administrative Officers and I respect them very much. Moreover, quite a number of them are my peers. In fact, they received their training in the British era and generally speaking, the impression that they give me is that they consider themselves most knowledgeable about ruling Hong Kong

and that other people, being useless or lousy people, know nothing at all. Of course, they look down on the spokespersons of the Chinese side and they also look down on pro-democracy political parties. As regards the so-called pro-business political parties, they also believe that these parties know nothing because these people only want to obtain benefits and exchange benefits with the Government. Therefore, in their mind, they are the most equitable, fair-minded and rational people. Why? This is because the training given by the British to Administrative Officers is such that it makes them think all people in the world are lousy; only they can be considered the *crème de la crème* and only they know how to rule Hong Kong. Moreover, as they grew up here, they also hold Chinese values, so they can deal with the public using this façade by visiting districts to put up shows of care or to solicit support.

However, the worst thing is that it is very difficult to figure out what the values of the AO Party are. I have already read a lot of literature and many scholars have also tried to distill the values that they stand for, however, honestly, no matter how they explain, this is not very clear. If it is so difficult to spell them out clearly, I do not know what they are either. Little wonder that, apart from the fact that Donald TSANG wants to retain flexibility, he cannot spell out his own beliefs and values in governing Hong Kong in detail (in fact, he could not do so in the past either). If he really wants to take part in the election, I hope he can spell them out clearly in future.

In addition, if the CPC really wants Donald TSANG to rule Hong Kong in the next five years through an AO Party, I hope the people concerned can really spell out their values clearly. Otherwise, I believe that even if the public really wants an AO Party to assume power, it would not be possible for them to elect it to power because the public do not know what values it stands for at all.

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

MR HOWARD YOUNG (in Cantonese): Madam President, Mr Ronny TONG commented at the beginning of his speech that the major political parties had not spoken on this motion and he wondered if silence was golden. I wish to borrow a remark made by Ms Emily LAU just now, that is, we should not demean our own political parties. The good thing about political parties is that when a political party holds certain views on certain issues, it is enough for just one person from it to speak. Even if a lot of people speak, they will only repeat the

same arguments, so this is precisely an advantage that political parties have. I now speak on behalf of the Liberal Party.

Madam President, as one of the major political parties in Hong Kong, the Liberal Party has always proactively urged the Government to promote the development of political parties. We believe that it will be possible to improve the relationship between the executive and the legislature and raise the standard of administration only by making political parties develop healthily. Moreover, the benefits will be greater than the drawbacks for society as a whole. Therefore, we believe that it is necessary to adopt a package of complementary measures including law reforms and public policies, as well as other administrative measures, so that party politics can develop in Hong Kong. For example, at present, as there is no political party law in Hong Kong, one can say that all political parties do not have any legal status and they can only register under the Companies Ordinance, so it can be said that when they do not have a proper status, they cannot be assertive. For example, earlier on, as political parties had to undertake a great deal of administrative work in accordance with the Companies Ordinance in response to the enquiries made by some members of the public concerning their membership lists, so even now, a political party is still waiting for its appeal to be heard and is unwilling to publish its membership list. Moreover, although it is not necessary for political parties to pay tax, their donors are not entitled to any tax concession because their donations are not given to charitable organizations, as a result, the development of political parties is subjected to some constraints.

If a political party law is enacted, various political parties can gain an appropriate legal status, the rights and responsibilities of political parties can also be defined by a set of reasonable, legal and clear rules and this will of course be conducive to the healthy development of political parties.

Madam President, when it comes to law reforms, early this year, the Liberal Party intended to propose an amendment to the Chief Executive Election Ordinance to delete the provision that imposes restrictions on the Chief Executive's political affiliation, so as to make it possible for a ruling political party to emerge in Hong Kong. However, due to procedural issues, we did not succeed in proposing the relevant amendment. The Liberal Party believes that in order to develop party politics in Hong Kong, ultimately, it is necessary to have a goal and one cannot play the role of the opposition or the monitoring party forever. If we look around the world, we will find that nearly all governments

are run by the party that commands the majority, so it would be nothing new to allow the Chief Executive to have political affiliation.

Madam President, in fact, to allow the Chief Executive to have political affiliation means positive significance to both political parties in Hong Kong and the ultimate goal of introducing dual elections by universal suffrage, and it is indispensable. Even the Chief Executive, Mr TSANG, has pointed out that one of the three conditions for implementing universal suffrage in Hong Kong is mature party politics. However, if members of political parties can never become the Chief Executive, how the sound development of political parties can be fostered and how can we bring about the early introduction of universal suffrage?

In addition, the promotion of party politics can also solve the impasse of the Chief Executive finding himself all isolated. The Liberal Party have pointed out many times that often, after government policies have been submitted to the Legislative Council, they would often meet obstacles, precisely because the Government does not have a single vote in the Legislative Council. Moreover, in the policymaking process, various major political parties are not adequately consulted, as a result, each time when endorsement has to be sought for a new policy, officials have to do their utmost to lobby for Members' support. Sometimes, the reverse is the case and they may argue heatedly with Members. As a result, the relationship between the executive and the legislature is strained, so such a situation is far from desirable.

If the Chief Executive is allowed to have political affiliation or to form a ruling coalition with friendly political parties which share similar beliefs, it will be highly conducive to the improvement of the relationship between the executive and the legislature and to the implementation of party politics by the Government. Just imagine: If the Chief Executive comes from a political party, his fellow party members in the Legislative Council will be his reliable allies and they can also convey the views of the public to the Chief Executive, so that his policies can follow public opinion more closely. In this way, the administration by the Government will be even smoother.

However, the Liberal Party believes that all reforms and development must conform to the Basic Law and cannot exceed the parameters laid down by it. The original motion has failed to point out this important consideration, so obviously, this is somewhat like a fly in the ointment.

Madam President, concerning the amendment, the Liberal Party believes that the wording of the amendment, in deleting such phrases as promoting party politics, public consultation and law reforms, will greatly curtail the scope for promoting party politics. However, we agree with the view expressed in the amendment, that all development and reforms should conform to the Basic Law.

Madam President, I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If no other Member wishes to speak, I now call on Ms Margaret NG to speak on Dr Philip WONG's amendment. The speaking time is five minutes.

MS MARGARET NG (in Cantonese): Madam President, in moving today's motion, I have kept its scope as broad as possible, in the hope that it could enable Members, political parties and groupings to express their views as freely as possible. However, the amendment proposed by Dr Philip WONG have substantially narrowed down the subject matter, thereby imposing many limitations on the scope of our discussion. Therefore, later on, we shall indicate that we cannot support Dr Philip WONG's amendment.

I would like to respond to several points raised by Dr Philip WONG. In the first part of his amendment, he states that the relevant measures have to be taken under the framework of the Basic Law, and Mr Howard YOUNG also said earlier that I have not mentioned the Basic Law. Madam President, when we Members were swearing-in, we had all sworn to uphold the Basic Law. Of course, all kinds of development have to be taken forward under the restrictions of the framework of the Basic Law until it is amended. This is inevitable. However, the Basic Law does not exclude any development of party politics. Dr Philip WONG worries that the western style of politics may not be appropriate for us. In particular, he worries that, if party politics were implemented in Hong Kong, officials might be puzzled by whether they should hold themselves accountable to the party concerned or to the Central Authorities. In fact, the issue of accountability to either the party or the Central Authorities

absolutely does not exist in party politics in Western countries. Since Hong Kong is a place governed by the rule of law, we do not have the problem of whether "the party" or "the law" should prevail. In Hong Kong, we comply with the Basic Law, in which Article 43 stipulates that "The Chief Executive of the Hong Kong Special Administrative Region shall be accountable to the Central People's Government and the Hong Kong Special Administrative Region in accordance with the provisions of this Law.". As such, why should there be any doubt about it?

Dr Philip WONG also mentioned "within the framework of the existing legislation". Actually, what is the greatest constraint in this regard? If even the Societies Ordinance and Companies Ordinance cannot be amended, then in fact I feel that this is not an issue about the framework because basically even the legislation cannot be amended. Actually, should the Companies Ordinance be amended? As the Democratic Party has said, I also think that this is an issue that can be discussed. However, with regard to the Societies Ordinance, it is stipulated that any organization must be registered. If an organization is not registered under the Societies Ordinance, then it must be registered under the Companies Ordinance. Such a practice has created a major obstacle to the freedom of association, or it may even have violated Article 39 of the Basic Law.

Madam President, Dr Philip WONG has also mentioned that the law cannot be changed at all. If so, even the Liberal Party cannot support his position. Many Members have said that it would be extremely difficult for a Chief Executive to govern Hong Kong single-handedly, and under such circumstances, all he can do is try to look for officials who share his beliefs. In proposing his amendment, Dr Philip WONG said that, in view of the present relationship between the SAR and the Central Authorities, it may involve too many issues and could be too complicated if party politics are developed, thus we should not implement party politics. If such complicated issues are brought up but not tackled, or if the problems are not clarified, then as a result, the people could easily be misled or be leery of political parties, so that they may be unwilling to join the parties. This in fact is the reason why the development of political parties and party politics is stifled.

Dr Philip WONG adopts the stance of declining to hold consultation and not actively studying the problem of why there are political parties but not party politics. This is the major reason accounting for our difficulty in supporting his amendment.

Madam President, I mentioned the opinion of Prof KUAN in my earlier speech. Prof KUAN said that the continued existence of functional constituencies would adversely affect the healthy development of political parties because functional constituencies prevent the parties from launching developments across different sectors and could not achieve the effect of unifying the interests of different classes, thereby facilitating the work of setting priorities. This is also the reason for me to vote against it.

Thank you, Madam President.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I am grateful to Members for voicing their views on a number of areas in this question of common concern. If we look at the past, before the '80s in the last century, the colonial government was headed by a governor then and basically, he held all executive and legislative powers and there were no democratic elections, nor was the development of political parties encouraged.

However, after the introduction of the Legislative Council elections in 1985 in Hong Kong, local politics began to burgeon. This was followed by the introduction of direct elections in 1991 and political parties found more scope for development. Nowadays, we can find many Members affiliated with political parties or groupings in the legislature.

Mr LEE Cheuk-yan and several other Members asked the SAR Government what its attitude towards the development of political parties was. Our attitude is positive because political parties now constitute an indispensable component in the political ecology in Hong Kong. Political parties and groupings can keep tabs on public opinions, feel the pulses in society, assimilate views in society and then put forward proposals on various issues relating to the people's livelihood, the economy and politics in Hong Kong society. The views from various quarters and pluralistic discussions are beneficial to the overall governance of the SAR, enabling us to reap the benefits of collective wisdom.

For more than a decade, with the gradual increase in directly-elected seats in the District Councils (DCs) and the legislature, the role played by various political parties and groupings has become more and more important. Back in 1991, only half of the Members in the former Legislative Council had political

affiliations, however, nowadays, two thirds of its Members have such affiliations.

The political parties and groupings in Hong Kong have considerable power of mobilization. For example, in the elections of the Legislative Council of the third term held in September 2004, 1.7 million members of the public cast their votes and about 1 million of these votes went to candidates backed by political parties and groupings. In view of this, I think it is very interesting to discuss this matter in the legislature. Members may get more and more agitated when they debate this matter and sometimes, they may go over the top and lose their sense of balance. Mr Martin LEE, Mr LEUNG Kwok-hung and several other Members maintained that the elections in Hong Kong were controlled by a certain side. May I know who is capable of controlling how over 1 million people vote? The elections in Hong Kong are open, fair, just, clean and compliant with the law. We should respect and uphold this system instead of thinking lightly of it.

If we look in retrospect at the development of political parties in Hong Kong, some progress has already been made so far but compared with democratic and open societies overseas, we are still at a developmental stage and forging ahead. If we look at the number of members in various political parties in Hong Kong, there are about 200 members in the Civic Party, 600 in the Democratic Party and less than 800 in the Liberal Party, whereas the DAB has the largest number, with about 8 400 members. Compared with the development of political parties in other places, these numbers are really indicative of an early stage. However, I still believe that political parties and groupings in Hong Kong are influential because of their social networks, therefore, they have the power to mobilize people in the elections of the DCs and the Legislative Council.

Madam President, insofar as the SAR Government is concerned, it adopts an open and positive attitude towards the development of political parties, therefore, our strategy can be summarized into three dos and three don'ts. The three dos include, firstly, carrying out further studies on developing a system of political appointment. Earlier on, we made the proposal to establish two additional tiers of politically-appointed officials, including Deputy Secretaries and Assistant Secretaries. We have just completed a four-month consultation several days ago. We will study the views collected carefully and put forward a final proposal in the first half of next year. Under this system of political

appointment, it will be possible for us to absorb people from various backgrounds, including people with political affiliations. We believe that this will be helpful to fostering party politics in Hong Kong. However, I believe that the number of people with political affiliations will only account for a small percentage when the tenure of the Chief Executive of the third term commences next year.

Dr KWOK Ka-ki asked whether, after the introduction of political appointments, the appointed officials should pledge their allegiance to the Government or to their parties. Any public officer has to abide by the law when performing their duties, work for the overall interest of Hong Kong and of course, he also has to support the manifesto of the Chief Executive of the third term. Nevertheless, under the existing system, principal officials with political affiliations are already allowed to retain their party membership. For example, when the Financial Secretary, Mr Henry TANG, took up office as the Secretary for Commerce, Industry and Technology in 2002, he also retained his membership in the Liberal Party.

If we can further develop this system of political appointment, from now on, apart from taking part in the elections of the DCs or the Legislative Council, people who aspire to playing a part in politics will have more opportunities to join the administration and gain experience in governance, so that the opportunities for political participation will on the whole be similar to those in overseas countries. People will then be able to serve either in the representative councils or in the Government, so there will be more opportunities.

Secondly, so long as there is the scope to do so, the SAR Government will increase the number of seats in the DCs and the Legislative Council. This will also increase the opportunities for people of various political affiliations and for independents to participate in politics and move upwards in the political ladder. For example, in the DC elections in 2003, we increased the number of seats from 390 to 400 and we will also table a bill very soon to change the electoral arrangements for the DC elections by increasing the number of directly-elected seats in the DC elections to be held in 2007 from 400 seats to 405 seats.

Last year, we proposed the constitutional reform package for 2007 and 2008, in which we proposed adding 10 seats to the Legislative Council. After the end of the third term of the Legislative Council, the number of seats in the fourth term would be increased from 60 to 70, so people in the second echelons

of various political parties and groupings would have the opportunity to move upwards. However, it was a pity that Members of the opposition negated this proposal. Perhaps it was based on certain political considerations that they stymied the development of political parties. This is most unfortunate, and also quite ironic.

Nevertheless, we will continue to work relentlessly. The Commission for Strategic Development is studying and exploring the possible models and roadmaps for the election of the Legislative Council by universal suffrage. Moreover, we will not rule out giving consideration to increasing the number of seats incrementally in the future elections of the Legislative Council.

Thirdly, we will take all practicable measures to support the development of political parties and groupings, for example, in the elections of the Legislative Council in 2004, we introduced a financing scheme in which \$10 was paid for each vote received. We have also made it clear that we will extend this scheme to cover the DC elections in 2007. Mr LEE Wing-tat and Ms Margaret NG have pointed out in particular these measures taken by us, however, these measures are not introduced just with the development of political parties in mind and they also apply to other independent candidates.

Madam President, in the 2004 Legislative Council elections, we introduced the arrangement of allowing the printing of party names and emblems on ballots. We propose that this arrangement be also adopted in the DC elections in 2007.

Madam President, I wish to correct one point. Just now, I said that we would introduce legislative amendments soon to increase the number of seats in DCs. In fact, we have already done so and Members have already passed the subsidiary legislation concerned.

Our three don'ts are, firstly, at the present stage, we do not intend to change the requirement that the Chief Executive should not have any political affiliation. This also conforms to the principle of orderly and gradual progress as stipulated by the Basic Law. When the first Chief Executive election was held in 1996 or 1997, candidates could not take part in the Chief Executive election if they had any political affiliation. In the second Chief Executive election held in 2001 and 2002, we introduced a new amendment to the Chief Executive Election Ordinance by stipulating that a candidate contesting the office

of the Chief Executive can have political affiliations when taking part in the election but if he is elected, he must give up his party membership.

Several Members asked what our views are and why the Chief Executive cannot retain his membership in his political party when serving as the Chief Executive. In fact, we are aware that the position of the Chief Executive is the most political one in the SAR and his position requires him to always bear in mind the overall interests of Hong Kong in his governance. Therefore, at a stage when the political parties and groupings in Hong Kong are still developing, we believe that a Chief Executive without any political party membership is in the best position to balance the interests and views of various political parties and groupings and carry out governance with the overall interests of Hong Kong in mind.

The second don't for the SAR Government is that it will not curtail the room for political participation by independents. In fact, independents have made some measure of contribution in the past terms of the Legislative Council. For example, Madam President, you also participate in politics and took part in elections as an independent. Since the proportional representation system is adopted for the Legislative Council, candidates from political parties and groupings who are in the minority also stand a chance of winning elections. Moreover, this electoral system of proportional representation is widely accepted by the public. When developing the political system further, we believe that some scope should be retained for independents so that they can continue to participate in political activities.

The third don't for us is that at the present stage, we do not intend to introduce any political party law. In fact, this position is adopted in the interest of political parties. This is because we hope that at this stage, political parties and groupings can have the greatest freedom in development.

The political parties in Hong Kong are still under development. If we impose statutory controls on the development of political parties at this stage, this will only serve to curtail and restrict the room of their development. The political party laws enacted by overseas countries often impose a new set of requirements on the operation, composition and finance of political parties, as well as on their political participation, so things are really not that simple. This is the reason for our saying that we do not intend to introduce any political party law at this stage.

In fact, in a meeting of the Panel on Constitutional Affairs in February 2005, a discussion was held on a political party law and Members of various political affiliations also voiced their views. At that time, Mr CHEUNG Man-kwong said that a political party law introduced under the existing political system would only create hurdles to restrict the operation of political parties. In his view, the Government's formal recognition of political parties was more important than any financial assistance provided to political parties.

In the same meeting, Mr Howard YOUNG held the view that introducing a law on political party at this stage would restrict rather than encourage political party development.

At that time, Mr Ronny TONG was still a Member from the Article 45 Concern Group and his political party had not yet been established. He said that under common law, what was not forbidden in the law was permissible. As political parties in Hong Kong were still at a developmental stage, imposing statutory control on them would not help their development.

Therefore, in sum, at this stage, we are relying on the Basic Law and the existing legal framework, in the hope that political parties and groupings can have the greatest room for development. If we propose a new law, the public will naturally have some expectations and will demand that political parties enhance their transparency, that provisions on making declarations be prescribed. Moreover, it would also be necessary for political parties to make declarations on their financial situations and enhance the transparency in this regard. For the foregoing reasons, it will be more favourable and desirable to the general situation if we do not introduce such a law at this stage.

Mr LEE Wing-tat is not present now but Mr Fred LI is. Perhaps he can listen on behalf of the Democratic Party to my response in this regard. Just now, the leader of your party asked, "Where on earth and in which government can we find a head of government who does not command a certain degree of support or a majority in the legislature?" In fact, this is very simple and we do not have to look into too many examples. If we look at the recent elections of the Congress of the United States, we can find such an example. The President of the United States, who is a republican, originally commanded a majority in the Congress. After the elections, the Democrats now hold a majority of the seats. Since the Congress and the President are elected via two different channels, naturally, such a possibility exists.

Madam President, Hong Kong is somewhat like the United States in that the Chief Executive is elected through one channel and the Legislative Council through another. Therefore, in serving Hong Kong, it really is necessary for us in the SAR Government to work hard in tandem with Members because without the support of Members from various political parties or independent Members, it will be very difficult for us to make any headway and no legislation or budget will be able to pass.

However, generally speaking, in the past nine years after the reunification, we have had the support of various political parties and Members, so the situation can be considered fair. The great majority of bills and budgets tabled by us were passed. In fact, there were only two occasions on which two comparatively important bills were not passed: the first had to do with the legislation on Article 23 of the Basic Law and the second was related to the Fifth Report on Constitutional Reform in 2007 and 2008 tabled in December last year. However, various other matters relating to society, the people's livelihood, the economy, the constitution and elections were all endorsed.

In fact, in various parts of the world, various kinds of difficulties are encountered in trying to carry out effective governance. Hong Kong also faces its own unique challenges. However, to sum up, when it comes to constitutional development and the development of political parties in Hong Kong, the two are complementary and closely related.

I have described the development of political parties in Hong Kong as "forging ahead" and I believe its future is also very bright. At the same time, I hope that Members here will agree that as Hong Kong is a pluralistic society, we really have to leave some room for people of other backgrounds to participate in political activities and comment on public affairs. This is because to reflect the views of Hong Kong society is not the franchise of political parties and groupings in Hong Kong. Labour unions, business chambers, professional bodies and other groups all have a say and they also play certain roles. Therefore, when exploring the way forward for constitutional development in Hong Kong and when exploring the way forward for the development of political parties in Hong Kong, it is still necessary for us to consider if people from various backgrounds should be allowed to take part.

I believe that instead of carrying out an extensive study on putting in place various law reforms, it is more desirable to put in place practicable policies and

measures. For example, firstly, we have to take forward the discussion on the political system of Hong Kong. We have to reach a consensus and explore the way forward in respect of the model and roadmap for universal suffrage in Hong Kong. If it is possible to win the approval and support of two thirds of Members in the Legislative Council, the scope for political parties and groupings as well as independents to participate in politics will even be greater than it is now.

Secondly, I really hope that various political parties and groupings can support our overall idea of expanding the system of political appointment. This is because both people with or without political affiliations, as long as they aspire to participating in political activities, should be given more scope to do so.

Mr Ronny TONG said that the SAR Government should take the lead. What we are most happy to take the lead in is to implement and take forward these practicable and important policies and measures. We also believe that this is a strategy for promoting constitutional development in Hong Kong that includes both the hardware and software because we hope that the hardware of the electoral system, as well as the software of political appointment in Hong Kong, can be more widely accessible. They are complementary and when we promote these strategies step by step, the road on which people with political affiliations and independents travel will become broader and broader.

With these remarks, Madam President, I hope Members will support the amendment and oppose the original motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Dr Philip WONG's amendment to Ms Margaret NG's motion be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Margaret NG rose to claim a division.

PRESIDENT (in Cantonese): Ms Margaret NG has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Dr Raymond HO, Dr David LI, Dr LUI Ming-wah, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Abraham SHEK, Ms LI Fung-ying, Mr WONG Ting-kwong, Prof Patrick LAU and Mr KWONG Chi-kin voted for the amendment.

Ms Margaret NG, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki and Dr Fernando CHEUNG voted against the amendment.

Mr Daniel LAM and Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted for the amendment.

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mrs Selina CHOW, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted against the amendment.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, 11 were in favour of the amendment, 14 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 25 were present, eight were in favour of the amendment and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Margaret NG, you may now reply and you have two minute 22 seconds.

MS MARGARET NG (in Cantonese): Madam President, I just wish to respond to a Member's remark to the effect that Mr Martin LEE had achieved nothing despite his 20 years of participation in politics. What I want to say is, having played the role of the helmsman of the Democratic Party for years, Mr Martin LEE has made very great contribution to democracy in Hong Kong. This is an unalterable historical fact. If there was no Democratic Party before 1997, and if the Democratic Party had not won overwhelming victories in the Legislative Council elections in 1995 and 1998, the democratic development in Hong Kong would be very much different. In 1995, the Democratic Party won 19 seats in the Legislative Council. In 1998, despite the heavy downpours on the polling day, the turnout rate was still over 50%. I hope we can bear these historical facts in mind and their significance to Hong Kong.

Madam President, I am grateful to the some 20 Members who have spoken as they have enabled voters to have a clearer understanding of the parties' own visions of their future development. I very much regret that everybody seemed to think that if they did not mention the Basic Law, it would have the same fate as the "housing target of 85 000 flats" — that it does not exist anymore if not mentioned. But in fact, the Basic Law is still there. Therefore, I would like to implore Members to support my original motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Margaret NG be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Margaret NG rose to claim a division.

PRESIDENT (in Cantonese): Ms Margaret NG has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Dr David LI, Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Ms LI Fung-ying, Dr Joseph LEE, Dr KWOK Ka-ki and Dr Fernando CHEUNG voted for the motion.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Dr Philip WONG, Mr Abraham SHEK and Mr CHIM Pui-chung voted against the motion.

Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted for the motion.

Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, eight were in favour of the motion, six against it and 13 abstained; while among the Members returned by geographical constituencies through direct elections, 25 were present, 15 were in favour of the motion and nine abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negated.

PRESIDENT (in Cantonese): Second motion: Strengthening Hong Kong's capability in immediate transshipment.

STRENGTHENING HONG KONG'S CAPABILITY IN IMMEDIATE TRANSHIPMENT

MR CHAN KAM-LAM (in Cantonese): Madam President, Hong Kong had been ranked as the top container port in the world for nine consecutive years, and this explains why it takes great pride in being an international shipping centre. However, Singapore, which ranked just next to Hong Kong in the past, had caught up last year and emerged as the world's top container port. As a matter of fact, several years ago, when Hong Kong's container throughput was still the highest, and was able to maintain its position as the busiest port of the world, the competitive edge it had over other competitors such as Singapore, Shanghai and Shenzhen, and so on, had been narrowing. In terms of growth rate, Hong Kong, with a single-digit growth rate, is now dwarfed by Shanghai and Shenzhen by a large margin, for their annual growth rates are almost as high as 30%. Although we are always competing with Singapore for the title of the busiest port of the world, the fact is that who ranks first and who ranks second does not necessarily mean that either Hong Kong or Singapore is doing better in terms of economic development, because they are not competitors in the same market.

The port of Singapore serves Southeast Asian countries, whereas the port of Hong Kong serves the manufacturing bases in the Pearl River Delta (PRD) Region and Southern China. Since the ports of Hong Kong and Shenzhen serve the same cargo sources, strictly speaking, Hong Kong's competitor is Shenzhen, instead of Singapore.

The DAB moves this motion today in order to highlight the concerns and potential problems of the logistics industry of Hong Kong, to urge the Government and the industry to adopt timely corresponding measures, and to promote the continuous development of the local logistics industry.

The core problem of the local logistics industry is the high costs involved. This problem is attributable to the "triple-high" policy adopted by the colonial British Hong Kong Government, namely, high land premiums, high rentals and high wages, resulting in ever escalating operating costs. Let us take the wages as an example. With the exception of individual cities like Guangzhou, the wages of ordinary job types in Hong Kong are 3.2 times to 4.4 times higher than those in cities of the Pan-Pearl River Delta (PPRD) Region. Rentals of Grade A offices in Hong Kong are 1.9 times to 4.2 times higher than those of offices of the same grade in the neighbouring region or even in major cities. Given the knock-on effect, the local logistics industry has to levy higher charges in all kinds of fees, such as airport charges and container terminal charges, when compared to those levied in the neighbouring region. High costs have become the fatal reason for the weakening position of the local logistics industry.

Furthermore, the National 11th Five-Year Plan (FYP) provides support to Hong Kong for maintaining its position as an international financial, trading and shipping centre. Meanwhile, a number of major projects for the provision of transportation facilities are already in the pipeline, including new railway lines totalling 17 000 km and highways totalling 2.3 million km, which will connect the inter-provincial inland passages together. In addition, port expansion projects will be launched in a number of ports, including the ports of Shanghai, Ningbo, Fuzhou, Shenzhen and Guangzhou. Expansion projects will also be undertaken at the airports of Shenzhen, Guangzhou, Shanghai and Chengdu within the period of time of the 11th FYP. As far as I know, with the expansion of the new airport in Guangzhou, the total number of runways there will be increased to five. The economic take-off on the Mainland has contributed to the rise of the logistics industry, and it is evident that Hong Kong has to face the pressure of seeing its cargo sources being thinned. Yet, we must take note of

the fact that the planning of the transportation network within the province of Guangdong has absolutely nothing to do with Hong Kong, since their destinations and points of origin are Guangzhou, Shenzhen and Zhuhai respectively.

As a matter of fact, the sluggish performance of the local logistics industry during the past few years has already sounded sirens for the prospects of the industry. However, the SAR Government has sit on its own laurel, believing that Hong Kong is far superior to mainland cities with the competitive edge it possesses. As a result, it has failed to address the predicament of the logistics industry properly. It was not until a recent economic forum that the Chief Executive, Mr Donald TSANG, had remarked, for the very first time, that the greatest challenge for the local logistics industry no longer came from Singapore, but from Shanghai and Shenzhen, since they have displayed a tendency to surpass Hong Kong and Singapore during the past few years. Hong Kong has felt the pressure that its leading position is being challenged.

The pressure felt by Chief Executive Donald TSANG is precisely the worry the DAB has for the future prospects of the local logistics industry. In this regard, we have conducted a study which concluded that in order to tie in with the National 11th FYP and to plan for and promote the continuous development of the local logistics industry, the Hong Kong Government must clearly identify the way forward for the local logistics industry. In our opinion, the key lies in strengthening Hong Kong's capability in immediate transshipment.

Before we proceed to discuss the meaning of strengthening our capability in immediate transshipment, two questions have to be answered. First, why must we emphasize "transshipment" in the context of the development of the logistics industry? The reason is very simple. The local logistics industry has always focused on the transshipment business. The proportion of transshipment in the overall exports of Hong Kong has risen from 84% a decade ago to last year's 94% on a year to year basis. Therefore, when people in society discuss how we can strengthen the local logistics industry, they are actually talking about how we can strengthen the transshipment service.

Second, what does it mean by "immediate transshipment"? On a semantic level, the word "immediate" carries the meaning of "right away", "instantaneously", or "most quickly" and "in the shortest time". Therefore, "immediate transshipment" could mean the shipment and export of cargoes

consigned at transshipment depots in accordance with the instructions of clients in the shortest time with minimal delay.

At present, there are over 5 000 scheduled flights flying weekly from Hong Kong to more than 140 destinations all over the world. Basically, once cargoes are delivered to the airport, they could soon be loaded onto the planes. The high level of efficiency in the operation of the port of Hong Kong has been well-known, and the average turn-around time for a cargo vessel is approximately 13 hours, whereas the average turn-around time for mid-stream operation at the float and at the anchorage for a normal vessel are 32 hours and 49 hours respectively. This clearly demonstrates that Hong Kong is highly competitive in terms of "immediacy" in cargo transshipment.

Of course, it is absolutely necessary to reduce the costs. Another important task not to be overlooked is to enhance the competitiveness of the logistics industry. However, relatively speaking, costs are adjustable. Efficiency can offset the disadvantages brought about by high costs, to the extent that we may even be able to maintain our competitive edge irrespective of the relatively higher costs. Since the operating costs of Hong Kong are higher than those of the neighbouring region, and that this is a problem that does not have any immediate solution, the only way to maintain our competitive edge is to make perpetual self-strengthening efforts in a bid to strengthen our capability in immediate transshipment and through the provision of speedy and accurate logistics services, we can make cargo owners prefer to re-export their goods via Hong Kong despite the higher costs.

According to our analysis, among all different types of cargo transport in the logistics industry, air cargo has seen the most rapid annual growth rate, both in terms of freight volume and freight value, which are 12.4% and 22.3% respectively. Apparently, the potentials for developing air cargo services in Hong Kong must not be overlooked. The Greater Pearl River Delta Business Council (GPRD Business Council) has just released a study report which carries similar views. The report pointed out that "the major competitive edge of the local logistics industry is in air cargo, particularly for transportation of high value-added goods". This illustrates that strengthening our capacity in immediate transshipment would fully utilize the strengths of the local logistics industry. However, we must be aware that the future planning of the Guangzhou Airport will pose a major threat to us. According to the plan, the

annual throughput of the airport will reach 17 million tonnes in the next few years, which would be three to four times of our present capacity. We believe we must keep an eye on this.

Moreover, China may set up a free-trade zone with 10 ASEAN countries by 2010. With free trade in place in these areas, the role of Hong Kong as an entrepot may further be undermined. However, from a positive perspective, since Hong Kong has a more solid foundation and is more experienced in the development of the logistics industry as compared to the Mainland, coupled with the fact that CEPA has given Hong Kong a competitive edge in gaining earlier access to the mainland market over the neighbouring region, we should grasp the time-limited window prior to the establishment of the China -ASEAN free-trade zone to open up the immediate transshipment market and lay a good foundation, so that we could turn the "crisis" brought about by the development of a free-trade zone in the region into an "opportunity" for developing the immediate transshipment business.

There is a deeper meaning in developing the immediate transshipment business in Hong Kong, that is, we must tie in with the national development plan by assuming the role of a centre of immediate transshipment for the PRD Region. One of the major projects of the Ministry of Railway in the 11th FYP is to link up the container transportation centres, ports and airports in the economic cities of the PPRD Region to Hong Kong. Moreover, according to the "National Ports Plan" promulgated recently, by capitalizing on the competitive edge of Hong Kong as an economic, trading, financial, information and international shipping centre, a cluster of ports will be developed at Shanwei, Huizhou, Humen, Maoming and Yangjiang to serve Southern China and Southwestern China.

The State has clearly illustrated, through various specific planning, that the local logistics industry should work in collaboration with the PRD Region in a bid to identify a new model of development based on a thorough understanding of the characteristics and demands of the trades and logistics requirements of the PRD Region. With structural changes of the industries, there is an increasingly higher emphasis on efficient logistics and transportation services in the PRD Region, and there will be substantially greater demands for immediate transshipment. The development of immediate transshipment services in Hong Kong is backed up by the PRD hinterland, which provides an enormous and

stable supply of cargo sources; in the meantime, it could facilitate hi-tech products produced in the PRD Region in gaining access to the international market. This is a win-win solution to both parties, which not only ties in with the National 11th FYP, but is also capable of maintaining Hong Kong's leading position in the logistics industry.

However, it is necessary to clear the obstacles in policy and infrastructure in order to strengthen Hong Kong's capacity in immediate transshipment. One of the obstacles is the lack of any comprehensive development plan for the logistics industry on the part of the Government, resulting in inadequate co-ordination among different logistics infrastructure projects, thus no synergy effect can be achieved.

In the face of keen competition in the logistics industry, Chief Executive Donald TSANG agrees that Hong Kong still possesses an edge in air cargo transportation. However, the restrictions in air rights in the PRD Region have not only hindered the airport from fully utilizing its maximum capacity, they have also caused more occurrences of flight delay, which indirectly affect the timeliness of immediate transshipment in Hong Kong. As we all know, at present, air cargoes make up almost 50% of all transshipment cargoes.

Furthermore, the cargo throughput of the Hong Kong International Airport already reached 3.4 million tonnes last year, while its design capacity is only 4 million tonnes. Judging from the current growth rate, it will reach the capacity in just a few years. If we fail to enhance our cargo capacity in a timely manner, it can be envisaged that the development of immediate transshipment services will suffer a major setback.

These are obstacles that have to be cleared in order to strengthen Hong Kong's capacity in immediate transshipment. Naturally, there are other issues to be resolved as well, such as high costs, the lack of transshipment infrastructure facilities specially designed for immediate transshipment, and the lukewarm attitude of the Government in promoting the development of the information system for the logistics industry, and so on; these are issues that have to be resolved. Therefore, in the report of the study conducted by DAB — and this is the study report we have compiled — we came up with 17 recommendations covering four different areas, namely policy, transportation network, infrastructure and information system. The recommendations made in this

motion are derived from this report. Other DAB Members will elaborate on them in greater details later on.

Madam President, under the current circumstances, the local logistics industry is being dealt with double blows, suffering from both internal unresolved problems and external threats. If we continue to remain complacent, we will soon be marginalized by both globalization as well as the rapid development of the Mainland, which will jeopardize our future severely. I very much hope that the Government can take note of the siren sounded by us, and I hope corresponding measures will be taken by both the industry and the Government.

With these remarks, Madam President, I beg to move.

Mr CHAN Kam-lam moved the following motion: (Translation)

"That, in order to tie in with the National Eleventh Five-Year Plan and promote the continuous development of the local logistics industry, this Council urges the Government to take proactive measures in the aspects of policy, transportation network, infrastructure and information system, with a view to strengthening Hong Kong's capability in immediate transshipment, including:

- (a) in the policy aspect, supporting the development of immediate transshipment, such as formulating a comprehensive plan for logistics development, implementing the co-location of immigration and customs facilities at the Hong Kong airport and striving to reduce various operating costs of the logistics industry;
- (b) in the aspect of transportation network, enhancing the efficiency of immediate transshipment, such as increasing the number of flight movements at the airport, formulating policies on the air traffic management of the Pearl River Delta Region and perfecting the land transportation network;
- (c) in the aspect of infrastructure, augmenting the throughput of immediate transshipment, such as expeditiously constructing the third runway at the airport, Container Terminal 10 and the Liantang Control Point; and

- (d) in the aspect of information system, optimizing immediate transshipment services, such as establishing a common electronic platform for customs clearance at the Pan-Pearl River Delta (PPRD) Region,

so as to seize the opportunities brought about by the economic development of the PPRD and strengthen the position of Hong Kong's logistics industry."

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

PRESIDENT (in Cantonese): Two Members will move amendments to this motion. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr SIN Chung-kai to speak first, to be followed by Mr LEE Wing-tat; but no amendments are to be moved at this stage.

MR SIN CHUNG-KAI (in Cantonese): Madam President, the purpose of my amendment is to supplement the proposals contained in the original motion, especially in respect of applying information technology to enhance the competitiveness of the local logistics industry. Later on at this meeting, Mr James TO will speak on our amendment regarding the introduction of co-location of clearance facilities at the airport. On my part, I shall focus on the proposal of employing information technology for the enhancement of efficiency and the construction of new infrastructure facilities.

I urge the Government to co-operate with the mainland authorities in the active development of cross-boundary intelligent transport systems (ITS), with a view to enhancing the efficiency of cross-boundary transport.

With the digitization of information under ITS, road users can receive real-time transport information, including estimations on the lengths of time required to get to their destinations by different routes. In this way, they can select the most suitable routes.

Besides shortening travel time, ITS can also effectively reduce road traffic volume, thus enhancing the efficiency of transport systems and the capacity of road networks. Furthermore, the air pollution caused by traffic congestion or the detouring of vehicles can also be effectively abated.

What is more, the development of ITS can also induce the logistics industry to develop commercial vehicle fleet management systems. Such management systems can help logistics companies schedule the daily operation of their fleets in line with shipping and air flight schedules, thus enhancing the efficiency of immediate transshipment.

In regard to the establishment of a common electronic platform for customs clearance at the Pan-Pearl River Delta (PPRD), the Government should encourage the logistics industry to adopt the radio frequency identification technology (RFID). With RFID, radio customs clearance can be possible. This means that once a certain load of cargoes is scanned by the sensor, the customs authorities will know clearly the types and quantities of the goods in transit. This can greatly increase the speed of customs clearance.

By now, RFID has become quite a common and popular technology, with the cost of one RFID label having gone down to roughly 40 cents.

In order to promote the application of RFID, the logistics industries of Hong Kong and the Mainland should transfer the technology to the industrial sector through the development of commercial application schemes. Besides, the Government should assist the local logistics industry in working with the mainland authorities to formulate technical standards, so as to ensure information interchange and the establishment of common standards between the two places.

The Government should seek to enhance co-operation with its opposite numbers in the Mainland through various channels such as the Hong Kong-Guangdong Co-operation Joint Conference, with a view to introducing new technologies as soon as possible for the purpose of enhancing the efficiency of cross-boundary infrastructure facilities and the competitiveness of the local logistics industry.

However, I must emphasize that if roads cannot be completed, even the adoption of information technology cannot bring any goods from the Mainland to Hong Kong. But the road transport links between Hong Kong and the Mainland

have long since reached capacity. In the long run, it will be necessary to construct new infrastructure facilities.

Several important infrastructure facilities are listed in the original motion, but in order to enhance the transshipment competitiveness of the local logistics industry, especially in respect of grasping business opportunities in the Mainland, the Democratic Party maintains that all these facilities, including the construction of the third runway at the airport, are worth consideration.

However, the Democratic Party also thinks that the Government should strive to expedite certain planned projects, such as the Hong Kong-Zhuhai-Macao Bridge (HZMB). The reason is that we have been hearing talks on this project for many years, but all has just been thunder but no rain. Another example is the construction of a logistics park. I know that the Government is conducting an environmental impact assessment. Yet another example is the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. All these projects can greatly enhance our capability of immediate transshipment.

The HZMB will be Hong Kong's most important land infrastructure link to the western Pearl River Delta (PRD). After its completion, the land travel time from Hong Kong to cities in the western PRD, such as Zhuhai, Zhongshan, Foshan and Zhaoqing, will be drastically reduced.

Following the completion of the HZMB, while the local logistics industry may explore various business opportunities in the PRD, those Hong Kong manufacturers now operating their production lines mainly in Shenzhen and Dongguan may also choose to relocate their plants to the western PRD, where costs are lower. I believe that this will greatly enhance Hong Kong's ability to deliver first-class logistics, shipping and air cargo services. Various other industries in Hong Kong will be able to explore the markets there, thereby enhancing their competitiveness, much to the benefit of both Hong Kong and the Mainland.

However, the completion date of the HZMB has been postponed from 2011 as originally proposed to 2015, as now reported by the press. This already means a delay of four years. But according to some news reports, there is now even no finalized date of completion. It was once said that works would commence last year. But it now seems that it will not be possible to commence any works even next year.

What is even more regrettable is that while there have been repeated delays in the date of works commencement, the proposal on reserving room for a railway has been dropped in the current project plan.

Zhuhai now plans to construct a railway to Guangzhou. If the HZMB can be equipped with a railway, then, together with the Guangzhou-Shenzhen-Hong Kong Express Rail Link, there will emerge a well-developed railway network in the PRD which can greatly expand Hong Kong's economic hinterland and promote the flows of people and goods between Hong Kong and cities in the western PRD. Frankly speaking, this can also indirectly enhance the transshipment capability of our airport.

What is more, since the expected service life of the HZMB is as long as a hundred years, should the Government drop the idea of constructing a railway at this early stage and determine that the HZMB does not need any railway? I think more thoughts must be given to the idea. According to current estimation, the construction of the HZMB will cost as much as \$55 billion. But will there be even greater wastage if an environmentally-friendly and fast railway is not constructed? Even if a railway is not to be constructed at this stage, should some room be reserved, so that a railway can be constructed quickly and economically in the future?

We must understand that should we subsequently find it necessary to construct a railway and the additional facilities required, the costs may even be higher.

The HZMB aside, the logistics park is also a very important infrastructure facility in the promotion of the local logistics industry. The landing point of the HZMB can in fact be aligned with the location of the logistics park on Lantau Island. The Government is currently conducting an environmental impact assessment, but it is also very important that the construction of the logistics park must be finalized and commenced expeditiously to facilitate the development of Hong Kong's air cargo and shipping industries.

Finally, Madam President, the mainland section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link linking Hong Kong to Guangzhou is already under construction. But we hear that the Hong Kong section is not yet completed. This will deal a certain blow to the development of Hong Kong's immediate transshipment capability. I hope that the Government can work out a solution as soon as possible.

I hope that the Government can clarify to the Legislative Council whether the rumour is true. It is also hoped that it can tell us the reasons for not adopting the Dedicated Corridor Option. As we all know, the adoption of the Shared Corridor Option will mean that the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link will be a low-speed railway. The speed per hour may be as low as 60 km. This will be similar to the rail link from Paris to Britain. The British section is a low-speed railway, but the French section is a high-speed one. In that case, people will have the impression that the Mainland is advanced and Hong Kong is backward. Another point is that it will be necessary to share rail tracks with the West Rail, which will reach capacity in 2030. The construction of this so-called express rail link will then be rendered totally meaningless.

I urge the Government to expeditiously implement all the infrastructure projects mentioned in the original motion and the amendments. The reason is that their implementation will not only promote the long-term development of Hong Kong's logistics industry but also ensure that the large numbers of employees in the logistics industry, especially those engaged in land cargo transport, will not be rendered jobless because of Hong Kong's fading competitiveness.

In the short run, the expeditious implementation of these infrastructure projects will help currently unemployed construction workers to get jobs again, thus improving their living.

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

MR LEE WING-TAT (in Cantonese): Madam President, I shall focus on discussing the construction of the northern section of Route 10 (from Lam Tei of Tuen Mun to So Kwun Wat).

I do not know whether Members have ever travelled by car or bus along Tuen Mun Road during peak hours. My personal experience is that during the peak hours every day, there will be endless lines of vehicles inching their way forward along Tuen Mun Road. It will often take as long as one hour to get to the urban areas. Battered by traffic congestion, many people have no alternative but to advance their times of leaving home. It is believed that

following the completion of the Hong Kong-Shenzhen Western Corridor (HK-SWC), the congestion on Tuen Mun Road will only deteriorate. Members may well ask, "In that case, it will be alright for one to further advance one's time of leaving home, isn't it?" But should people advance their times of departure to 6 am, or even 5.30 am? People living in Tuen Mun and Tin Shui Wai in the New Territories must frequently leave home as early as around five o'clock in the morning.

Members may think that I have deviated very far from the motion topic. But I just want to make the point that the problems faced by the residents in New Territories West are equally unavoidable to cross-boundary lorry drivers. If it must take three to four hours for a lorry to haul cargoes from the Kwai Chung Container Terminals to the boundary, how can we enhance our transshipment capability?

Actually, when this Council debated the motion entitled "Expediently improving the traffic arrangements in the western and northwestern parts of the New Territories" in March this year, I already pointed out that constructing the northern section of Route 10 would be the most effective solution to the traffic congestion on Tuen Mun Road that might arise from the inauguration of the HK-SWC. Members belonging to the DAB and the Liberal Party may think that the Democratic Party is trying to rake up old scores again. Or, Mrs Selina CHOW may say that this problem is an ever-present spectre. Actually, the Democratic Party holds an open attitude towards the construction of Route 10 and other road links to Lantau Island, such as Chap Lap Kok Tunnel. Only that we consider it necessary to accord priority to the construction of the northern section of Route 10, because we think that this can tackle the problems of cross-boundary traffic and at the same time ease the possible congestion on Tuen Mun Road.

Mr CHAN Kam-lam's original motion places the emphasis of infrastructure construction on the third runway at the airport and Container Terminal 10. The construction of these facilities can tie in with the DAB's original proposal on connecting to Chap Lap Kok Tunnel in western Tuen Mun. I think that while the infrastructure facilities mentioned above are naturally very important, we must not ignore the fact that for quite some time to come, land and sea transport will remain the main channels of logistics movements between Hong Kong and the Mainland.

It has recently been reported by the media that as a result of its dissatisfaction with the financing of the Hong Kong-Zhuhai-Macao Bridge, Guangdong is now considering the construction of a Shenzhen-Zhongshan Corridor, so the implementation of the former project cannot be finalized. As a matter of fact, the Government has so far failed to put forward any timeframe for the commencement and completion of the project. In other words, in the next five to 10 years, Lok Ma Chau and the newly constructed HK-SWC will remain the major road links between Hong Kong and the Mainland. Since the HK-SWC will be toll-free, it is expected that large numbers of vehicles will be induced to use it as a direct means of moving to and from Shekou and Guangdong. It is estimated that at the initial stage of inauguration, the daily throughput of the HK-SWC will be some 30 000 vehicle trips. By 2016, the daily throughput will be as high as 80 000 vehicle trips.

However, with a daily throughput of 11 000 vehicle trips, Tuen Mun Road has already reached capacity. On the other hand, the usage rate of Route 3 (Yuen Long-Ting Kau Section) is just lower than 50%. There is thus a huge imbalance between the traffic volumes of these two roads. The Government estimates that following the inauguration of the HK-SWC and the Deep Bay Link, the volume to capacity (v/c) ratio for Tuen Mun Road (Sham Tseng Section) will increase from 1.1 in 2002 to roughly 1.19. As Members know, a v/c ratio of 1 already means traffic congestion. Therefore, when the v/c ratio is 1.19, the congestion will be even more serious. As for the traffic volume in the town centre section of Tuen Mun Road, there will be an increase of 10% to 15%. However, we must not forget that the Government's traffic volume projections for trunk routes have been vastly different from the realities in many cases. Since the toll for using Route 3 is extremely high, we believe that most vehicles using the HK-SWC will not use Route 3 unless absolutely necessary. Besides, we think that the Government has greatly underestimated the volume of vehicles turning from the HK-SWC into Tuen Mun Road in the future. We also think that it has underestimated the proportion of motorists (especially cross-boundary drivers) using Route 3.

Should traffic congestion emerge on Tuen Mun Road again, there will be chain effects and the traffic in Tuen Mun will be affected. Since the Government has made it clear that it will not spend any money on buying back Route 3, the only remaining option is the construction of new roads to divert the traffic from the HK-SWC.

On our part, if we are required to choose between the construction of the northern section of Route 10 and Chap Lap Kok Tunnel, we will certainly support the former. There are several reasons. First, the costs of constructing the northern section of Route 10 are lower. According to official figures, the combined construction costs for the northern and southern sections of Route 10 will just be \$13.5 billion. But the costs of constructing Tuen Mun Western Bypass and Chap Lap Kok Tunnel will be \$16.4 billion. What is more, the toll for Chap Lap Kok Tunnel will be higher than that for Route 10. Unless it is absolutely necessary to go to Lantau, no motorist will possibly use Chap Lap Kok Tunnel, make a big detour via the Lantau Link and then pay a toll twice in order to get to the urban areas. Although motorists using Route 10 must also pay a toll at Lam Tei Tunnel, the use of Route 10 will still be more attractive in terms of price and time.

During the debate in March this year, some Members pointed out that even if the construction of the northern section of Route 10 had received support in 2002, it would not be possible to complete the project until 2010. They therefore argued that Tuen Mun Road would still be congested after the inauguration of the HK-SWC. They went on to say that since Route 10 and Route 3 were parallel to each other, thoughts should first be given to maximizing the spare capacity of Route 3 before considering any other road construction options.

If Members oppose the construction of Route 10 simply because they think that it cannot be completed in time for the inauguration of the HK-SWC, simply because they think that it cannot provide any immediate relief, I must express my deep regret. The reason is that following this kind of logic, many policies and infrastructure projects should in fact be withdrawn. And, even if Tuen Mun-Chap Lap Kok Link and Tuen Mun Bypass are to be constructed, the dates of completion will still be later than 2010 or even around 2020. I know that the Highways Department is considering some short-term measures to cope with the traffic congestion in Tuen Mun. I hope that these measures can really work. But I simply cannot buy all those arguments, especially those advanced by political parties. The reason is that on the basis of this kind of logic I wish to ask Members belonging to the DAB why their fellow party members in the Tuen Mun District Council (DC) have been siding with the Democratic Party in supporting the construction of the northern section of Route 10. I hope they can reconsider whether they should co-operate with the Democratic Party on all such livelihood issues, because Mr TAM Yiu-chung has referred repeatedly to

co-operation on livelihood issues today. First, Legislative Council Members and DC members belonging to the DAB must refrain from splitting up their own political party. And, DC members should understand the views of Tuen Mun residents more clearly. I hope they can change their position today and join their DC members in supporting, or precisely, co-operating with the Democratic Party, with a view to materializing the construction of the northern section of Route 10.

Why should we do this? We hold that if the construction of the northern section of Route 10 cannot be finalized, it will be useless to discuss the "capability in immediate transshipment" mentioned by Mr CHAN Kam-lam. Even now, there is already "no luck", absolutely "no luck", so can there be any "luck" when traffic congestion occurs? Secretary Stephen IP may have to draw a fortune stick at Che Kung Temple to see if there can be any change of luck. What else can be done when traffic is so congested?

I hope Members can support my amendment. I further hope that the DAB can consider the possibility of supporting us. Thank you, President.

PROF PATRICK LAU (in Cantonese): President, for reasons of Hong Kong's geographical advantage, the logistics industry has been playing a very significant role in our economic development. What is more, the 11th FYP drawn up by the Central Government also emphasizes the need for "strengthening the integration of logistics infrastructure and establishing major logistics hubs as well as developing regional logistics centres", so as to foster the development of producer services. Therefore, the strengthening of Hong Kong's capability in immediate transshipment should brook no delay.

I agree that the Government should formulate a blueprint for the comprehensive development of the logistics industry. However, when formulating such a blueprint, the Government must take account of the room of development of the small and medium logistics enterprises in Hong Kong. Local logistics enterprises are mostly small and medium in size and they are engaged in various fields such as courier services, customs clearance, cargo loading/unloading and freight forwarding. All these are professional and client-specific services. The ideal course of action is to enhance the co-operation between large enterprises and small and medium enterprises. Large enterprises should first open up new markets with all their financial

strengths and the ensuing work processes should then be outsourced to the small and medium enterprises.

I think that with due regard for security and legal considerations, the implementation of co-location of customs clearance at the airport is worth our prudent exploration. After all, the cargo handling volume of the Hong Kong International Airport is the biggest in the world. But aviation security has turned increasingly tight as a result of international political development. And, the legal restrictions involved have also become increasingly complex. Naturally, while the system of co-location of customs clearance formulated at the end of the day must be very stringent in principle, the procedures must at the same time be reasonably simple and flexible.

Besides, there is also a high degree of variance among different customs authorities in mainland China concerning the determination of tax categories for goods. This has led to a very odd phenomenon: a certain type of imported goods may be taxed at different rates by different customs authorities. This has caused much inconvenience to the development of the logistics industry and trade. For this reason, the relevant authorities of Hong Kong and China should conduct some joint studies as soon as possible, with a view to establishing a set of objective and uniform customs standards. And, such a set of standards must be brought on a par with the corresponding standards adopted by the international community, so as to ensure that our logistics industry can meet international challenges.

As to reducing the operating costs of the logistics industry, there is one possible measure which will be quite effective. Under the framework of CEPA, approval can actually be given to waive the US\$1 million investment requirement for the granting of Guangdong-Hong Kong vehicle licences. In this way, the licence-holders of Hong Kong freight vehicles will be able to operate in a level playing field and compete freely in the entire Pearl River Delta (PRD). Owing to the principle of "the survival of the fittest", the service quality of the logistics industries in Hong Kong and China will surely see improvements.

President, I have always supported the development of infrastructure facilities. Regarding the construction of the third runway at the airport and Container Terminal 10, I think we may consider asking the Governments of

Hong Kong and China to make joint investments. Even the sub-leasing of their facilities for personal uses may be considered as a means of achieving cost-efficiency. Furthermore, the Governments of China and Hong Kong may also consider the possibility of concluding a longer-term agreement on the joint management of the river-loop area in the boundary zone. They may at the same time join hands to develop such facilities as the Hong Kong-Zhuhai-Macao Bridge, the logistics park, a regional express rail link and the Liantang Control Point. As for the building of a logistics centre, the Government may actually redevelop the Yuen Long Industrial Estate into a land transport interchange.

The sound hardware of infrastructure facilities must have the software support of advanced information systems. I agree that Hong Kong's Digital Trade and Transportation Network Limited should enter into co-operation with the relevant mainland authorities as soon as possible to establish a common electronic customs platform for the PRD Region. More efforts should also be made to promote the adoption of the radio frequency identification technology by the logistics industry, so as to further enhance Hong Kong's capability in immediate transshipment.

President, as the State vigorously develops various infrastructure facilities such as the Shenzhen Port and the Huadu International Airport, the competition posed to Hong Kong has become a very pressing threat. I hope the SAR Government and the Secretary can squarely address the need for strengthening Hong Kong's capability in immediate transshipment as quickly as possible.

Thank you, President.

MR CHEUNG HOK-MING (in Cantonese): Madam President, although the State President clearly mentioned in the Outline of the National 11th Five-Year Plan the maintenance of Hong Kong's status as an international hub on financial services, trade and shipping, the rapid development of infrastructure projects in many mainland cities, especially cities in the Pearl River Delta (PRD), in recent years has indeed posed a threat to the future development of logistics in Hong Kong. As the Chief Secretary for Administration said candidly some time ago, it is imperative for Hong Kong to address squarely the problem of being marginalized. The DAB considers that it is inadequate to address only the problem of Hong Kong being marginalized, for it is also necessary to proactively take steps to enhance our advantages and strengths, and strengthen Hong Kong's

capability in immediate transshipment at various policy levels, with a view to upholding Hong Kong's position as an international shipping centre.

Madam President, here, I wish to express the views of the DAB, focusing mainly on the infrastructure front. Following the restructuring of industries in the PRD, more and more emphasis has been placed on efficient logistics and freight forwarding services while stressing that the transportation of goods must be immediate, speedy, reliable and convenient. These are precisely the strengths of the logistics industry in Hong Kong. The development of immediate transshipment in Hong Kong is indeed a win-win co-operation plan for Hong Kong and the Mainland, for it enables us to leverage on this hinterland of the PRD which is also an abundant, stable source of cargo, and helps promote the access of high-tech products of the PRD to the international market.

The logistics industry is an industry requiring enormous input of capital and time, not a novelty created out of bubbles. While the logistics industry involves a wide range of aspects and the performances of the relevant trades may affect each other, logistics infrastructure projects in Hong Kong are nevertheless planned individually and effective co-ordination of the projects is completely lacking, thus making it impossible for the synergy effect to be brought into full play. Given that the effectiveness of infrastructure projects are intertwined, the lack of co-ordination in any one part can affect the entire logistics chain. This can also create a serious impact on immediate transshipment which particularly stresses efficiency.

Take our competitor, Singapore, as an example. To achieve the objective of developing into a global consolidated logistics hub, the Singapore Economic Development Board announced in 1999 initiatives to promote consolidated third party logistics services. The aim was to assist 30 service providers in strengthening their capability to provide consolidated logistics service which covers both services and solutions to problems, with a view to expediting the development of Singapore towards the objective of becoming a consolidated logistics hub in the Asia Pacific Region.

Even our neighbouring Shenzhen has formulated comprehensive plans for logistics development. The planning department in Shenzhen is planning a study on the peripheral areas of the Shenzhen Airport. Drawing on the experience of international aviation centres, they plan to incorporate areas of 30

to 60 minutes' drive or within a radius of 15 km to 30 km with the Airport at the centre into the scope of development; industries closely related with aviation will account for 15%, while the extended industries will account for 70% to 80%, including logistics, exhibition, high technology, and so on, in order to facilitate synchronized development. A long-term vision in planning is to consider the reprovisioning of the Shenzhen Airport by developing a new airport to the west of the existing one. The vacated site will be developed into a base of international supply chain, gearing up for the development of a modern logistics industry by capitalizing on the advantage of a concentration of large-scale transport infrastructure facilities such as ports, airport, expressways, border points, and so on.

On the contrary, the Government of the Hong Kong Special Administrative Region (SAR) has still adopted a short-sighted planning approach, formulating only stop-gap measures. With regard to such grand plans as the development of a logistics park on Lantau, Container Terminal 10, and a third runway at the new Airport, they all remain on paper only. No news has been heard about these plans which are unlikely to be launched early.

Madam President, the DAB very much hopes that the SAR Government will be more alert and take actions to prove how it is going to maintain Hong Kong's position as an international shipping and logistics hub. I think the SAR Government should expedite the development of immediate transshipment in its strategy by, among other things, identifying ways to promote integration with the Mainland, thereby enhancing the role of Hong Kong as an international logistics centre in the PRD while at the same time promoting the development of the Mainland in international trade, thereby achieving a win-win situation. To this end, the future planning of the SAR Government should focus on establishing full connectivity with transport networks in the Mainland, and removing any institutional and territorial obstacles.

On the other hand, Hong Kong should further improve the local public transport network by, among other things, actively conducting studies on the development of a second trunk road connecting the Airport, expeditiously developing an extension from the Deep Bay Link to Tai Lam East and studying the construction of the Tuen Mun West Bypass and a road link between Tuen Mun and Lantau. Moreover, measures should be implemented to stream traffic around Tuen Mun and arrange for traffic diversion through the Tai Lam Tunnel,

in order to achieve connectivity among various trunk links in Northwest New Territories before the commissioning of the Shenzhen Western Corridor. This will prevent the overloading of Tuen Mun Road, which may subsequently slow down the speed and efficiency of logistics service and undermine the sustainable development of the local logistics industry as well as Hong Kong's competitiveness as an international shipping hub.

Madam President, I so submit.

MS LI FUNG-YING (in Cantonese): Madam President, the container freight industry has all along been an important component of economic development in Hong Kong. In recent years, the relevant industries which mainly engage in container freight business have been collectively called the logistics industry, which is established as one of the four major pillars of economic development in Hong Kong. From container freight to logistics and even the shifting to immediate transshipment nowadays, the local freight industry has been progressing with the times in its development, continuously making changes to meet the needs of the market.

However, front-line workers in the container freight industry, especially experienced cross-boundary container truck drivers, have to face more and more difficulties in their living. While the container freight industry has progressed with the times, the income of cross-boundary container truck drivers has not increased accordingly and on the contrary, their income has dropped year after year. While they could earn a monthly income of \$30,000 to \$40,000 in the '80s or '90s, their income is only some \$10,000 now, and some container truck drivers are not even paid monthly but on a quarterly basis instead, as they are explicitly told that they can receive their wages once every three months in a quarter. While the income of front-line workers has been adjusted downward to an almost pitiable level, the trucking cost in Hong Kong has not dropped considerably.

Given the poor working conditions and low income of cross-boundary container truck drivers, few people are willing to join the industry and so, many cross-boundary truck drivers are now over 50 years of age, and if the rule of not renewing licences for truck drivers aged over 60 is strictly enforced in the Mainland, a succession gap in container truck drivers would appear very soon.

Besides, the container freight industry in Hong Kong may also be marginalized. It is reported that as pointed out in a study report published by the Greater Pearl River Delta Business Council, the existing logistics facilities in Hong Kong cannot meet the needs of Guangdong Province and cargo throughput in Shenzhen is projected to surpass that of Hong Kong within the next couple of years. What is the problem with the development of the local container freight industry?

The motion and the amendments today have portrayed a picture of grand vision for the development of logistics in Hong Kong. The proposals all seem to be quite good. I am not an expert in this field, and I only wish to express some personal concerns. If the logistics industry will be developed with emphasis on aviation in the future, this would affect the in-bound cargo volume because no matter how extensively air freight will be developed, it is still no match for container ships in terms of the volume and capacity of cargo handling. If we shift the focus of development to aviation-based immediate transshipment without comprehensively reviewing the problems with the operating environment of conventional cross-boundary freight forwarding, I am worried that the source of incoming cargo would only shrink rather than expand, and in that eventuality, workers in the industry would face even greater difficulties in their living.

Moreover, air freight has all along been favourable to monopolistic operation by multinational companies, and it is difficult for operators running on a small capital to secure a place in this field. So, this would further aggravate the problem of polarization in the logistics industry, in which case the consortiums can reap huge profits while small operators and front-line workers would stand to lose all their bargaining power.

Madam President, I have no intention to oppose the development of the local logistics industry in the direction of immediate transshipment. In fact, container terminals in Hong Kong are already monopolized by consortiums and in view of the high operating cost in cargo shipment, this is perhaps a way out in the future. But I am worried that the development of immediate transshipment will, like the development of container terminals, eventually become only a golden egg for a few avaricious consortiums and if that happened, workers in the transportation industry would be caught in severe hardships even in making ends meet.

I so submit. Thank you.

MS MIRIAM LAU (in Cantonese): Madam President, over the past decade, given the rapid development of the Shenzhen port, a large volume of cargo in the South China region has shifted to the pattern of "Direct Ocean Cargo", which means direct export from the Shenzhen port, resulting in an increasing share of the Shenzhen port in the direct ocean cargo market in the South China region. On the contrary, direct ocean cargo to and from South China handled by Hong Kong has continued to drop, but an increase has been recorded continuously in transshipment cargo. In 2005, 4.2 million TEUs were handled in Hong Kong in respect of ocean to ocean transshipment, accounting for 18.5% of the port throughput in Hong Kong. That the port throughput in Hong Kong could be maintained at the level of 22.6 million TEUs last year is, to a certain extent, attributed to the increase in transshipment cargo in Hong Kong.

Faced with the challenges of the Shenzhen port, Hong Kong has indeed actively taken actions over the past couple of years to cope with them. Efforts have been made mainly in two areas to maintain our competitiveness. On the one hand, the SAR has endeavoured to improve the efficiency of cross-boundary freight forwarding jointly with the mainland authorities by streamlining clearance formalities, improving cross-boundary infrastructure facilities, providing round-the-clock clearance at Lok Ma Chau, relaxing the "four-up-four-down" and "one-truck-one-driver" requirements, extending the clearance hours at certain customs check points in the Mainland, introducing the express clearance system, and so on. Given the smoother operation of cross-boundary freight forwarding, theoretically truck drivers should be able to increase the number of cross-boundary trips. But the effect is not obvious because, to fully achieve this effect, we cannot rely on the truck drivers alone, as this will also depend on the support from the sources of cargo, consignors and customs check points in the Mainland. Satisfactory results can be achieved only when there is due support in these aspects. The industry has recently stated that despite the introduction of many measures and the great efforts made by the industry, the cost of cross-boundary transportation can only be reduced by about US\$40, which means that the charge when compared to Shenzhen has been reduced from US\$300 to US\$260. In this connection, the Liberal Party hopes that the authorities in Hong Kong and the Mainland will make continuous efforts to identify more ways to further enhance the efficiency of cross-boundary freight forwarding.

Apart from making an effort to improve efficiency, the SAR Government and the mainland authorities have also endeavoured to reduce the actual

operational cost of cross-boundary freight forwarding. For example, the validity period of licences for operating cross-boundary trucking business has been extended from three to six years while the annual licence fee has remained unchanged, but this can only reduce the cost by an insignificant margin. The Liberal Party hopes that the SAR Government and the Guangdong Provincial authorities will continue to discuss a further reduction of the fees for relevant licences and other charges. To reduce the cost, I reiterate that exemption of the duty on diesel is an effective means to cut the trucking cost, and the effect can be seen instantly. Even if the duty on diesel is not fully exempted, the SAR Government should consider setting up refilling stations at the border to provide duty-free diesel to cross-boundary trucks.

Madam President, in view of the new shipping pattern of direct port calls on the Mainland and a trend of continued increase in transshipment business, it is necessary to have a more accurate projection of the source and volume of cargo in the future. As far as I understand it, the Government has embarked on preparing the port cargo forecast in Hong Kong, having regard to the latest development and statistics relating to the supply and demand of terminal facilities in the South China region, in order to more accurately project the possible demand for port facilities in Hong Kong. The forecast will cover the need for Container Terminal 10 and when its completion is expected if the need for the terminal is established. I hope that the study will be completed as soon as possible, so that the relevant facilities can be commissioned timely.

Certainly, in the face of the challenges before us now, we can improve efficiency and compress the cost as far as possible. However, there is ultimately a limit to both measures. Moreover, we cannot rely solely on our established advantages and keep on playing up how advantageous the location of our port is, how frequent the shipping schedule is and how excellent our service quality is. It is because what we have now as our advantages may already exist in the Mainland, and even if they do not have them now, they will have them very soon and besides, the infrastructure facilities in the Mainland are developing more rapidly and less expensively than those in Hong Kong. We must strive for a breakthrough in our development before we can consolidate Hong Kong's position as a shipping hub.

As I pointed out in the beginning of my speech, South China direct ocean cargo handled by Hong Kong has dropped continuously, while transshipment

cargo has nevertheless registered a growth. On the surface, both freight forwarding patterns can generate cargo for Hong Kong, only that their percentages are different. That said, we must understand that direct cargo will generate more economic benefits than transshipment and so, despite an increase in transshipment cargo, the financial loss resulted from a drop in direct ocean cargo may not be offset.

To increase cargo volume and economic benefits, we must, on the one hand, attract more direct cargo and enhance the attractiveness of our capability in transshipment. Effective means include the implementation of measures to attract more shipping companies to invest in the container terminals of Hong Kong. If the shipping companies have made such investment, they will naturally ship their goods through their own terminals. This will bring cargoes to Hong Kong and at the same time attract multinational companies to set up cargo distribution centres in Hong Kong, which will also bring cargoes to Hong Kong. On the other hand, we must develop high value-added logistics services to make up for the transshipment business which will generate lower economic benefits. This can also manifest the uniqueness of the logistics service in Hong Kong. I hope that the Government can actively consider these two measures.

I very much thank Mr CHAN Kam-lam for proposing this motion today and the two colleagues for proposing their amendments. Mr SIN's amendment proposes the inclusion of certain infrastructure projects and enhancement of e-logistics. This, we agree. Mr LEE Wing-tat's amendment proposes the inclusion of Route 10 on top of the other projects. Regarding Route 10, we have had many debates on it before. We consider that the existing infrastructure facility (namely, Route 3) should be utilized by all means at this stage, in order to ensure that priority can be accorded to the more pressing logistics facilities in the allocation of resources. While it is certainly better to develop as many infrastructure facilities as possible, priorities still need to be set.

Madam President, I so submit.

MR WONG TING-KWONG (in Cantonese): Madam President, the reform and opening up of the mainland economy has facilitated the rapid development of transshipment in Hong Kong. Given the lack of well-established port and ancillary facilities in the Mainland, enterprises in the PRD had to ship their

goods through container terminals in Hong Kong although they had to pay higher transportation charges and go through cumbersome clearance formalities.

At present, the operation of the local freight forwarding industry has become increasingly difficult due to problems in the industry and also competition from the Mainland. We had been the No. 1 container port in the world for six years in a row but our position was taken over by Singapore last year. The world's largest shipping company, Maersk Line, has recently relocated its customer service department in Hong Kong to Shenzhen and laid off 200-odd employees. This shows that large shipping companies and container companies will consider making Shenzhen and places in the Yangtze River Delta as the base for development. The future of the local logistics industry does give cause for concern. To sustain the development of the freight forwarding industry in Hong Kong, it is imperative to enhance efficiency and maintain quality immediate transshipment service. Only this will be a way out for us.

Although the efficiency of freight handling in Hong Kong is second to none in the world, the cost is also the highest. Take a TEU container consigned in Yantian, Shenzhen, to the West Coast of the United States as an example. It costs some HK\$2,300, or about US\$300, less than the freight charges in Hong Kong. As a result, many Hong Kong businessmen in the Mainland now ship their goods in Shenzhen. Added to this is that the logistics industry in the Mainland has been developing very actively and has become quite well-established. For instance, the three ports of Yantian, Chiwan and Shekou in Shenzhen have seen continuous expansion. Faced with fierce competition from mainland ports, the container throughput in Hong Kong has only registered a low, single-digit growth in recent years ranging from 2.8% to 7.7%, which is far behind the rapid growth of about 35% yearly on average at Shenzhen ports.

The DAB believes that immediate transshipment as proposed by us now should be able to offset our disadvantage of expensive costs, and given the close relationship between land transport and port business, immediate transshipment, even if it is successfully developed, would not be able to perform its function fully without the support of efficient freight forwarding at cross-boundary land crossings. To achieve this objective, support should be provided in various areas. The authorities should seek a consolidation of policies and infrastructure facilities with the Mainland, with a view to lowering the cost of land cargo transportation. The container terminal industry in Hong Kong should engage in

co-operation with ports in the South China region and discuss with them the future direction of port development, in order to minimize duplication of facilities and vicious competition.

Moreover, whether in the aspect of land or air cargo transportation, in order to maximize the benefits of immediate transshipment, co-ordination between road transport and rail transport is necessary, in order to achieve full connectivity and overcome the boundary constraints. We propose that studies be conducted on developing a second trunk road connecting the Airport, an extension of the Deep Bay Link to Tai Lam East, the Tuen Mun Bypass and a road link from Tuen Mun to Lantau. We also propose to use the Tai Lam Tunnel for the purpose of traffic diversion, in view of the pressure to be created on traffic in Tuen Mun after the commissioning of the Western Corridor. In respect of railway, the four railways connecting the southern and northern parts of China have been completed one after another in recent years, but their terminuses are not connected with Hong Kong and this will, in the long term, put Hong Kong and Guangzhou in a less favourable position in future competition in logistics. For this reason, it is necessary to build the Hong Kong-Zhuhai-Macao Bridge as soon as possible. Apart from this, it is necessary to expedite the implementation of a number of railway projects in Hong Kong, and efforts should be made to strive for the early commencement of the construction of a freight rail link connecting Shenzhen and Hong Kong and study the feasibility of freight rail, with a view to shortening the time for transporting cargoes from their sources in the Mainland to container terminals in Kwai Chung.

In respect of air freight, our performance in recent years has been quite outstanding indeed. Insofar as the growth rate is concerned, a growth of 12.4% is recorded per annum. Air freight in Hong Kong still compares favourably with the new Baiyun Airport in Guangzhou. The cost of cargo transportation from the South China region to the United States through Hong Kong is 29% less expensive than that through the Airport in Guangzhou. Clearance and cargo loading at the Hong Kong Airport take only six hours, compared to 12 hours in Guangzhou. Moreover, the Hong Kong Airport also compares favourably with the Guangzhou Airport in terms of international flights and the flight schedule. However, the flight routes of the Shenzhen and Guangzhou Airports cover over 100 mainland cities, whereas those in Hong Kong cover only some 40 cities. It is worth noting that steps are being taken gradually in the Mainland to liberalize air services through negotiations on traffic

rights and so, in the future, more and more Chinese and overseas airlines can provide direct flights between mainland China and cities in overseas countries, and cargo in the Mainland can also be exported direct by air without engaging the transshipment service of Hong Kong.

To provide better support to immediate transshipment and to give play to our advantages in air freight, it is necessary for Hong Kong to further perform its role as a link between the Mainland and the international aviation market by actively communicating with major airports in the Mainland and forging co-operation with them. Another way to directly improve our capability in immediate transshipment is to expand the handling capacity of the Airport. The SAR Government can set up a working group jointly with the industry to improve the airport runway and work in concert to draw up measures to ensure co-ordination and increase the flight movements (*the buzzer sounded*).....

PRESIDENT (in Cantonese): Time is up.

MR WONG TING-KWONG (in Cantonese):by increasing the hourly movements to.....

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, your speaking time is up.

MR WONG TING-KWONG (in Cantonese): Thank you.

MS AUDREY EU (in Cantonese): President, on behalf of the Civic Party, I rise to express our views on the original motion and the three amendments. President, as you know, it has been the position of the Civic Party to see consensuses reached in this Council by all means and so, we will generally give our support as far as possible. We take the same attitude towards this motion and the amendments. We very much thank Mr CHAN Kam-lam of the DAB. Not only has he proposed this motion. He has also compiled this very beautiful, pink study report — President, as you may be aware, the Civic Party likes the colour pink.

President, we agree with the motion and many points made in the report. For instance, support for economic development. Insofar as the position of the Civic Party is concerned, we certainly support the takeoff and sustained development of the Hong Kong economy. While it is certainly best to be second to none in various aspects, sometimes it is still necessary to take stock of the objective circumstances. Moreover, the motion also proposes co-location of immigration and customs facilities and in the aspect of transportation network, to increase the number of flight movements at the airport, and also the development of information technology. President, we have no objection to these proposals. But is it because we wish to particularly give support to the logistics industry that work must be carried out in these areas? President, I think this is the thrust of this motion debate. I think there are some principles that we should uphold.

Since Chief Executive Donald TSANG professed the withdrawal of the positive non-intervention policy and proposed the "small government, big market" policy, we seem to have lost our direction. What role should the Government assume or uphold? Whenever problems are found, we invariably ask the Government to conduct comprehensive studies, no matter what the problems are. President, why do I make this point? As we can see, the original motion mentions ".....such as formulating a comprehensive plan for logistics development". Our concern is that the Government might easily stick its oar in everything and meddle with everything once it is not careful enough in exercising self-restraint. When the logistics industry is in the doldrums — the industry used to be glorious and now, it is going downhill — it asked the Government to formulate a comprehensive plan for development in order to rescue the industry. Should this be the role played by the Government?

Moreover, there is another very important point: Is it the role of the Government to select the fittest or to "pick winners", so to speak, especially as the original motion mentions ".....striving to reduce various operating costs of the logistics industry"? In fact, as also mentioned in the DAB's report, the logistics industry used to be very glorious, but why is it on the decline now? The report attributed this to the fact that the operating costs of the industry are higher than those in neighbouring cities. It also mentioned that following changes in times and circumstances, thriving international trade in Hong Kong has led to the emergence of the logistics industry and as a result, Hong Kong must compete with others for cargo sources. In fact, this mostly has to do with the objective environment. How possibly can the Government strive to reduce

various operating costs of the logistics industry? Does it mean that the Government should interfere with the commercial market with its "tangible hand"?

Therefore, we are worried that if we support a motion which includes these elements, does it somehow (or even from an extremist' viewpoint) imply an inclination to practise planned economy, thinking that we must reinvigorate the logistics industry and make it No. 1 in the world? Dose it mean that if the logistics industry is doing badly, we must then step up a host of measures to boost the industry, rather than because there is the need to develop infrastructure and transport networks or to encourage the flourishing of information? Should we make all these efforts only to revitalize the logistics industry? Therefore, we are worried that the original motion in its entirety and the three amendments may give an impression that the role of the Government is to pick certain industries and provide support to them, with a view to maintaining their competitive edge forever.

Furthermore, we also consider it worrying as to why the logistics industry is losing its competitive edge. It is, in fact, due to the cost, as I mentioned earlier on. The cost aside, land is also very important because the development of the logistics industry requires plenty of land. As we all know, Hong Kong is a densely-populated place where land is scarce. If we must rigidly reduce its operating costs, insofar as land is concerned, should we also reduce the land price in order to facilitate the development of the industry? But is this really the best and most suitable for Hong Kong in its development in the long term?

Besides, there is, of course, the pollution problem. Take Container Terminal 10 as an example. The many other activities required to support the logistics industry will pose great hazards to the environment. In this regard, environmental groups have often drawn attention to the impact of the logistics industry on the environment. So, I think this does warrant our concern.

In her speech earlier, Ms LI Fung-ying mentioned a major hidden worry or factor and that is, there are, in fact, many cases of monopolization in the logistics industry. Such being the case, is the Government going to prevent such monopolization? We agree on this point, and we consider fair competition absolutely necessary. However, we should not particularly do anything in this respect in order to maintain the development of the logistics industry.

All in all, President, I wish to state clearly that the Civic Party supports the many proposals made in the motion but insofar as the central idea is concerned, we do not hope that it will give people the feeling that the Government has suddenly assumed the role of practising planned economy or "picking winners", and that it is seeking to reduce the costs of the industry by way of intervention, so as to enable the industry to maintain its edge forever. We do not hope that it would put across such a message. So, President, the Civic Party considers it most proper to adopt a position of casting an abstention vote on the original motion and all the amendments. Thank you, President.

MR HOWARD YOUNG (in Cantonese): Madam President, in my following speech, I will focus on the improvement of the capability in air cargo transshipment. But first of all, I must make a declaration. I am a member of the Executive Committee of the Board of Airline Representatives and an employee of Cathay Pacific Airways.

I have consulted the views of the Board of Airline Representatives Hong Kong on the strengthening of Hong Kong's capability in immediate transshipment. We all think that despite Hong Kong's geographical advantages, well-established international networks and reliable and efficient services, there is still room for improvement in its capability in transshipment. The development of the neighbouring ports nowadays is far different from that some 20 years ago. Two decades ago, Hong Kong was unparalleled in its re-export trade but today, re-export trade in Hong Kong faces fierce competition. We should endeavour to strengthen the existing advantages and enhance our competitiveness by, among other things, simplifying clearance formalities, shortening the clearance time for strategic commodities and enhancing air freight services, in order to attract more consignors to re-export their goods in Hong Kong. Otherwise, our position in international and regional freight forwarding would be easily taken over by our competitors.

According to recent studies, the transportation cost at the Hong Kong Airport is still about 22% lower than that in the new Baiyun Airport in Guangzhou. That said, we have to face up squarely to the fact that the Shanghai and Guangzhou airports are catching up with us. According to the provisional statistics provided by the International Air Transport Association on international air cargo throughput in 2005, Hong Kong was among the Top 10, handling 3.4 million tonnes of freight, but Shanghai, with a throughput of 1.6 million tonnes, was ranked the eighth, just behind Singapore and Taipei.

The new Baiyun Airport in Guangzhou is located in the PRD and so, it is worthy of more attention as a competitor to Hong Kong. It is designed to cater for massive cargo throughput; two of the three terminals in the Airport are cargo terminals, and there is a plan to complete the construction of a third runway by 2009. It is expected that their cargo handling capacity will increase to 2 million tonnes per annum by 2010. The General Administration of Civic Aviation of China even projected that by 2015, the flight movements at the new Baiyun Airport in Guangzhou will increase to 1 300 daily, which will exceed the 1 250 flight movements in Hong Kong.

The Federal Express has decided to relocate its Asia Pacific distribution centre from Subic Bay in the Philippines to the new Baiyun Airport. Construction works will start in May this year and is expected to be completed in October 2008 for commencement of operation. Added to this are various coastal railway lines to be developed in Guangzhou connecting Thailand, Singapore and Malaysia in the future, the Jingzhu Expressway which has been commissioned, and the new airport highway. These developments will enable the new Baiyun Airport to absorb cargo from sources covering a larger area. Therefore, the development of the new Baiyun Airport will pose threats to the air freight industry in Hong Kong. We should be fully prepared for the challenge.

On the other hand, the Shenzhen Airport has carried out an expansion scheme at a cost of RMB 11 billion yuan, and it is expected to complete at the end of 2010. The scheme will include a new runway with a design capacity to cater for a passenger throughput of 30 million passenger trips and a cargo throughput of 1.5 million tonnes.

In spite of Hong Kong's advantages in its geographical location and international network, since re-export goods are regulated by the Import and Export Ordinance, the consignor is required to make an application prior to the arrival of the cargo; there are numerous types of regulated goods and their types are far more than those prescribed in other airports handling re-export goods, such as the airports in Singapore, Bangkok and Taipei. Besides, the goods are subject to various regulatory requirements and involve different government departments. Different people may also have different interpretations and the application process is time-consuming. As a result, this has often turned the cargo to other ports of transshipment, undoubtedly creating a certain impact on the re-export trade in Hong Kong. An example is the transshipment of

pharmaceutical products and medicaments. Medicaments are theoretically within the ambit of the Department of Health but since the medicaments are transshipment goods, the Customs and Excise Department is, therefore, empowered to deal with them. Since the medicaments are only in transit at the Hong Kong Airport from one flight to another flight and is not really imported for local consumption, is it really necessary to treat them as imported goods and subject them to strict monitoring? Can consideration be given to taking less stringent measures, such as waiving the application for entry of goods into Hong Kong as long as information is provided on the export of goods from its source and entry of goods at the destination to prove the legitimacy of transshipment? Consideration can also be given to requiring airlines to apply for licences for exclusive transshipment of strategic commodities or prohibited goods, which means that only airlines will be subject to monitoring, in which case the consignor will not have to go through the cumbersome formalities. Given that over 90% of transshipment involves multiple journeys and many means of transport, if Hong Kong fails to provide a more expedient transshipment service, I believe the consignors will soon turn to other neighbouring ports and regions for transshipment of their goods.

In respect of enhancing the efficiency of air freight, as four of the five existing airports in the PRD Region are undergoing expansion works, it is necessary to ensure proper co-ordination among various airports in respect of their roles and positions, in order to avoid vicious competition and wastage in resources. At present, the airspace in the PRD is managed by three different parties, namely, Hong Kong, Macao (including Zhuhai) and the Mainland. Can the authorities strive to make one single party or Hong Kong responsible for the co-ordination work, in order to expedite the development of the aviation industry? In the long term, this can achieve a complementary effect and a win-win situation.

At present, given the requirement that flights passing the airspace of Zhuhai must descend from an altitude of 5 000 m, flights between the Mainland and Hong Kong have to fly for a longer distance for takeoffs or landings. Coupled with the fact that most airspace in the Mainland belongs to the military authorities, only a small number of flight paths are available for civic aviation purposes. All this constitutes some degree of difficulty and what is more, even though the Hong Kong Airport was originally designed to cater for 80 to 85 flight movements, the Airport can only absorb 54 flights now, which is just 60%

of the capacity as originally designed. Under its original design, the Hong Kong Airport could cater for 87 million passenger trips and 9 million tonnes of freight but last year, only some 40 million passenger trips and 3.4 million tonnes of freight were handled and the Airport was already reaching capacity. If we do not tackle this problem concerning the airspace, even the construction of a third runway would not in any way be useful.

I so submit.

MR ALBERT CHAN (in Cantonese): President, speaking of strengthening Hong Kong's capability in immediate transshipment, it is perhaps more realistic to hope that Hong Kong can really have a change of luck¹ than hoping the Government to change its policies, so that significant reforms can be carried out in respect of logistics and transshipment in Hong Kong.

With regard to the achievements made by Hong Kong in these aspects, the Government would invariably provide statistics as evidence of success in all relevant debates. As far as I can remember, the Government has since the '90s kept on recounting the glorious achievements made by Hong Kong and recapitulating for how many years Hong Kong has been ranked No. 1. It seems that many officials like daydreaming, and I do not hope that the Secretary is one of them. A month ago, the editorial of a foreign newspaper said under headlines in bold type that those days when the Hong Kong port was unparalleled are bygones now and clearly listed the growth figures from 2001 to 2005. While the South China region registered annual growth rates in the range of 25% to 55% (I am talking about the annual growth), the growth rates in Hong Kong nevertheless ranged from -4.6% to +5.4%. This shows that the logistics and freight forwarding industries in many places in the PRD in South China are leaping like antelopes, whereas Hong Kong still crawls like a snail in its growth and worse still, it is just easing along with sheer complacency.

I remember that when this issue was discussed in the '90s, we repeatedly cautioned that the Hong Kong Government must make improvements to infrastructure and the institutions in Hong Kong and also reduce the operating costs. The haughtiness and arrogance of the Government were manifested to the fullest, as it kept on bragging about how well-established Hong Kong's

¹ "轉運" as in "即時轉運" (immediate transshipment) can also mean a change of luck.

banking system was and asserting that the Mainland would be no match for us. If we look at the past Records of Proceedings of the Legislative Council, we can see this from the speeches of the then Secretary for Economic Services. History has proven that the attitude adopted by senior officials in the Hong Kong Government back then was absolutely wrong. Now, the Hong Kong Government can only learn a lesson from the bitter experience, review the problems and difficulties faced by Hong Kong now, study ways to exert its utmost to carry out an overhaul and enhance co-ordination among Policy Bureaux as well as co-ordination among departments, in order to make improvement.

With regard to the constraints in freight forwarding and challenges from neighbouring places now faced by Hong Kong, there are primarily three major problems. The first is expensive costs. Many colleagues also mentioned expensive costs and this can be said as the legacy of the *modus operandi* of container terminals. The Government must step up efforts to carry out reforms. I remember that when I proposed the development of Container Terminal 9 back then, I repeatedly pointed out in this Chamber that the Hong Kong Government should introduce new companies, such as Evergreen, through the development of Container Terminal 9 to facilitate diversified development in Hong Kong in this respect. But the Government, citing political reasons and by way of "dividing political loots", granted the operation of Container Terminal 9 to the several existing operators without putting the terminal to tender. The Government used political ploys to deprive other people of their operating rights. I hope that similar mistakes will not be repeated if a new container terminal is developed. The problem of expensive costs has aroused dissatisfaction among many container truck drivers. Earlier on it was reported that container truck drivers had been forced to pay a reimbursable security fee for the consignor, or an annual fee of \$500 for e-receipts, and there is also the cancellation of invoices, and so on. Many of these problems have caused severe hardships to individual owner-drivers running on a small capital. The charging of handling fees per container and various types of fees and charges have also plunged the industry into great plights.

The second major problem is the lack of infrastructure and ancillary facilities, including back-up sites and parking space for container trucks on roads. Given the shortage of these facilities, the problem of illegal container yards or unauthorized conversions in the entire New Territories has led to a huge public outcry and caused unspeakable difficulties to the public. Owing to the

shortage of these facilities, proper co-ordination is lacking in the development of the container industry and this has affected the operational efficiency and costs. Some Members mentioned Route 10 earlier, but the Government has eventually given it up. The construction of the Hong Kong-Zhuhai-Shenzhen Bridge is still unlikely to realize in the near future. No improvement has been made to many road links in Northwest New Territories connecting container yards and container terminals. Nor is there any improvement to many bottlenecks on road.

The third problem, which is the most serious problem, is oligopoly. The Secretary may have expected me to bring up collusion between business and the Government and transfer of benefits. These are no new topics, and they have made the Government a constant target of criticisms for more than a decade. But these phenomena still exist and it is precisely these anomalies that have impeded the normal development of Hong Kong society and led to the gradual suffocation of the development of the container industry. Please take a look at the control of the container terminals now. Through the Hong Kong International Terminals, the Cheung Kong Holdings has gained control over 12 berths at Kwai Chung Container Terminals 4, 6, 7 and 9, and through the COSCO-HIT Terminals, it has gained control over two berths at Container Terminal 8. From this we can see that these problems have stifled the container industry. If we look at the figures of the PRD, there were a total of 31 berths in 2005 in the PRD and the number will further increase to 64 in 2010. This rapid growth has forced Hong Kong to become marginalized.

In view of this, if the Secretary still harps on the old tune and if he still keeps on daydreaming and talking all those "nonsense" that has been made before, I believe a decade later, Hong Kong would undergo catastrophic changes and be caught in an economic depression, and this is very worrying. I hope that the Secretary, having listened to the earnest and well-intentioned comments of many Members, can have a new mindset and take Hong Kong out of the doldrums, so that improvement can be made to the situation of the container industry. Thank you, President.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I remember that a few years ago I approached the Economic Development and Labour Bureau and some trade unions in the logistics industry on this issue and explained our concern to them. I remember that it was around 2003, and we were concerned

about the logistics industry, one of the four major economic pillars of Hong Kong, and as this industry supported the living of 200 000 workers, we were very concerned about it. We can see that the present situation of this industry is somehow similar to that of the manufacturing industry in Hong Kong back in the '80s, in that following the development in mainland China, the advantages of this industry are gradually fading away.

As far as I can remember, when we discussed these issues at that time, Huadou had yet to be developed. Government officials also told us then that although the costs of land or sea freight transport were more expensive in Hong Kong, we had an advantage in our air service. The trade unions in the aviation industry took exception to this view, pointing out that in view of the vast expanse of land in Huadou, it was clearly positioned to compete with Hong Kong, which has turned out to be true. In other words, when we see rapid economic development all over the Mainland, they also see the very keen demand for the logistics industry domestically in the Mainland. So, they have developed at a particularly high speed in this respect. For instance, in the Pearl River Delta (PRD) Region with which we are familiar, including my hometown, in order to facilitate the development of the logistics industry to meet the needs in the Mainland, they can (like the treatment given to the manufacturing industry back in those years) provide support for the development of the industry in terms of land, water and power supply, and other resources. Others have their advantages while we have our weaknesses. Faced with competition and the fading away of our existing advantages gradually, what does the whole Government plan to do? I very much hope that the SAR Government will think about this.

Certainly, if I am asked what I think about this, I would say that on this issue, I have some very grim feelings. Last night when I had dinner with my friends, I also said that I had very grim feelings about this. Why do I have grim feelings? It is because the Mainland is developing by leaps and bounds in many areas. Even if we just shift our attention away from them for a short while, we will find that they have already achieved some developments, and if we do not pay attention to them for a longer time, we will find out that they have achieved some other developments in only a few months' time. They have taken actions to target their inadequacies. That is, they have targeted their inadequacies in competing with Hong Kong and they are making continuous improvements. For example, we have electronic technology, and they will have it very soon. After they have listened to us today, the issues raised by us in this debate may

soon become propellants to them, prompting them to expeditiously draw conclusions and introduce changes. Why?

I had once visited the Mainland with the boss of China Merchants. I had deliberately made arrangements to visit the entire layout of their logistics service. Let us not talk about hardware and just look at the software. Those people with whom I had talked are all holders of a doctor's degree engaging in studies of logistics. They come to Hong Kong on a regular basis to conduct many, many discussions with the postgraduates of The Hong Kong Polytechnic University. After this visit, my feeling is that while we have been saying that we have advantages, in the very near future, it will turn out that they have advantages instead; we may then say that we have other advantages but then, they will have some other advantages.

In this connection, our trade union had highlighted some problems at the time. It is because many factors must be considered in order to take forward logistics. For instance, why can some well-developed places take up a prominent position in the field of logistics? An example is Rotterdam where there is the flower trade, and this flower trade has made it an important port for exports. Do we have this condition in Hong Kong? Secretary, we do not. I think we have lost our "fists", as we do not have a manufacturing industry anymore. Will people in faraway places in the Mainland send their goods all the way to Hong Kong for re-export? I always think that when it comes to logistics and if we just talk about the logistics industry alone, I feel that the future will be gloomy and we will not be able to compete with others. But if we are talking about how we can leverage on the development of other supporting industries, I do not think that Hong Kong is completely devoid of advantages.

A few years ago when the real estate market was really in a bad shape, a major property developer in Hong Kong made use of its own factories to manufacture products (it manufactured ancillaries for certain brands in its factories), and I believe the Secretary certainly knows which developer it was. I had been there for a visit, and I think that it was quite a good idea. It was sort of a co-ordination or distribution centre, and Hong Kong entirely has the conditions to perform this function because judging from the intellectual property right situation in Hong Kong and when compared with other countries, Hong Kong does have the conditions for such undertakings. But then I must ask: Is space available for us to do it? At that time, it was because the real estate market was in the doldrums and this manufacturing company had many factory

buildings that they were able to do it. But even if these resources are still available now, I guess the situation may have changed already.

So, I think we must know ourselves and our rivals. We must clearly understand the situation of others and our situation. We must realize others' advantages and our weaknesses, and others' weaknesses and our advantages. Moreover, we must consider how we can give play to our established advantages. Do not say things like "Do not worry because the Central Authorities will formulate measures to enable Hong Kong to develop in the direction of international logistics and the Mainland to develop in the direction of domestic logistics. I think this is indeed a joke. That said, however, everyone with whom I have come into contact is prepared to engage in international logistics. I personally think that if we set up the production lines in the Mainland, the costs in the Mainland will be less expensive than those in Hong Kong. Added to this is that many policies in the Mainland will provide room for the development of their industries.

Therefore, under such circumstances, when others are strong while we are weak, and if we do not try our best to tackle this problem today, I believe we will stand to lose our position gradually. It is like what happened back in the '80s. We saw at that time the relocation of the manufacturing sector northward, and the Government had implemented industrial policies at various levels, suggesting the upgrading and regeneration of industries. But the Government had noticed the reform and opening up of China and did not take forward such work later, thus resulting in this scenario today. There used to be 1 million employees in the manufacturing sector and those who remain employed in the sector are in the fields of design and marketing. This may also happen to the logistics industry in the future, although it should not be happening now, for this industry still manages to absorb 200 000 workers now. So, I very much hope that today's debate can be helpful, and I do not wish to discuss this in detail. Over a period of time in the past, I have carried out some work in this respect and I think that great difficulties are involved. Yet, I do not deny that some scenarios may be slow in happening, and I do not think that we will be put in a passive position very soon.

However, I believe that in the final analysis, I wonder if the Government has ever thought about ways to solve the fundamental problems: For one thing, there is the land factor, and for another, is it possible to develop through high technology some products with market potentials? I think these are the fundamental problems. Otherwise, there is indeed no reason for other people to

make a detour and ship their goods to Hong Kong for re-export. Perhaps we may still have these advantages today, but we may no longer have them later.

With these remarks, Madam President, I support the motion and the amendments.

MR JAMES TO (in Cantonese): President, perhaps I would like to talk a little bit about security matters, in particular about considerations of co-location of customs and immigration clearance.

The kind of co-location of customs and immigration clearance that we talk about for the Hong Kong-Shenzhen Western Corridor (HK-SWC) is that with reference to a particular location, it is like co-location of customs and immigration clearance at one place, but in practice it is co-location of customs and immigration clearance at two places. Only that this co-location at two places is at two places which are parallel to each other and they are very close to each other. This makes all the arrangements and operations involved very smooth. Actually, this is co-location at two places. The concept makes use of the bridge there as a point of reference and a line of demarcation is drawn from there up to a certain point. Physically speaking, the point was previously mainland territory, but by some provisions in law this point now becomes within the confines of the jurisdiction of the Hong Kong Special Administrative Region (HKSAR). It so follows that the personnel we deploy there carry out the inspections in accordance with the laws of the HKSAR and thus the problem of overlapping of jurisdictions will be prevented. However, there are still uncertainties about this. It is because although the Standing Committee of the National People's Congress has passed it, there are still some complicated issues in the laws of the HKSAR that are unresolved and so they are not yet submitted to this Council.

If we were to put into force this so-called co-location of customs and immigration clearance at the Hong Kong airport — actually it should be co-location at two places — then the situation would become more complicated. This is because apparently the HK-SWC belongs to two different jurisdictions, but if the same method of demarcation used in the HK-SWC is adopted in the Hong Kong airport, it will simply not work at all. This is because there is nothing which connects the Hong Kong airport with the Mainland, unless a bridge is built in the airport joining the HKSAR with the Mainland. Otherwise,

what can be done is only to draw up a point or a circle within our jurisdiction and conceptually transform it into a jurisdiction of the Mainland. But the problem is that everywhere outside this point is covered by the jurisdiction of Hong Kong. It follows that if whatever object is seized, how should it be handled in what way or in accordance with what kind of complicated legal procedures? This is no simple problem to solve. The scenario is different from that of the HK-SWC where there is a bridge that fully links up the two places and it is possible to operate according to HKSAR law.

Secondly, on the issue of law under jurisdiction, As of now, that is, from 1998 to the present, this Council has been pursuing the matter with the Government on the question of under what circumstances the agencies of the Central Authorities stationed in Hong Kong, for the time being there are only three of them, that is, the Ministry of Foreign Affairs, the People's Liberation Army and the Liaison Office of the Central People's Government in Hong Kong, shall comply with the laws of Hong Kong and under what circumstances do not have to comply with the laws of Hong Kong. The Government began to look into the issue in 1998 but the work on that is still not finished. Recently, the Panel on Administration of Justice and Legal Services of this Council pursued the matter with the Government again and the Government was quite embarrassed when asked that question. Because after such a long time of looking into the issue — actually eight years were spent on that — the study was not complete yet. The situation is very much like what happens when studies are conducted on issues like amending the Basic Law, and so on. The tactic used is to put things off to a later time as far from now as possible. No progress has been made. So what kinds of law do these agencies of the Central Government in Hong Kong have to comply with? Having said that, the case may not be entirely similar to the implementation of co-location of customs and immigration clearance in the airport. This is because conceptually, the physical location of the Liaison Office of the Central People's Government in Hong Kong is within the jurisdiction of Hong Kong, and codification in law can certainly be done but this is not entirely similar to turning the operation areas of the mainland customs authority in the Hong Kong airport into a jurisdiction of the Mainland. However, if not, then what kinds of law shall these agencies comply with and what kinds of law shall they not comply with? This is a very complicated issue indeed.

Thirdly, some people may ask, would it lead to other complicated problems if mainland customs officers are stationed in the airport of the

HKSAR? Speaking purely from concept, actually some customs officers from the United States are stationed in Hong Kong, though they do not have any enforcement power. However, they can be physically present in our customs offices and give advice. For example, they can offer security advice according to the law of the United States when it comes to inspecting containers. Of course, such advice is security advice in name, but in practice, it is given from the perspective of United States law. If it is considered that a container carries a certain danger, they can ask the Hong Kong Customs to open the container for their inspection. These officers are acting to ensure that the container to be shipped to the United States does not carry any explosives or other articles which will endanger the security of the United States. Therefore, inspection is carried out in advance at source, that is, Hong Kong, before the container is shipped to the United States. However, these American customs officers do not have the power to enforce the law and it is only the Hong Kong Customs which enforces the law.

With respect to the situation of Hong Kong and the Mainland, there would not be any problem if what is at stake is an issue of common concern. But the worst scenario is some issues which are not issues of common concern, for example, with respect to contrabands or dutiable goods, the standards adopted in Hong Kong and on the Mainland may well be different. There will not be any problem when it comes to issues which the interests of both places coincide or are related. But when it comes to those which do not coincide, then things can get very complicated. At least, conceptually, mainland customs officers shall not be permitted to station in Hong Kong. This requirement can be worked out after enactment of the relevant law of Hong Kong.

Another case which can be used as reference is about officers of the Immigration Bureau of Japan. On flights from the Narita Airport in Tokyo to Hawaii or the United States, customs officers of the United States stationed in the Japanese airport can do something under certain circumstances. In comparison, the law-enforcement officers of the United States can exercise greater powers in Japan than those customs officers of the United States stationed in Hong Kong as the latter do not have any power of enforcement. This is of course due to the power vested in them by the Japanese law. And so there are actually precedents of law-enforcement officers of different countries enforcing the law in the host territory of the other country. There are indeed such examples. Such things are found in the control points of Canada and the United States. But the most important thing is that under such circumstances, we must ensure that concepts

like "one country, two systems" and the Basic Law are left intact and nothing is done to undermine the confidence of our trading partners and that means nothing we do will in any way affect any trade agreement or lead to some security problems which are a concern to other people.

DR RAYMOND HO: In the past 20-odd years after the adoption of the "economic reform and open door" policies by the Mainland, Hong Kong has taken advantage of its strengths to develop itself into the regional logistics hub of the region. The cargo volume of the region has been increasing unceasingly, as prompted by the region's rapid economic growth. With rapid cross-boundary transport infrastructure reaching its full capacity, undesirable increases in transit costs and time will be inevitable. A number of our neighbouring cities in the Pearl River Delta Region have already started to develop very strong footing for their own logistics industry. They also build airports, ports, highways, railways, logistics parks and related facilities. These initiatives have substantially enhanced their competitiveness.

But the outlook for the local logistics industry in Hong Kong is still very promising if other positive factors are taken into account. Firstly, its hinterland has expanded substantially following the conclusion of the Pan-Pearl River Delta Regional Co-operation Framework Agreement which covers nine Provinces/Regions and two Special Administrative Regions including Hong Kong and Macao. Secondly, the rapid development of transport infrastructure in the region has created ample opportunities for co-operation between Hong Kong and its neighbouring areas. This will facilitate the development of an integrated transport network to meet the need of the growing logistics industry.

If Hong Kong is to become an integral part of the regional transport network, its cross-boundary transport infrastructure must be strengthened first. Our cross-boundary transport facilities have been lagging behind both the vehicular and passenger demands for too long. The construction of the Hong Kong-Zhuhai-Macao Bridge, preferably including a rail link, is long overdue. There is also an urgent need for the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail. As for road link, the construction of the Eastern Crossing at Sha Tau Kok should be given priority. Three years ago, Route 10 was approved at the Public Works Subcommittee, of which I was Chairman, but it did not secure enough votes at a subsequent Finance Committee meeting. It is time for the Government to re-align and fine

tune the Route 10 project and table it to the Legislative Council again. As a matter of fact, I have been repeatedly asking the Government to expedite the construction of these projects in this Council. I hope that my call will not fall on deaf ears this time.

Apart from strengthening its cross-boundary infrastructure, Hong Kong needs to improve its immediate transshipment capacity through other measures. They include the development of the Lantau Logistics Park, construction of the third runway at the airport and Container Terminal 10. Meanwhile, the feasibility of developing a multi-modal facility in Hong Kong is worth studying, too.

Madam President, the logistics industry operates in a highly competitive environment. Hong Kong will risk losing out to its neighbouring regions if our Government fails to act proactively.

With these remarks, Madam President, I so submit. Thank you.

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

MR ABRAHAM SHEK: Madam President, I speak in support of the original motion. I think any effort to strengthen Hong Kong's capability in transshipment and direct cargo must be made, because it is very important for Hong Kong to maintain its position as the transportation hub. I speak against the amendment by Mr LEE Wing-tat, and I do not agree with Dr Raymond HO's proposal that the Government should start thinking about the construction of Route 10. I think this is a waste of money and time. For the overall interest of Hong Kong, instead of spending \$22 billion on something to solve the traffic problem, it can make better use of Route 3. So, I do not support the Government in bringing up this issue again in the Legislative Council, unless there is such a need. At the moment, Route 3 and Tsuen Wan Highway are able to solve the traffic problem. Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If no Member wishes to speak, I will now invite Mr CHAN Kam-lam to speak on the two amendments.

MR CHAN KAM-LAM (in Cantonese): President, the amendments proposed by Mr SIN Chung-kai and Mr LEE Wing-tat are in fact very much similar and there is only one difference between them. Mr LEE adds a point to part (c) of my motion and his addition is about the northern section of Route 10 (from Lam Tei of Tuen Mun to So Kwun Wat) and this is something on which a consensus is lacking in this Council. This is why we cannot accept it. As for the other amendment proposals, the points raised have been dealt with fully in the report of the study conducted by the DAB and we would agree to them.

Mr LEE Wing-tat has earlier talked about the traffic problem of the section from Lam Tei of Tuen Mun to So Kwun Wat. The DAB has reservations about this suggestion. Actually, we are also very concerned about the traffic congestion on Tuen Mun Road. However, we do not think that the problem can be solved by proposing piecemeal solutions which cannot deal with the problem fundamentally. Why? Because we have suggested to the Government many times that the local transport network should be improved further. Specifically, this means that active consideration should be given to the situation in Tuen Mun and New Territories West, building a second trunk road linking up the airport, considering building an eastern extension along Deep Bay to the Tai Lam Tunnel and studying the possibilities of building the Tuen Mun West bypass and a road linking up Tuen Mun and Lantau.

We think these problems should be addressed. The problem of inaccessibility of transport in Tuen Mun and future problems caused by the commissioning of the Hong Kong-Shenzhen Western Corridor should be tackled at this stage by capitalizing on the Tai Lam Tunnel to divert the traffic and hence alleviate congestion in Northwest New Territories and ease the traffic load on Tuen Mun Road. We think this approach is more effective in the context of long-term planning considerations.

President, the DAB hopes that consensus can be reached by the broadest spectrum of society to push the economic development of Hong Kong. Certainly we do not want to see incessant arguments on minor details resulting in inaction eventually. Mr SIN Chung-kai has mentioned the Guangzhou-Shenzhen-Hong Kong Express Rail Link. While the Guangzhou

side has started laying the rail, Hong Kong has yet to launch the relevant works. This is a perfect example of the dilly-dally way of doing things here in Hong Kong. There are too many cumbersome procedures and procrastinations in our decision-making and we are bound by too many rules. The result is only repeated delays. If we continue to argue on minor details, we can expect no progress in our economy. Since we can envisage problems and threats confronting our logistics industry and our economy, why do we not work together to seek consensus and search for solutions?

President, I so submit.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I am grateful to Mr CHAN Kam-lam for proposing this motion on immediate transshipment today, as well as Mr SIN Chung-kai and Mr LEE Wing-tat for proposing amendments to the motion. I believe the reason for Mr CHAN to propose this motion on immediate transshipment is for the good of Hong Kong and I believe when talking about transshipment, he would also want to have the fortune of Hong Kong changed all for the better as the Chinese term for transshipment can also mean a change in fortune. So as Mr LEE Wing-tat said earlier, there would be no need to go to the Che Kung Temple and toss fortune sticks to know that the motion would very likely be carried. Mr Albert CHAN has said that we have no new ideas to offer, but I would like to point out that what he has said is nothing new too because he keeps on talking about collusion between the Government and business. I wish he could come up with something new as well.

As a regional logistics hub of Asia, Hong Kong enjoys very fast and efficient cargo movements. Owing to our geopolitical advantage, our port directly benefits from the rapid economic development of our country, especially the vibrant export-oriented manufacturing industries of South China. During the five years past, 80% of the volume of cargo exported via our port came from South China. As a shipping node, Hong Kong has very busy shipping schedules, extensive transportation networks and diversified transshipment services. All these are advantages attracting cargoes from the region to use Hong Kong as a port of transshipment. In terms of air transport, the Hong Kong International Airport offers 5 200 flights every week to more than 140 cities all over the world. In terms of maritime transport, there are close to 500 scheduled liner services weekly to about 500 destinations. Thus it can be said

that in terms of the entire set-up, apart from capitalizing on our excellent geographical location, the Government also responds to the trends of development in the region and strives to provide the necessary matching facilities and infrastructure. This will foster closer ties between Hong Kong and the various cargo source hinterlands in Asia, thereby enhancing Hong Kong's efficiency and attractiveness in transshipment. At the policy level, we have adopted various administrative measures such as streamlining the customs clearance formalities, reducing government charges, and so on, to encourage consignors to use the inter-modal transportation and transshipment services offered by Hong Kong.

The Central Government, in the National 11th Five-Year Plan (FYP), has unequivocally supported Hong Kong in the development of our logistics industry and in maintaining our position as an international shipping centre. Steady growth of the mainland economy is expected, thanks to the push by the 11th FYP, and buoyant external trade growth envisaged for the mainland economy will bring about ample business opportunities for the logistics industry of Hong Kong. However, with the rapid growth in South China, the role of Hong Kong as the main gateway to China will face new challenges. In view of this, the Government held the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong" in September this year and under the Summit, a dedicated Focus Group on Maritime, Logistics and Infrastructure has been set up to collate the views of the industry on the shipping and logistics industries. The aim is to draw up a strategic action agenda by the end of this year.

Under the design of the overall national transportation system, it has been clearly stated that on the premise of maintaining Hong Kong position as an international shipping centre, the overall advantages of Hong Kong and other sea ports along the coast of the Pearl River Delta (PRD) in the container transportation system should be fully capitalized. The SAR Government has adopted many measures, while leveraging on the opportunities offered by the buoyant economic development in the PRD, to back up the overall development of the port, shipping and logistics industries. We will take active steps to forge co-operation and closer ties with the PRD Region to enhance cross-boundary infrastructure, trade and logistics.

As ports in the PRD Region grow, their maritime transportation capacities will increase by leaps and bounds. Before matching land facilities are fully developed, river trade would remain the main mode of freight transport in the

western part of the PRD and it is expected that new opportunities would be brought to the Hong Kong port. In last year, of the total 232 000 vessels visiting our port, 39 000 are ocean-going vessels while 193 000 are river trade vessels. During the period from 2001 to 2005, the average annual growth in river trade container throughput in South China and Hong Kong was 11% and this gave new momentum of growth to our port.

In view of the marked growth in river trade transport, the Government has responded to the demand of the sector and opened up new anchorages for river trade vessels off the waters of north Lantau and the western part of the Victoria Harbour. These will enhance the mid-stream cargo-handling capacity of our port. To facilitate the shipping companies in arranging for scheduled shipping services and to meet the demands of port operators, the Government will make flexible arrangements to set up more anchorages to meet the needs of cargo from the rapid-developing river trade and transshipment activities in the PRD.

To strengthen the position of Hong Kong as a prime international transport and logistics hub in Asia, the Government has all along been facilitating the integration of various service segments in the supply chain, spurring high value-added development and providing infrastructure and a business environment conducive to the development of the logistics industry.

On reducing the operating costs of the logistics industry, considerable efforts have been put by the Government to assist the industry in this respect. An example is we are presently amending the law to introduce multi-entry permits for river trade vessels, streamline the application procedures and reduce permit fees. These measures will result in greater efficiency of the Hong Kong port in handling river trade, hence attracting more river trade vessels to come to Hong Kong.

The measures to increase anchorages to cope with increased river trade transport came into effect on February 2006. As for the relevant statutory procedures streamlining the application formalities and reducing permit fees, they are at the final stages and will come into effect early next year. When these measures are all in force, medium-sized vessels mooring in Hong Kong for two days can expect to save 25% of the mooring fees and those river trade vessels holding multiple entry permits may save up to a maximum of half of their permit fees.

With respect to land transport, in the "Hong Kong Port — Master Plan 2020" published by the Government in 2004, it is pointed out that the cost of hauling a 40-ft container from Dongguan via Hong Kong to the United States is about US\$300 more compared to a container shipped to the United States from the Shenzhen port. An important factor in the price differential is the road haulage costs involved.

Since 2004 the Government has been striving to raise the efficiency in cross-boundary trucking, thereby enhancing land transport links with the mainland cargo sources and hence reducing costs in cross-boundary land transportation. Under the framework of the Hong Kong-Guangdong Co-operation Joint Conference, good progress has been made in both places in terms of measures to increase efficiency in cross-boundary freight transport. Such measures include:

- the "four-up-four-down" and "one-truck-one-driver" rules were relaxed in 2005 and this has resulted in more flexible deployment of truck fleet and drivers in the cross-boundary freight transport sector;
- the Guangdong Province authorities agreed last year to extend the opening hours of the four control points in Fenggang, Changan, Huangcun and Taiping in Dongguan County, subject to the cargo volume and practical needs in these places. In 2006, the vehicle inspection compound in Liaobu of Dongguan County came into operation and fast clearance mode is adopted for faster and efficient inspection.

According to information provided by the industry recently, the abovementioned cost differential in cross-boundary transport has narrowed to about US\$250.

Some Members have suggested implementing co-location of customs and immigration clearance at the Hong Kong airport. Currently, the SAR Government is taking active steps together with the Shenzhen Municipal Government to put into practice co-location arrangements in the Shenzhen Bay land boundary control point. When this arrangement is put into force at this overland control point, it will provide faster and more convenient clearance services to the travellers from the two places. Another practical consideration in this is that we do not have enough land to establish new cross-boundary clearance facilities.

As for the suggestion to implement co-location of customs and immigration clearance at the Hong Kong airport, this would not be entirely similar to considerations for implementing the same arrangement at the Shenzhen Bay control point. As Mr James TO has pointed out earlier, the arrangement would raise very complicated constitutional and legal problems. Therefore, there is a need for an in-depth study into and consideration of the suggestion to implement co-location of customs and immigration clearance at the Hong Kong airport.

Madam President, we all want to increase the capacity of the Hong Kong International Airport (HKIA) to raise flight movements, and to improve air traffic management in the PRD Region. Ever since the HKIA was commissioned in 1998, the Civil Aviation Department (CAD) has been studying how the flight paths and flying procedures used by aircraft in and out of Hong Kong can be improved, how the airspace in the region can be better utilized and how flight operations can be made more efficient. In view of the increasing busy air traffic in the PRD Region, in 2004 the CAD and the civil aviation departments on the Mainland and Macao formed the Pearl River Delta Air Traffic Management Planning and Implementation Working Group (the Tripartite Working Group) to jointly study the management of airspace in the PRD Region. Findings of the study show that the crux of the problem of air traffic management in the region lies in the insufficient flight paths and airspace open to civil aviation. Besides, the intense clustering of airports in the PRD Region and the administration of airspace under three different aviation authorities also add to the difficulties in air traffic management.

Civil aviation authorities in Hong Kong, the Mainland and Macao know very well that it is a challenge to optimize the PRD airspace and resolve the problems associated with it. The Tripartite Working Group has been addressing the problem of insufficient flight paths and airspace and striving to improve the use of the PRD airspace and co-ordination of air traffic management in the region. This includes optimizing the existing airspace design in the region, formulating uniform interface standards in air traffic management facilities and to increase the flight paths for civilian aircraft flying between the PRD and North and Eastern China. An example of work of the Tripartite Working Group is that a new transfer point will be set up between the two flight information regions of Guangzhou and Hong Kong this month for use by overflights from Hong Kong landing at Guangzhou. This will ease the pressure exerted on the existing transfer point for flights to and from North China. The

CAD will continue to discuss with the mainland and Macao civil aviation authorities to achieve more effective use of the PRD airspace.

Meanwhile, the CAD has concrete plans in place to replace the entire existing air traffic management system to increase its capabilities in air traffic control and increase the volume of flight movements in the PRD Region. We will apply for funding from the Legislative Council next year and we hope Members would lend us their support then.

Earlier on, some Members have talked about perfecting the cross-boundary land transport network and the associated cross-boundary infrastructure. In line with the National 11th FYP and for the purpose of improving cargo flow between Hong Kong and the Mainland, especially the Greater Pearl River Delta, there must be proper matching cross-boundary transport facilities. Therefore, the SAR Government would not only improve its existing cross-boundary infrastructure but also press ahead with a number of cross-boundary rail and highway projects. These include the Hong Kong-Shenzhen Western Corridor (HK-SWC), the Sheung Shui to Lok Ma Chau Spur Line, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (ERL) and the Hong Kong-Zhuhai-Macao Bridge (HZMB). These projects will lay a solid foundation for the regional economic development.

In particular, the HK-SWC is scheduled for operation in mid-2007 to tie in with the commissioning of boundary crossing facilities in Shekou. With this addition of a fourth cross-boundary land crossing, it is expected that our maximum cross-boundary vehicle handling capacity will increase by more than two times.

In addition, the Sheung Shui to Lok Ma Chau Spur Line and the control point at Futian, Shenzhen are scheduled for operation in the first half of next year. After the commissioning of the Spur Line, the congestion at the Lo Wu control point will hopefully be alleviated.

The ERL will become a regional express rail linking up Guangzhou and Hong Kong and it will greatly reduce the travelling time between both places and hence benefit the frequent business contacts there. The Executive Council has given approval to proceed with the Hong Kong section of the ERL. In the meantime, the Environment, Transport and Works Bureau has invited the Kowloon-Canton Railway Corporation (KCRC) to proceed with an integrated

planning of the project together with the Northern Link project. The KCRC will submit a report in mid-2007. Also, the Government has exchanged views with the Mainland on the connection of the two sections and the technical issues and it is presently studying into the latest planning statistics and passenger volume forecasts of the Mainland with a view to determining the option that best suits the Hong Kong section.

With respect to the HZMB, the HZMB Advance Work Co-ordination Group (the Co-ordination Group) formed by the Governments of Guangdong, Hong Kong and Macao have agreed on the alignment and landing points of the HZMB. With respect to the location of the control points of the HZMB, the Co-ordination Group has agreed to adopt the tripartite mode of co-location of customs and immigration clearance. A consultancy has been commissioned to study into the control point proposals, the location and the financing proposals for the HZMB. After the relevant proposals are endorsed by the Co-ordination Group, the engineering feasibility report of the HZMB can then be finalized and be ready for submission to the Central Authorities. When approval is given by the Central Authorities, the design and construction works of the HZMB can then commence.

As regards the development of a cross-boundary intelligent transport system in collaboration with the relevant departments on the Mainland, the Environment, Transport and Works Bureau has reached an agreement with the Shenzhen authorities regarding the traffic control and surveillance system after the commissioning of the HK-SWC. The Shenzhen authorities will link up the traffic control and surveillance system of the Shenzhen section with the control centre on the Hong Kong side while the Hong Kong side will send traffic information on the HK-SWC to the Shenzhen side. Such an arrangement is expected to enable both sides to better manage cross-boundary traffic.

The Environment, Transport and Works Bureau will maintain liaison with the relevant departments on the Mainland in other aspects of intelligent transport and explore opportunities for further co-operation.

About the airport, the Airport Authority (AA) and its business partners are always taking active steps to invest in the building of new cargo facilities to ensure that the cargo-handling capacity of the HKIA will fully meet market demands. For example, the AA has expended \$300 million on building 10 more cargo plane parking stands. This will increase the total number of

freighter parking stands to 35. The project is scheduled for completion in end 2007. The Asia Airfreight Terminal's \$1.75 billion expansion project is expected to complete shortly and the capacity of the Terminal will increase from 600 000 to 1.5 million tonnes per annum. In addition, DHL's \$800 million expansion of its express cargo terminal at the HKIA will also be completed within 2007 to raise the terminal's capacity from 160 000 to 700 000 tonnes per annum.

To complement the long-term growth of the air cargo industry in Hong Kong, the AA has planned to develop another air cargo terminal at the HKIA. The AA will also launch a feasibility study on the building of a third runway and consult the relevant stakeholders. A decision will be made on the way forward after considering the findings of the study and the consultation exercise.

As regards matching infrastructure for the Hong Kong port, with a view to improving port productivity, we are working on the recommendations made in the "Hong Kong Port — Master Plan 2020" to update figures in the port cargo forecasts to determine the most opportune time to build Container Terminal 10. We have launched an ecological study in Northwest Lantau to assess whether the place is ecologically viable for the construction of a container terminal. The study will complete in early 2007.

Also, after consulting the industry and with the support of the Hong Kong Port Development Council, the Government has provided back-up land for the industry near the Kwai Tsing container terminals in order to enhance the cargo-handling capacity and productivity of the container terminals. The two barging points in the first phase of development were leased to the industry through open tender in May 2006. The relevant departments will continue to keep in review the land use planning in the vicinity of the container terminals so that back-up land can be identified for the development of the port and logistics industries.

On the plan for the logistics park, we are well aware of the need for logistics facilities by the industry and the idea of setting up a logistics park is to fulfil the wish of the industry for a custom-made environment to operate. This will enable operators to provide comprehensive and diversified logistics services which will suit the needs of clients and in an effective manner. To confirm the planning and engineering feasibility of the logistics park project and to prepare for compliance with the statutory requirements for reclamation and planning, the

Civil Engineering and Development Department began a feasibility study on the proposed logistics park on Lantau last year and the study is now at its final stage.

Apart from statutory procedures, the location and construction time of the logistics park also hinge on other factors, including the availability of matching infrastructure, cargo flow from the hinterlands, especially the western part of the PRD, and so on. Before the location of the logistics park is finalized and the commencement of its construction works, the Government will consult the public and the industry so that the logistics park can live up to their expectations.

On the other hand, while taking forward the logistics park project, in order to ensure that the trades can dovetail with the development of one-stop integrated services and to meet the needs of the industry for a custom-made environment of operation, we have set aside land of about 15 hectares in total in Kwai Chung and Tai Po and this would be put on the market through public tender during April to August 2006. Also, we have identified an 18-hectare lot next to the Kwai Tsing container terminals and it will be leased under a pilot scheme for long-term use by the logistics industry.

As for the issue of the north section of Route 10 mentioned by Mr LEE Wing-tat, as a matter of fact, this north section of Route 10 is already found in the "Northwest New Territories Traffic and Infrastructure Review" as one of the feasible options. The conclusion of the Review is that the existing and soon-to-be-built road networks, plus the required traffic improvement initiatives, should be able to cope with the traffic demands up to 2016, including those from the HK-SWC and HZMB. Consequently, there will be no need to undertake any new major road infrastructure project.

To ensure that new transport infrastructure can be provided timely after 2016, the Environment, Transport and Works Bureau has begun further surveying and feasibility studies based on the needs identified and in the light of the highway projects proposed in the Review.

Apart from infrastructure in Hong Kong, we also attach great attention to the planning and construction of boundary crossings and large-scale infrastructure. To tie in with the economic development in Shenzhen and Hong Kong, we have set up a joint study group with the Shenzhen Municipal Government on the proposed Liantong/Heung Yuen Wai Control Point in the northeast part of the territory. The group will undertake a study to establish the

needs, functions and benefits of the new control point. The joint study will commence at the end of this year. Meanwhile, we are preparing to launch an internal planning study which will be undertaken at the same time as the joint study to examine the relevant planning, environmental and engineering issues related to roads for the proposed control point. It is expected that the related planning studies will be completed by early 2008.

As for the proposal to establish a common electronic platform with the Mainland for customs clearance, the Customs services of the two places are working very hard to implement various measures to facilitate customs clearance, including mutual recognition of the inspection results of both sides in order to minimize the inspection procedures and time taken by the other side. The Customs services on both sides have formally adopted the unified road cargo manifests since January 2006 to reduce the time spent by drivers in filling out manifests in duplicate. Moreover, Customs services on both sides have reached an agreement to implement the mutual recognition of Customs seals at the land control points with effect from November 2005. The arrangement will reduce the time spent by Customs services on both sides to duplicate the formalities of inspecting the same load of cargo.

In Hong Kong, an electronic customs clearance platform has been established in maritime, air and rail freight transport, the only exception is road cargo which still relies on on-the-spot manual clearance at the land control points.

To raise the efficiency of road cargo customs clearance, the Government has maintained close contact with the industry and the result is the establishment of the Electronic Advance Road Cargo Information System. Last year, the Government consulted the forwarders and the transport sector on the setting up of the system. In view of the industry concern, the Government has revised the proposals and we are collecting views from the industry in the hope that the system can be set up soon and that a platform for electronic customs clearance for cargoes can be perfected.

After the relevant system is established, the Customs and Excise Department will have the required infrastructure facilities to provide one-stop customs inspection arrangement for transshipment cargoes on multi-modal transit. By then Hong Kong can reconsider how the Customs services on both sides can

work on the basis of a common electronic platform to adopt measures that will further enhance customs clearance efficiency.

Madam President, the application of Radio Frequency Identification (RFID) technology can enhance information circulation and collection capacities for the logistics industry, improve transparency of cargo flow in the supply chain and optimize information flow of immediate transshipment services. Hence the Innovation and Technology Commission is engaging in related R&D and the industry is encouraged to apply RFID technology in its operations.

The Innovation and Technology Commission has allocated funding of \$45.7 million under the 2004 Guangdong/Hong Kong Technology Co-operation Funding Scheme to six RFID projects for logistics uses. The six projects are on enabling technologies and prototypes of active and passive RFID tags, readers, flexible middleware, building local EPC groundwork network and RFID technologies and solutions in anti-counterfeiting, management of tangible assets and commercial uses. These projects are making good progress, and they are expected to complete next year.

In addition, the Innovation and Technology Commission allocated some \$300 million in mid-2005 to set up the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies to develop logistics and supply chain management technologies with a view to consolidating the position of Hong Kong as an important logistics hub and base for supply chain management. As a start, the R&D Centre has made the development and application of RFID technologies the focus of its work. The R&D Centre completed collecting applications for R&D projects in November 2006 and it is in the process of vetting the 17 applications received. The R&D Centre expects that the first round of R&D projects will commence in the second quarter of 2007.

Mr Howard YOUNG has just pointed out the transshipment of dangerous drugs and other controlled commodities. The relevant departments such as the Customs and Excise Department and the Department of Health are working on the industry's requests to improve and streamline the procedures concerned.

Madam President, it is the Government's established policy to maintain Hong Kong's status as a regional logistics hub. The development of the logistics industry calls for complementary support from a wide spectrum of

policy areas. As I have pointed out earlier, various government departments have done a lot of work with respect to infrastructure, strengthening ties with the cargo source hinterlands, as well as using information technology as support, and so on. All these are meant to tie in with the development of the logistics industry. We will also continue to enhance communication and co-operation with the industry to promote the development of the logistics industry.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now invite Mr SIN Chung-kai to move his amendment to the motion.

MR SIN CHUNG-KAI (in Cantonese): President, I move that Mr CHAN Kam-lam's motion be amended.

Mr SIN Chung-kai moved the following amendment: (Translation)

"To delete "implementing" after "plan for logistics development," and substitute with "exploring, with due security and legal consideration, the implementation of"; to add ", as well as proactively developing cross-boundary intelligent transport systems with the relevant departments in the Mainland" after "perfecting the land transportation network"; to add ", Hong Kong-Zhuhai-Macao Bridge, logistics park, Regional Express Line" after "Container Terminal 10"; and to add "and further encouraging the logistics industry to adopt the radio frequency identification technology" after "Pan-Pearl River Delta ("PPRD") region"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr SIN Chung-kai to Mr CHAN Kam-lam's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

Ms Audrey EU rose to claim a division.

PRESIDENT (in Cantonese): Ms Audrey EU has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki and Mr WONG Ting-kwong voted for the amendment.

Ms Margaret NG, Ms LI Fung-ying, Dr Fernando CHEUNG and Miss TAM Heung-man abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mrs Selina CHOW, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Dr YEUNG Sum, Ms Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr LEE Wing-tat, Mr LI Kwok-ying, Mr CHEUNG Hok-ming and Mr Albert CHENG voted for the amendment.

Ms Audrey EU, Mr Alan LEONG, Mr LEUNG Kwok-hung and Mr Ronny TONG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 20 were present, 16 were in favour of the amendment and four abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 19 were in favour of the amendment and four abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, as Mr SIN Chung-kai's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper circularized to Members. When you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR LEE WING-TAT (in Cantonese): President, I move that Mr CHAN Kam-lam's motion, as amended by Mr SIN Chung-kai, be further amended by my revised amendment. I believe Honourable colleagues know what I have said already, so I am not going to speak any further.

Thank you. (*Laughter*)

Mr LEE Wing-tat moved the following further amendment to the motion as amended by Mr SIN Chung-kai:

"To add "; as well as expeditiously constructing the northern section of Route 10 (from Lam Tei of Tuen Mun to So Kwun Wat)" after "radio frequency identification technology"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Wing-tat's amendment to Mr CHAN Kam-lam's motion as amended by Mr SIN Chung-kai, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Abraham SHEK rose to claim a division.

PRESIDENT (in Cantonese): Mr Abraham SHEK has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

(Mr LEUNG Kwok-hung had some problem when he was casting his vote)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, is there any problem?

(Mr LEUNG Kwok-hung pressed the button to vote)

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

Functional Constituencies:

Dr Raymond HO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr Joseph LEE and Dr KWOK Ka-ki voted for the amendment.

Mr Abraham SHEK voted against the amendment.

Dr LUI Ming-wah, Ms Margaret NG, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr Fernando CHEUNG, Mr WONG Ting-kwong, Prof Patrick LAU and Miss TAM Heung-man abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Mr LEE Wing-tat and Mr Albert CHENG voted for the amendment.

Mrs Selina CHOW, Mr CHAN Kam-lam, Mr Jasper TSANG, Miss CHOY So-yuk, Mr TAM Yiu-chung, Ms Audrey EU, Mr LI Kwok-ying, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming and Mr Ronny TONG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, five were in favour of the amendment, one against it and 15 abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 12 were in favour of the amendment and 11 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, you may now speak in reply, but you have 14 seconds only.

MR CHAN KAM-LAM (in Cantonese): President, the motion today is about economic affairs and matters of people's living. I am very grateful to Members

for their support. This shows that this Council is united in promoting the economic development of Hong Kong. I wish to call upon Members of the Civic Party to make a U-turn and lend their support to my motion. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kam-lam as amended by Mr SIN Chung-kai, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Audrey EU rose to claim a division.

PRESIDENT (in Cantonese): Ms Audrey EU has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Dr Joseph LEE, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki, Mr WONG Ting-kwong and Prof Patrick LAU voted for the motion as amended.

Ms Margaret NG, Ms LI Fung-ying, Dr Fernando CHEUNG and Miss TAM Heung-man abstained.

Geographical Constituencies:

Mr Martin LEE, Mr Fred LI, Mrs Selina CHOW, Mr James TO, Mr CHAN Kam-lam, Mr Jasper TSANG, Dr YEUNG Sum, Ms Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr LEE Wing-tat, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted for the motion as amended.

Mr Albert CHENG voted against the motion as amended.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Audrey EU, Mr Alan LEONG, Mr LEUNG Kwok-hung and Mr Ronny TONG abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 17 were in favour of the motion as amended and four abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 15 were in favour of the motion as amended, one against it and six abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion as amended was carried.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 13 December 2006.

Adjourned accordingly at fourteen minutes past Seven o'clock.

Annex I

PREVENTION OF CRUELTY TO ANIMALS (AMENDMENT) BILL 2006

COMMITTEE STAGE

Amendments to be moved by the Secretary for Health, Welfare and Food

<u>Clause</u>	<u>Amendment Proposed</u>
2	By deleting “at level 6 and to imprisonment for 12 months” and substituting “of \$200,000 and to imprisonment for 3 years”.
3	By deleting “at level 6 and to imprisonment for 12 months” and substituting “of \$200,000 and to imprisonment for 3 years”.
4(2)	In the proposed section 8(1A), by deleting “level 4” and substituting “level 5”.
5(a)	By deleting “level 4” and substituting “level 5”.