

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 27 October 2011

The Council continued to meet at Nine o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

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

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

MEMBERS ABSENT:

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

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

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

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

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

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

MR YAU SHING-MU, J.P.
UNDER SECRETARY FOR TRANSPORT AND HOUSING

MS FLORENCE HUI HIU-FAI, J.P.
UNDER SECRETARY FOR HOME AFFAIRS

CLERKS IN ATTENDANCE:

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Good morning, Members. Council shall now resume the meeting and continue with the debate on the first session.

MEMBERS' MOTIONS

MOTION OF THANKS

Continuation of debate on motion which was moved on 26 October 2011

MR ALAN LEONG (in Cantonese): President, history will give every leading figure a fair assessment. A leader is not supposed to blow his own trumpet and rates himself.

In the Policy Address, Donald TSANG summed up the administration of his governance for almost seven years, and he considered that most of the work have been well delivered and his performance is acceptable. However, President, during the term of office of the Chief Executive, Hong Kong's Gini Coefficient keeps rising. At present, it is already over 0.53, which is the highest in Asia. The poor population has increased from 1.19 million in 2009 to 1.26 million last year. Regarding the wealth gap, figures indicate that the difference in income between the highest and the lowest income families is almost 52 times.

Home ownership is unattainable. Hong Kong people have to live in factory buildings, "sub-divided flats", "cage homes" or even "coffin-sized units". If you ask Hong Kong people whether their lives are better or worse today when compared with seven years ago when Donald TSANG first became the Chief Executive, I believe many people will say that the conditions have worsened a lot. Just telling from the situation mentioned above, I believe Donald TSANG's attempt to create a favourable report card for himself will go in vain.

President, as we can see, people who were poor seven years ago stay poor today. Those who lived in "sub-divided flats" then continue to live in "sub-divided flats"; those waiting for Home Ownership Scheme (HOS) flats are still on the waiting list; and people who longed for universal suffrage can only keep on waiting. Even the modest hope — immediate abolition of appointed

seats in District Councils — was dashed. If the Policy Address is called "From Strength to Strength", we may as well say that members of the public are "from nothing to nothing". Over the past seven years, they get nothing.

President, upon the delivery of his last Policy Address, Chief Executive Donald TSANG was accorded applause for a short moment. Recently, findings of the Public Opinion Programme of the University of Hong Kong (HKU) have shown that a week after the delivery of the Policy Address, people's satisfaction rate of the Policy Address had dropped by 10% to 33%, while the dissatisfaction rate had increased by 7% to 32%. In fact, 79% of the people considered that the various measures proposed by Donald TSANG would have little effect in resolving the wealth gap, and 59% of the people considered that the various measures would have little effect in relieving the pressure of the grassroots. The Chief Executive may consider this survey of the HKU an individual example. However, let us also look at the opinion survey conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University after the delivery of the Policy Address. According to the survey, the rating of the Policy Address was not much better than last year. It was only 52.7 points, having slightly increased by 0.3 points when compared with the survey conducted in the same period last year; 17.8% of the people even showed a decline of confidence in the Government's governance, which outnumbered the 16.5% who indicated that their confidence had increased. Telling from this, President, members of the public indeed have discerning eyes. The Policy Address can hardly rescue the grassroots living in dire straits. That is also the reason why the popularity rating of the Policy Address was high at the beginning but plunged in the end.

President, before the delivery of the Policy Address, the Government kept leaking the news that the construction of HOS flats would be resumed in response to public aspirations. However, it turns out that people can only buy their first home until as late as 2016. He said that people can apply two years later, that is, in 2014, and then in 2016 they will be able to buy their first home. Yet in the next four years, only a total of 17 000 flats will be built. So members of the public have to continue to feed on false hopes. If we associate the former Chief Executive TUNG Chee-hwa with the number "85 000", then Donald TSANG will make us think of "17 000". President, how does this "17 000" come about? It is calculated from the time when Donald TSANG assumed office in 2005 to four years after 2016, since he seems to mention in the Policy Address that by then,

5 000 flats would be constructed every year on average. For a period of 15 years, only 17 000 HOS flats will be built, and this number is dependent upon the next or the next two Chief Executives' willingness to settle the bill for Donald TSANG before the end of their terms; only then will the "17 000" be accomplished. This has broken the records of all leaders before and after the reunification.

According to the statistics compiled by Dr LAU Kwok-yu, Associate Professor of the Department of Public and Social Administration of the City University, when the Hong Kong Housing Authority (HA) sold the surplus HOS flats under Phase 6 in the middle of last year, the income limits for white form HOS applicants were \$27,000 for households consisting of two or more persons and \$13,500 for one-person households. It was estimated that among the non-owner occupied households living in private housing, 106 000 households were eligible to apply for HOS. As Donald TSANG has raised the income limit to \$30,000 under the new HOS, it is believed that the number of eligible applicants for the new HOS will definitely far exceed 106 000 as estimated by Dr LAU. Suppose 100 000 households will apply, and with the supply of 5 000 flats a year, only one out of every 20 applicants will have the chance to buy a HOS flat. The chance of buying a HOS flat is 5%, while the other 95% are doomed to fail. Therefore some people say that having a chance to buy a HOS flat is like winning the Mark Six Lottery. Though a bit exaggerating, it is not far from the truth. No wonder after the resumption of the HOS was announced in the Policy Address, the developers' pricing for new properties is still very aggressive. Basically, they just regard the measure as "toothless".

President, apart from the production of flats and the timetable of construction, the Civic Party has all along strived for the revitalization of the HOS secondary market. The present sole reliance on the Hong Kong Mortgage Corporation Limited can hardly have any big effect. We request the Government to allow white form applicants to buy second-hand HOS flats without premium payment, thereby immediately alleviating the housing needs of the sandwich class, and they do not have to wait until 2016 to buy their first home. Besides, the Government may also consider introducing an internal exchange mechanism for HOS. As the objective or subjective environment and conditions of a family may have changed over the past 20 years, a household who originally bought a HOS flat in Wang Tau Hom may now find it more convenient

to move to a HOS flat in Tsing Yi. However, at present there is no mechanism which allows such HOS households to exchange their flats.

There is no mention of this aspect in the Policy Address. President, as you know, among the current some 300 000 households of the old HOS flats, about 60 000 have paid the premium. That means more than 250 000 households have not paid the premium yet. It has been learnt that many HOS flats in the market are left vacant or lack of repair and management. The owners may have already passed away, moved out or emigrated, but since it is impossible to find new buyers to pay the premium, there is no other way but to leave those flats vacant or use them as storehouses. Such cases do exist.

The Government has, in announcing the new HOS, introduced a new arrangement for premium payment. One night I watched the news report on television, and learnt that the Chief Executive had said something during his exchange with the netizens. I tried to ask Secretary Eva CHENG about it, but she said she had not watched that news clip, and had no idea about it. The Chief Executive seemed to mention that he intended to provide some incentives — that is my understanding — to provide some justifications for selling the HOS flats which are currently left vacant. I wonder if he is having such an idea, because according to a survey, at present there are some 5 000 to 6 000 flats with a net usable area of about 500 sq ft. Is he going to provide some incentives in the hope that these owners will agree to put these 5 000 to 6 000 flats into the market? If he had deliberated in greater detail and explained his rationale and logic to this Council, we might think it over for him. Yet the Chief Executive did not state clearly, and Secretary Eva CHENG said that since she had not watched the news clip on television, she did not know if the Chief Executive was referring to this matter. I hope the HA can make things clear when it holds its discussion again later.

Actually there are some other detailed arrangements in the new HOS which have aroused doubts, President. For example, some traders in the property sector are concerned that the selling price of the new HOS flats are pegged to the applicants' mortgage repayment ability. Fluctuations in the interest rate may eventually lead to volatile fluctuations in the selling price of HOS flats sold at different times. As the Chief Executive announced the various arrangements after lengthy consideration, theoretically he should have disclosed the details.

Even if such details are supposed to be discussed by the HA, he should have disclosed his line of thought and logic. Regrettably, he did not disclose any details. I hope clarifications will be made later.

President, concerning HOS, the Government has introduced the HOS too late and has done too little; and in the area of public rental housing (PRH), the Civic Party and a number of political parties and groupings share the same request of increasing the production of PRH flats. However, Donald TSANG only insisted on meeting the target of maintaining an average waiting time of three years for allocation of flats without any mention of increasing the PRH production. Of course, many kaifongs in the community have indicated long ago, and President, you should know the truth very well, that actually the three years' waiting time, or the so-called 2.2 years as announced by him, is "inflated". After all, housing is a basic need in our lives. If the Government cannot even look after the people's basic livelihood and instead, often boasts about making Hong Kong an international financial centre, and claims that Hong Kong does not have any housing problem, so on and so forth, it is hardly convincing.

President, being a Legislative Council Member representing Kowloon East, I am also concerned about the project of "Kick-Starting the Development of East Kowloon", which intends to develop Kowloon East into another core business district besides Central, thereby stimulating the local development. As numerous stakeholders are involved in this project, the Civic Party urges the Government to carry through to the end the public consultations which it is going to conduct later. Comparatively speaking, in handling the development of Kai Tak in the Harbourfront Commission, Mrs Carrie LAM, Secretary for Development, was able to complete the process of "public participation". She shared the relevant information and data with the public when the consultation commenced, thereby enabling us to conduct a more in-depth and thorough discussion.

President, why do I particularly bring up the issue of "public participation" at this time? President, as you may also remember, in the first Question and Answer Session of his term of office, the Chief Executive delivered a speech in this Council. At that time he distinguished public consultation from public engagement, which I call "public participation". He said the two expressions "public consultation" and "public engagement" were not the same. Though being forceful in words, he did not do much in realizing public engagement or

public participation over the years, much to our regret. Hence, let me especially remind him here that he has not made any achievement in this regard.

President, today we are here to discuss infrastructural development. In recent years, we have seen two sets of values wrestling with each other in Hong Kong. One set of value is the request for sustainable development and conservation of our environment, historical relics and natural landscape; while the other set of value only concentrates on economic benefits and development value. These two sets of values remain in a constant tug-of-war. The actions to protect the Star Ferry Pier and the Queen's Pier as well as the protest walk staged by the "post-80s" to protest against the Express Rail Link reflect Hong Kong people's pursuit of their own identity and their request for sustainable development and conservation of history, culture and natural landscape. This pursuit wrestles from time to time with the previous development value which only stresses economic benefits. At present, the economic development value which is more utilitarian has dominated the political arena. A high-handed approach exercising hegemonic rule is currently adopted, which goes against the request for sustainable development. Anything which is considered a hindrance to development must go. However, at present the whole system of governance lags behind the pace of change in society. That is the bare truth, President. Therefore, if we wish to attain success in infrastructural development, I think the Chief Executive — perhaps now it is necessary to talk to the next Chief Executive because this sunset and lame-duck Government may not consider doing anything more — it is highly important to work well on public engagement and public participation. Just now I mentioned that Secretary Carrie LAM was able to achieve public participation in the Harbourfront Commission to a great extent. What does that illustrate? That is, where there is a will, there is a way.

President, yesterday I had the opportunity to have a chat with Secretary Carrie LAM. She said that this Chamber is too big. Facial expressions are not enough to show our commendation, if there is any, for the officials. Thus I would like to say out loud that Secretary Carrie LAM has done a good job and have my words recorded. I hope that this trend of public participation will be manifested in the future administration of the Special Administrative Region.

President, I wish to quote the words of the former American President John F KENNEDY for the sake of mutual encouragement with Donald TSANG. The

words go as follows: "If a free society cannot help the many who are poor, it cannot save the few who are rich." If even a society as affluent as Hong Kong is unable to make the public live and work in peace and contentment, voices against collusion between business and the Government and property hegemony will simply never end. I so submit.

MR WONG KWOK-KIN (in Cantonese): President, two weeks ago, the Chief Executive delivered his last Policy Address in his term of office. Basically, the Hong Kong Federation of Trade Unions (FTU) has positive comments on this last piece of homework done by the Chief Executive, since he has indeed responded, in his Policy Address, to the aspirations which the public, the community and the FTU have been fighting for, such as resuming the construction of Home Ownership Scheme (HOS) flats, fare concessions for the elderly and support for the elderly who have difficulties settling on the Mainland. Consequently, the FTU adopts a positive attitude towards this year's Policy Address. However, we are also disappointed that the Government still does not have any specific solutions to resolve problems such as wealth gap, working poverty, fragmentation of employment and universal retirement protection. We still request the Government to put forward specific measures in its remaining term so that the next-term Government can really go "from strength to strength" and resolve these deep-rooted social conflicts.

President, it can be said that the housing problem is the principal focus in this Policy Address. The Chief Executive has used 45 paragraphs to describe the Government's housing measures, covering subsidized housing, land supply, as well as building safety and kick-starting the development of East Kowloon. Since the housing problem is a public concern and home ownership is the cherished desire of many people, I am now going to speak on the housing problems and express our views.

President, housing has been a vexing problem in the whole territory in recent years. Two years ago we already heard people say that the rising property prices have made home ownership more and more difficult; the notion of living and working in peace and contentment was nothing but a distant dream. Such voices were heard from both the middle class and the grassroots. Yet the Government has never faced this problem squarely, thus causing social

grievances to escalate along with the rising property price and eventually develop into a major conflict in the whole society. In this regard, in July the FTU published its recommendations on the housing policy in a report entitled "安家樂業" (which means living and working in contentment), requesting the Government to implement a reasonable housing policy with "public rental housing (PRH) as the mainstay and HOS flats as secondary support, supplemented by the private market". Hence, the FTU welcomed the Government's willingness to take the first step towards the resumption of the construction of HOS flats, since the resumption of HOS can fill up the missing link in public housing and give hope to the sandwich class. However, we are very disappointed that the Government refused to undertake to increase PRH production. Regarding the number of PRH flats to be constructed, the Chief Executive has proposed in paragraph 14 of the Policy Address to maintain the targets of producing 15 000 PRH units a year and keeping an average waiting time of three years for allocation of flats. However, in reality, as at March this year, the number of applicants on the PRH waiting list has already exceeded 152 000. Therefore the FTU is doubtful whether this pledge of producing 15 000 units a year to maintain housing allocation in three years can be realized. The FTU insists that to enable the grassroots to have a comfortable home, it is necessary to increase the number of PRH units. We consider that 30 000 to 33 000 units a year is a more reasonable figure. We also understand the difficulties which the Government often conveys in identifying sites for PRH production. Moreover, recently some inappropriate phenomena have arisen in society, that is, a number of communities have objected to the construction of PRH estates in their districts. It is exactly because of this that I think the Government should enhance its efforts and adopt a long-term policy to convince the locals and seek to construct PRH estates in the community. Besides, we opine that the Government should, as far as possible, identify sites in the urban area for the construction of PRH estates to avoid a large number of the grassroots being re-sited to and marginalized at remote areas in the New Territories, which will cause them immense difficulties in employment and schooling.

Apart from this, another concern of PRH tenants is the Tenants Purchase Scheme (TPS). President, when we visit the communities, we often learn about the kaifongs' request for re-launching the TPS. Actually, we are not asking the Government to sell newly constructed PRH units. Instead, we are asking the Government to honour its former pledge and resume the sale of those PRH units

which it had originally planned to sell years ago. At that time, in the hope of buying the PRH units, many tenants moved into the PRH estates at the request of the Housing Department, and they even agreed to pay higher rents. However, after "SUEN's nine measures" were introduced in 2002, the whole TPS was halted. The tenants' wish to buy their self-occupied units became a faraway dream. Hence, we hope that the Government will consider afresh re-launching the sale of the PRH units which it originally planned to sell.

Regarding subsidized home ownership, the Policy Address has explicitly proposed to resume the HOS and enhance the "My Home Purchase Plan" to help the low and middle-income earners to buy their own homes. This policy, though a bit late, is still the right step forward. Yet the new HOS policy and the arrangement for premium payment have aroused queries and controversies in society. The biggest controversy lies with the premium payment. While we understand that the Government intends to vitalize the HOS secondary market and assist more first-time home buyers by providing them with more opportunities to purchase their first homes, we hold that the Government should give more careful consideration in view of the numerous controversies and doubts raised in society.

In fact, as soon as the premium payment arrangement for the new HOS was announced, many existing HOS residents already queried that such an arrangement was prejudicial. Despite the Chief Executive's advice that people should not get jealous, the Government should find a way to convince the public that the Government's policy is consistent, fair and reasonable. As I know, the Housing Authority (HA) will soon hold a meeting on the new HOS arrangement and is going to lay down the specific implementation details. I hope the HA will expeditiously come up with a proposal which all parties find acceptable in addressing this issue.

Lastly, I have to highlight the issue of rent allowance because at present, apart from having difficulties in home ownership, people also complain about the excessively high rents. According to the rental indices of the Rating and Valuation Department for private domestic properties, in the first eight months of this year, the rental index for small units under Class B has already surged more than 8%. If the index is calculated from early 2010, it has increased as much as

20%. Hence, the FTU hopes that the Government will consider offering private housing tenants who cannot afford to buy their own home a tax-exempt rental allowance which is tax deductible on a reimbursement basis. As for grass-roots families who are waiting for PRH, we propose offering a rent allowance to eligible PRH waiting list applicants so as to help them pay their housing expenses before they are allocated a flat. I hope the Financial Secretary will thoroughly consider such proposals and bring us some good news when he presents the Budget.

President, that is all for my speech in this session. I will speak again in the other sessions later. Thank you, President.

PROF PATRICK LAU (in Cantonese): President, at present, the social issue which the public is most concerned about is certainly the housing problems in Hong Kong, which the Government has all along failed to resolve

PRESIDENT (in Cantonese): Prof LAU, have you put on the microphone?

PROF PATRICK LAU (in Cantonese): Sorry. Right.

President, the social issue which the public is most concerned about at present is the housing problems in Hong Kong, which the Government has all along failed to resolve. This morning two Members have also focused on this subject in their discussion. Finally, Mr Donald TSANG, the Chief Executive, highlighted this subject in his last Policy Address in an attempt to implement various housing and land policies to settle some long-standing problems caused by "SUEN's nine measures" which have not been timely reviewed.

As we know, housing construction takes time. It will take us some time to know whether the policies proposed now are effective. Although Chief Secretary Donald TSANG will not be able to see the effectiveness of his policies during his term of office, at least he has set a clearer direction for the future. The housing policy put forward by the Chief Executive this time has addressed the needs of people in different age groups and families of different income

levels. It indicates that the Government has conducted analysis and is well aware of the housing problems faced by people from all walks of life.

First of all, the Policy Address has proposed three kinds of subsidized housing for people of different income levels. Firstly, the low-income grassroots may continue to apply for public rental housing (PRH) which will be allocated in three years. However, under the impact of the recent economic fluctuations, I think more people will apply for PRH while the number of PRH flats surrendered will decrease. Thus, despite the Housing Authority (HA)'s anticipation that 15 000 new flats will be constructed a year, even if we count in the surrendered flats, I am afraid that the pledge of housing allocation in three years' time may not be achieved.

Secondly, eligible families whose income is below \$30,000 may apply for the new Home Ownership Scheme (HOS). However, it is not until five years later, that is, in 2016, that the first batch of 2 500 HOS flats will be available for occupation. There will be only 17 000 HOS flats in total over a four-year period.

Thirdly, middle-class families whose income is below \$39,000 may apply for the enhanced My Home Purchase Plan (MHPP). Yet the first batch of 1 000 MHPP flats will only be offered in 2014 at the earliest, and there will be only 5 000 flats in total.

In other words, the HOS and MHPP will provide only 22 000 flats in total in the next five years. My question is, can this number of subsidized housing cope with the demand of at least some 100 000 eligible persons? Hence, I very much hope that in response to the market demand, the Government will expeditiously conduct a review on the feasibility of introducing a mechanism which can increase the supply.

Apart from the insufficient number of flats, the Policy Address lacks a clear elaboration of the detailed arrangements of the new HOS and the enhanced MHPP, which are crucial to the effectiveness of the policies. In particular, the Administration has to expound on how the portion of Government loan will be calculated in the new HOS.

As a matter of fact, I have, on various occasions, clearly stated to the Chief Executive, the officials and Directors of Bureaux that I object to the HOS premium payment scheme. Why should people be allowed to take subsidized housing as private premises for making money? Consequently, many families that are genuinely in need of subsidized housing cannot enjoy the benefits. In my opinion, the policy of HOS premium payment should be completely abolished, while eligible "green form" and "white form" applicants should be permitted to acquire HOS flats that have expired the alienation restriction period without having to pay the premium. Under such arrangement, low income families can buy HOS flats at a lower price, and the original HOS flat owners can sell their properties without being restricted by the premium payment. Most importantly, it can avoid the unfairness of providing double subsidies. I would like to stress that with regard to housing, there are two different markets. One is the market of subsidized housing for eligible applicants, the other one is a private market for making investment. These two markets should not be mingled.

The enhanced MHPP with the "buy-or-rent" option and the ceiling price proposed in the Policy Address are exactly the suggestions which I have made to the Government a number of times. It is hoped that such a flexible arrangement will be able to ease the public concern. Actually regarding the MHPP, premium is the most important issue, but so far the Government has not clearly explained how this issue will be handled.

Apart from subsidized housing which targets at families of different income levels, the Policy Address has also responded to the housing need of people in different age groups, such as hostels for youths and even self-care hostels for the aged, which is desirable. Let me first talk about hostels for youths. Youngsters who have just graduated from school and started to work do not earn much money. If most of their wages are used to pay rent, they can hardly save money to buy their own home or make a down payment. Hence, I very much agree that the Government should provide them with different kinds of subsidized housing and encourage them to work hard to earn money and save it up for future home purchase.

Youth hostel is an option as the rent charged is affordable by young people. I do not think there should be too many restrictions, especially when the present

property price is so high that young people can hardly afford to buy their own home. The enhanced youth hostels should be in the mode of simple service apartments. The area should be at least as big as a hotel room, with a bed and a wardrobe. Most importantly, there should be an independent washroom or bathroom. Simple cooking facilities will do. A big kitchen is not necessary. Yet there must be working space with a desk and a computer, and it is essential to have Wi-Fi — I do not understand why the Government still fails to provide free Wi-Fi facilities in public housing — this is of utmost importance to youngsters.

The area of each room does not need to be very big. What matters most is that it is conveniently located so that young people can easily go to their working place. Only then will they be attracted to rent it as their living place. Actually office and home can be merged into a home office. As the Government is now promoting to young people the concept of innovation and how they can be innovative at work, we certainly hope that young people can pursue development in this respect in the future.

There are many industrial buildings which we may consider converting into hostels of this mode. Of course, these hostels should be designed to fit in the lifestyle of young people, for example, having a gym and a restaurant. Presently, such facilities are available in the Legislative Council Complex, though they are comparatively more luxurious. Nevertheless, I think young people also wish to have such facilities. I hope the Directors of Bureaux will give it some consideration.

I do not understand why only 2 000 non-elderly one-person PRH applications will be approved by the HA a year. Even though 64 000 applicants on the current waiting list fall under this category (mainly youngsters), the Government will only approve up to 2 000 applications each year. Coupled with the points system acting as a hurdle, young people are unable to enjoy this housing benefit at a time when they need it most. I am not saying that all youngsters should bear such an idea of applying for subsidized housing, but since this is their wish, I think the Government needs to explore how to cope with this matter.

The problem faced by young people is that no matter how hard they work now, they still cannot find a comfortable place to live in unless they live with their families. After paying the rent from their monthly salary, not much money

is left. They even do not have money to pursue further studies. They have lost confidence in the future. President, young people are the pillars of our society. The Government should show concern about their situation.

On residential care for the elderly, apart from increasing the nursing home places and long-term care places, I believe the measure which gains the greatest support in this Policy Address is to allow elderly people aged above 60 to emigrate to Guangdong and directly receive the Old Age Allowance there without having to come back to Hong Kong. This measure not only reduces the housing demand of the elderly in Hong Kong, but more importantly, it also enables them to have a better quality of life in places where prices are lower. Moreover, support for day care centres for demented elderly people and residential care homes is enhanced, thereby helping needy families to reduce the housing needs of their elderly family members.

The Policy Address has responded to the housing demands of people in different classes and age groups. It has even looked after the in-patient need for childbirth. Regrettably, it has neglected the need of the deceased. While a lot has been said about housing for the living, there is no mention of housing for the dead. With the ageing population in Hong Kong, a quarter of the population will be old people in the future. How much longer do we have to wait to settle the burial problem?

Another problem which remains unsolved in the Policy Address is the planning of "small houses" in the New Territories. A proposal has been made in the trade to amend Cap. 545 of the Hong Kong Laws to push forward the re-planning of villages, which has, of course, aroused different opposing voices. To tackle this problem, I consider that first, there should be proper planning on sites requiring conservation in Hong Kong. Actually we can conduct a study with organizations like the green groups on natural conservation of sites, and identify sites in Hong Kong should be conserved. If we designate such places — in the present town planning context, there are areas designated as conservation zone — it is most important to identify such sites, and other sites can be used for development. No disputes will arise in this case. Hence, if we wish to identify land for housing development, there is a lot of land that can be developed as long as we can settle the dispute. We really should not waste land resources, resulting in circumstances where villagers who have small house

concessionary rights do not have any land or are not allowed to construct any house. The problem of overcrowded households cannot be solved either.

The Chief Executive has proposed a number of policies to increase the housing supply, which of course will not work unless complemented by an adequate supply of land. For this reason, the Policy Address has also put forward a long-term land policy. Apart from reliance on the Government's land reserve to ensure annual provision of 20 000 private residential units, 15 000 PRH units and 5 000 new HOS units, six key measures are proposed to expand land resources. Apparently, the Government does have a long-term plan. However, if we look more closely, can the various housing policies dovetail with the different land policies?

The reason for the steep property price in Hong Kong is exorbitant land prices and high construction costs. President, actually 70%, 80% or even 90% of the purchasing price of a flat is the land price. Of course I know that the proportion taken up by the construction cost is very small. After all, who is the biggest beneficiary? Many people think there is collusion between business and the Government. Actually the biggest beneficiary is our Treasury. Secretary K C CHAN knows that too. Thus the Government should make good use of the revenues from land sales to explore more land resources.

With regard to the supply of private residential housing which is the foremost concern of the middle class, the Policy Address has only responded that the Government will continue to make land available to meet the target of having 20 000 private residential flats constructed each year. However, faced with the surge of property price and rent, the Government simply does not have any policy to help members of the public solve the housing problem.

In the Chief Executive's Question and Answer Session, I asked the Chief Executive whether he had conducted comprehensive new planning on the various new land and housing policies. Regrettably, so far I still have not seen any planning blueprint, and I wonder how the Administration will ensure smooth implementation of such policies. I hope the Chief Executive will understand that the development of a city requires good planning and urban design. Increase in housing supply cannot solely rely on housing development.

Ancillary facilities such as transport network and community facilities are also necessary. Apart from an overall planning blueprint for Hong Kong and the neighbouring cities, we also need regional planning at inter-district level as well as social infrastructure within the districts.

The relationship between housing and land supply does not simply lie on the increase or decrease in figures. Most importantly, it lies on whether the geographical location is suitable, and whether there are transport connections and community facilities in the vicinity of the residential area. Only then will people be attracted to move in. It is exactly because of the lack of facilities in the community that the previous new towns like Tuen Mun and Tin Shui Wai have failed to serve as a comfortable living place for members of the public. Hence, regarding the new policies, I hope that apart from housing, the Government will consider how whole area will be developed, and whether it should set up supporting facilities which connect work and housing in the new development area.

Besides applying the concept of "kick-starting the development of East Kowloon" to develop another core business district, our trade considers that similar concepts of developing new environmental-friendly areas can also be introduced in other districts. The Secretary for Development may also have noticed that there are many new residential areas in Hong Kong where work and housing can go hand in hand with each other, for example, we have Taikoo Place in Taikoo Shing. Concerning all those comparatively remote places like Tuen Mun, Tin Shui Wai or the new areas where planning is underway, consideration can be given to the local demand for offices and housing. Owing to our present mode of work — there are no more factories in Hong Kong — we often work by using computer equipment, hence our work and living place can dovetail with each other.

All in all, I think the greatest contribution made by Chief Executive Donald TSANG in his policy addresses over these years is that, apart from putting forward the 10 major infrastructure projects, he has saved a huge sum of money for Hong Kong people which can be handed over to the next-term Government, giving them a sufficient reserve to implement policies which they regard as beneficial to Hong Kong. The Chief Executive has always upheld the principle

of keeping expenditure within the limits of revenue. However, with such a handsome surplus, the Government should make good use of the reserve. Should it enhance its efforts and inject resources in various aspects such as education, healthcare, livelihood measures and welfare to narrow the income disparity and resolve the wealth gap problem?

Thank you, President.

MR VINCENT FANG (in Cantonese): President, on the day the Policy Address was delivered, a current affairs programme of Radio Television Hong Kong invited the Liberal Party to give a mark for Mr Donald TSANG's seven years of administration. Frankly speaking, that was rather difficult because everyone's standard for a pass is different. Yet that programme was very well-planned. It set out 10 items of Mr TSANG's administration, and each item was to be assessed with 10 points being the full mark. I then asked my fellow party member Mr Tommy CHEUNG to give the marks together. Can you guess how many points I gave him in the end? Fifty-four. If the passing mark was 50, then he just passed.

As this is Mr TSANG's last Policy Address in his term of office, we did not expect the incumbent Chief Executive to speak on the direction and vision of his governance at this time. Nevertheless, Chief Executive Donald TSANG has still put forward a lot of new measures, many of which have to be left to the next-term Government for implementation. Thus there is the saying that it is Chief Executive Donald TSANG's treat, but the next-term Government will have to pick up the bill. Obviously, this Policy Address intends to hand out money to leave a good name. Many new measures focus on the livelihood of the grassroots. Of course we will not object to them, just like the handout of \$6,000. Yet having no objection does not mean we agree that he has done a good job.

The wholesale and retail trade which I represent is estimated to consist of more than 100 000 economic entities, ranging from multinational corporations to individual hawkers, providing nearly 500 000 job opportunities. Yet most regrettably, Chief Executive Donald TSANG has never shown any concern about our trade, which can be well illustrated in paragraph 171 of the Policy Address (I

quote): "The recent sharp downturn in the external economy is more worrying than inflation. The sovereign debt crisis in Europe may have a sharp impact on the global financial system and trigger a recession. Our economy will face greater downside risks next year. We must brace ourselves for this and keep a close watch on changes in the external environment. We will pay particular attention to the difficulties of SMEs and introduce necessary measures to tide them over." (End of quote)

Two days ago, the Census and Statistics Department announced that last month Hong Kong's export had dropped 3% when compared with the same period last year, which proves that the impact of economic downturn in the overseas market has emerged. Many factories in the Pearl River Delta Region have also closed down. The situation is indeed worrying. If the Government still adopts the attitude of rolling out measures to help enterprises to tide over difficulties only when necessary, I am worried that the implementation of such measures will come too late. The current economic crisis is different from the Asian financial turmoil. The latter came suddenly but the recovery was fast. This time the European debt crisis, which is actually an after-effect of the financial tsunami in 2008, is "sapping" the global economy. What is even more dreadful is that economic recession has come, and we have no idea when it will bottom out. That is to say, recovery is not in sight.

The Financial Secretary has announced that \$1 billion will be allocated in the Budget to assist Hong Kong enterprises in developing their brands. However, Chief Executive Donald TSANG, who was the Director-General of Trade back in the 1980s, should be aware that brand establishment is a lengthy and arduous project which requires tremendous financial means and manpower. If it was implemented when he assumed office, that is seven years ago, when the scale of economy was rapidly expanding, we might be able to observe a little return today.

Nevertheless, it is better late than never. The Liberal Party supports this benevolent policy. We hope that support and assistance for the development of enterprises will be one of the Government's policy objectives, which will not be aborted after the funding is used up.

Another point is, the 54 points which Mr TSANG received from the Liberal Party were attributable to the 100% credit guarantee programme introduced after the financial tsunami. Actually the present situation has worsened, as there are a lot of worrying conditions in the banking system. While the interest rate has started to rise again, it is rather difficult for small and medium enterprises (SMEs) to raise loans. Yesterday, a number of Honourable colleagues asked the Government to consider enhancing its support for SMEs again. The Liberal Party has the same expectation. Hence, I hope that the Government will not on the one hand support SMEs, while on the other hand push them into a predicament. What am I talking about? I am talking about the various kinds of legislation, among which the most worrying concern is the latest Competition Bill.

At the Bills Committee meeting held the day before, the Government advised that it had already made a very big concession. Yet I regret to say that the wholesale and retail sectors and I still find it unacceptable. As pointed out by the 2011 Annual Report on Economic Freedom of the World recently published by the Fraser Institute of Canada, Hong Kong's economic freedom still ranks the first in the world, but countries which follow right behind are getting close. Such figures have not yet covered the minimum wage which has just been endorsed. If competition law is indeed implemented, I guess the ranking of Hong Kong's freedom will drop for sure.

No matter how the Government and the Honourable colleagues in the labour sector praise the immense advantages the minimum wage brings to the job market, after all, this legislation has a great impact on employment, especially mismatch of jobs in society. Traders have conveyed to me that both large shops and hawkers are unable to recruit salespersons. It is because salespersons have to keep a smiling face and stand for eight to 10 hours every day. People would rather work for Government contractors as cleaners or security guards, since Government jobs are more comfortable.

At first when the Government decided to grant paid meal time and paid leave, we were told that these items had not been included in the legislation, so the business sector did not need to offer them, and we would not be affected. However, how would we not be affected? If employers do not make such offers, they will be rebuked for being unscrupulous, and it will be more difficult to

recruit manpower. Hence, actually the impact of the minimum wage has not been fully manifested yet, but here comes another initiative from Mr TSANG, the paternity leave. Again we were told that this would only be implemented in the Civil Service first and the business sector was not requested to implement it.

Enterprises of medium size or above should be able to afford to grant two or three days' paid leave to employees who have just become fathers. Yet after the implementation of the minimum wage, we are already understaffed. Should paternity leave be implemented, small enterprises will definitely have difficulties. We have no grudge against our staff, but we need to assess whether we can shoulder the burden or not. The Government's initiatives just come one after another. The Panel on Manpower is already discussing standard working hours. Should the legislation be passed, I am sure that the Government, being the biggest employer in Hong Kong, will certainly leave a name for thousands of years, since many SMEs said to me, who will be willing to be the boss then? Just let the Government and trade unions be the boss.

The leading official among those attending this debate session is of course the Financial Secretary. There is something which I wish to say to the Secretary in particular. In the recently published 《朱鎔基講話實錄》 ("ZHU Rongji's Speech Record"), the former Premier mentioned that Hong Kong people could rest assured about spending the Government's surplus for development after the reunification of Hong Kong. Even if it was used up, there was no need to be afraid because the State would have a huge reserve to back up Hong Kong.

However, the successive Financial Secretaries did not seem to hear these words. Over the past years, they have never used Hong Kong's fiscal surplus properly. If I say that Mr TSANG is stingy, I will certainly be refuted because Mr TSANG has handed out a lot of money during his term of office. He has handed out some \$180 billion in total. So much money has been distributed. Nevertheless, as Prof Nelson CHOW of the Department of Social Work and Social Administration of the University of Hong Kong said, after so much money has been handed out, has the poverty problem in Hong Kong been alleviated?

If the Government had invested the \$100-odd billion in industries which could facilitate the sustainable development of Hong Kong's economy, such as the waste recycling industry which I often mention, it would have been able to

provide more types of jobs and employment opportunities, right? However, the Government's environmental protection policy will only snatch money from members of the public by levying taxes on wastes, while no one is responsible for eliminating such wastes.

Hawking provides opportunities to start up business with a low threshold, but the Government keeps suppressing hawkers in hawker permitted areas and tightens the issue of licences while paying no attention to enhancing open bazaars. What about setting up business in shop premises, nowadays not many small enterprises have the financial means to do so. With the difficulties in recruitment together with the numerous pieces of legislation and all sorts of restrictions, such as nutrition labelling, food safety, the Trade Description Ordinance, so on and so forth, who dares to start up a business now? Hence, in the present society it is rather difficult to move upward. Consequently, people have no way to increase their income. So how will they be able to save enough money to make the down payment for buying a flat within a short period? A lot of grievances in society today are actually created in such a vicious cycle.

Thus, all in all, the handout of money cannot alleviate the poverty problem in any way. Mr TSANG has been biased towards the development of finance and real estate in his term of office, neglecting the other economic issues. As a result, the balance has tipped to one side while the income disparity keeps expanding. As I am a businessman, my basic ideology is to use money to promote the sustainable development of the economy. Only then will there be the chance to expand the scale of economy and increase business opportunities, while those who are less competitive will have the chance to move upward, which is unlike the situation today, where people have to wait for the Government to hand out supermarket coupons and "double pay" of the Comprehensive Social Security Assistance. If we do not change such an environment, Hong Kong will really become a puddle of stagnant water. I so submit.

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

Public officers attending this session have indicated that they do not need a 10-minute suspension of the meeting. If no Member wishes to speak, I will

invite six public officers to speak. They may speak for up to a total of 90 minutes.

FINANCIAL SECRETARY (in Cantonese): President, the Chief Executive's Policy Address this year is entitled "From Strength to Strength", it has comprehensively elaborated on the Government's policies to improve people's livelihood and promote economic development; it has also upheld the "people-oriented" policy objectives of the current government and has proposed practical solutions in response to social concerns.

As the Financial Secretary, I will fully support the Chief Executive's policy objectives in respect of the economy and public financial management, so as to promote the long-term economic development of Hong Kong and enable the general public to share the fruits of economic prosperity; and at the same time, maintain a high degree of alertness towards the growing downside risks of the local economy, and make suitable preparations in response to the worsening external economic environment, with a view to coping with the possible huge impacts.

Today, I am going to respond to three areas, namely the economic environment, the property market and inflation.

First of all, let me talk about the economic environment.

This year, unfavourable factors in the external economic environment have been on the increase. The earthquake in Japan in March had disrupted the regional and global supply chains, leading to a sharp decline in the exports of goods in the second quarter. Nevertheless, our economy still has an above-trend growth rate in the first half of the year, and there has been a 6.3% annual growth in real terms.

As we enter into the third quarter, the performance of the domestic sectors of Hong Kong is still favourable; the total retail sales volume in July and August recorded an annual increase of nearly 22%. The labour market has continued to boom and there has been a significant growth in jobs; the unemployment rate has dropped to the latest 3.2%, close to full employment, which gives strong support to local consumer confidence.

However, the external economic environment deteriorated sharply over the past few months. Our external trade bears the brunt and there is a substantial decline in performance. The total export volume in July increased by a mere 1% as compared with last year and there was even a 2% decline in August, it is expected that the decline in the total export volume in September would increase to more than 10%. For this reason, we should not be optimistic about our trade performance in the remainder of the year and in the beginning of next year.

As regards the domestic sectors, although local demands have so far been strong and there is almost full employment at present, the grim global economic outlook and the volatility in financial market may be detrimental to consumer and investor confidence. Local enterprises have recently become more cautious in recruitment. Although we can still generally manage to have a 5% to 6% economic growth as forecast earlier, I believe the annual growth rate will be close to the lower limit of this forecast.

The vulnerable financial positions of the advanced economies have always been the main factors leading to a slowing down of the pace of global economic recovery. Following the downgrade of the sovereign credit rating of the United States by Standard & Poor's in early August, the European debt crisis is worsening and spreading to larger economies such as Italy and Spain, possibly affecting the entire banking system, and posing a huge threat to the European and even global economic outlook and financial stability.

It is most worrying that the debt problems currently faced by Europe and the United States are resulted from the implementation of excessively loose fiscal policies and excessive consumption over the years, and it would be difficult to resolve these structural problems within a short period of time. A series of unfavourable developments have led to significant fluctuations in the global financial markets in recent months, which reflected the concerns of the market on the grave economic and financial conditions in Europe and the United States. There is also the possibility that the problems may aggravate, causing increasing downside risks to the global economy.

At present, the economic prospect of Europe and the United States are hardly promising. To improve their financial situations, many European countries have implemented a series of economic austerity measures, which have

caused a further blow to the weak economies, and recession is just half a step away. Even for Germany and France, the core members in the Euro zone which are relatively stable, the economies have clearly slowed down.

In order to alleviate the impacts in case of sovereign debt default, the European Union reached a consensus last night on the capital restructuring arrangements for European banks. Banks are required to increase the capital ratio to 9% before June 2012 and they have to make financing arrangements with private market capital first. The governments of various countries will provide assistance when necessary.

Nevertheless, the market is still concerned about how various European countries can strengthen the European Financial Stability Facility with €440 billion lending capacity, and how an agreement can be reached with the creditor banks in respect of the ratio of impairment of Greek sovereign debt. The market will continue to be concerned about the implementation process and details of the solution.

Next week, I will attend the Group of Twenty Summit in Cannes as a member of the Chinese delegation and will discuss with the officials concerned about the global economy, especially about the European debt crisis and how to maintain sustainable global growth. The Summit will also discuss the reform of the international monetary system and financial regulatory reform. I will closely monitor the developments and grasp first-hand information for weighing the situation, hoping that various countries would take decisive actions to stabilize market confidence.

In the United States, the fundamentals of the economy remain weak. With a persistently high unemployment rate, a sluggish property market and a high household debt ratio, the economy lacks internal impetus. Given the poor public financial conditions, coupled with incessant political disputes, there is very limited room for the United States Government to introduce further stimulating measures.

The US\$447 billion programme to stimulate employment introduced by President OBAMA in early September was rejected by the Senate in the middle of this month. Even if the White House repackages the specific measures in the

programme and submits them to the Congress separately, it is expected that there is still political resistance.

The Federal Reserve has implemented the latest round of reverse operation, that is, purchasing long-term debts and selling short-term debts, with a view to reducing long-term interests, stimulating lending and reducing mortgage costs, thereby supporting economic growth. It is still unknown how effective the operation is in stimulating the United States economy. Hence, we can hardly see any improvement in the United States economy in the near future.

The European and United States economies have different structural problems that cannot be solved overnight. Even if the European and United States economies can be saved from sliding into recession again next year, I believe the recovery would be rather slow. Therefore, the European and United States economies will remain subdued in the foreseeable future, substantially increasing the downside risks of the global economy. Last month, the International Monetary Fund substantially reduced the economic forecast for the United States and the Euro zone for this year and the next.

Although the fundamentals of the Asian and emerging economies are better, given that the European and United States economies showed no signs of improvement, the export power of Asian countries will be weakened and economic growth will inevitably slow down. The Mainland's economic growth rate has reduced from 9.7% in the first quarter to 9.5% in the second quarter and 9.1% in the third quarter.

I have also noticed that the protectionist sentiment in some advanced economies have recently continued to heat up, adding quite a lot of uncertain factors to the economic prospects within the Asian region. For this reason, I believe that the external sectors in Hong Kong will face considerable challenges in 2012.

If there is further economic downturn in Europe and the United States, it will be hard for Hong Kong, being such a small open economy, not to be affected in such a harsh external environment. Yet, we need not be excessively pessimistic.

The global economic centre has gradually been moving eastward since the global financial turmoil in 2008. The emerging markets in Asia, especially Mainland China, have become the most important source of energy for global economic growth. Though the Mainland economy is inevitably affected by Europe and the United States, given that there is more room for policy manoeuvre and higher capacity to withstand external shocks, it has become an important force for stabilizing the Asian economy.

Since Hong Kong has strong economic fundamentals, so long as we continue to open up new markets, capitalize on the opportunities brought by the 12th Five-Year Plan of China, and further strengthen the position of Hong Kong as an international financial, trade and shipping centre, I am confident that the long-term prospects of the Hong Kong economy is still rather bright.

Next, I will summarize the development of the property market in recent years.

Over the past two years, the Government has introduced many measures in four directions, striving to reduce the risk of a bubble under the special environment of having liquidity flood and excessively low interest rates, so as to ensure the healthy and stable development of the property market in the long run.

Upon implementing these measures, we have achieved certain results. Concerning land supply, in the first three quarters of this financial year, we have sold and will sell 22 residential sites and six commercial/business sites for the provision of around 7 400 flats and a total gross floor area of around 300 000 sq m respectively.

A total of approximately 20 000 flats can be provided through selling of residential sites by the Government, tendering of sites at West Rail Nam Cheong Station and Site TW5 at Tsuen Wan West Station, redevelopment of old areas, modifications to land lease or land exchange projects, as well as private redevelopment projects that do not require modifications to land lease or land exchange.

Regarding speculation, after the Government's announcement on the levying of additional stamp duty, there has been a significant reduction in the number of sales commonly referred to as "confirmor cases". There is a

considerable reduction of 86%, from 318 cases per month between January and November last year on average to 43 cases per month in the third quarter of this year on average.

To enhance the transparency of the property market, the Steering Committee under the Transport and Housing Bureau has submitted recommendations on the regulation of the sale of first-hand residential properties by legislation. Specific requirements will be imposed on the sales brochure, price lists, flat areas, transaction information, show flats, and sales arrangements. The legislative process will be completed next year.

To strengthen risk management in the mortgage business of local banks, the Hong Kong Monetary Authority (HKMA) has introduced countercyclical supervisory measures for four times since October 2009 for prudent and vigilant regulation, which include lowering the maximum loan-to-value (LTV) ratio for residential mortgage with higher risks, requiring banks to strictly assess the repayment ability of borrowers, and conduct tests to measure the pressure of interest increases. With the implementation of these measures, the maximum LTV ratio for new residential mortgage has lowered from 64% in September 2009 to 53% in August this year.

This package of measures aimed at reducing the adjustment pressure on property prices in case the external environment turns bad, and enhancing the resilience of banks in response to a fall in property prices, thus safeguarding the stability of the whole economy and the financial system. Another equally important objective of the Government's measures is to seek to solve the problem of supply at root, so that the operation of the market will become more formalize and efficient, which will be conducive to the healthy and stable development of the property market in the long term.

Recently, the worsening European debt crisis and the unsustainable United States economy have not only affected the local economy, but may also deal a blow to the global financial market, leading to rapid changes in capital flows. Local banks have increased mortgage rates for five times since March this year. These new developments increased the downside risks to be faced by the property market in the future.

The local property market has undergone a period of consolidation since mid-June. The average monthly turnover in the third quarter is only 5 200 cases, a substantial 55% reduction as compared to the average monthly turnover of 11 500 cases between January and November last year. There has also been slight adjustment in property prices and the property prices in August have fallen by around 3% as compared with June.

Even though the property prices have slightly dropped these few months, they are still 74% higher than the low prices in 2008 and 5% higher than the high prices in 1997. The mortgage-to-income ratio has surged from 32% in the fourth quarter of 2008 to 47% in the second quarter this year. If there is a 3% increase in interest rate, this ratio will even increase to 61%. Though various major economies will continue to implement loose monetary policies and the low interest rate environment will persist for sometime, the specific impacts on the global economy and assets prices are still unknown. We must continue to be watchful and we should definitely not ignore the risk of a property bubble.

Apart from the short-term changes in property prices, we are more concerned about the healthy and stable development of the property market in the long run. In this connection, increasing land supply is of utmost importance. As the Chief Executive has announced, "we have to innovate to expand our land resources. We have identified six measures and our aim is to ensure an annual supply of land for an average of about 40 000 residential units of various types".

When there is a temporary decline in land demand, the Government will continue with land development and the surplus land will be included into the Government's land reserve, which will be swiftly introduced into the market when the demand increases in the future. We will do everything we can to strengthen the flow of information in the property market, eliminate undesirable sales practices and prevent the public from being misled, so as to ensure the effective operation of the property market.

The Government's comprehensive and multi-level housing policies should be able to help maintain the healthy and stable development of the property market in the long term, and cater to the housing and home purchase needs of the public, so as to ensure overall economic and social stability. We will pay close attention to the development of the property market and make timely adjustments.

People should also pay attention to the effects of the external situation and interest rate movement on our asset market. Regarding major decisions such as the investment in homes, people should pay attention to risks and make investments within their means on the basis of their income and circumstances.

The third area is inflation.

Inflation is a common global phenomenon this year. The local inflation pressure has been heating up since the beginning of the year but the increase has lately started to slow down. The basic consumer price inflation in September has only slightly increased by 0.1% to 6.4% as compared to August.

The increase in inflation rate has slowed down because the global food prices have gradually gone down in recent months, and food price inflation on the Mainland has also subsided, thus the rate of increase in local food prices has slowed down for the first time after having moved up for several months. Nevertheless, owing to the delayed impact of the rapid increase in rentals under new private housing leases in recent months, these increases will continue to be reflected in consumer prices.

I estimate that inflation will continue to rise slightly in the coming months before reaching a ceiling. It can be expected that the basic inflation rate in 2011 would be lower than 5.5% as forecast earlier.

We have been highly concerned about inflation and we clearly understand the impacts of inflation on the public. Therefore, combating inflation will still be the priority of our work for some time in the future. The Budget this year has mentioned many measures for alleviating people's hardship, quite a few of them have already been implemented and have taken effect. These measures include a rates waiver for one year since April, an electricity charge subsidy and extra payments of Comprehensive Social Security Assistance, Old Age Allowance and Disability Allowance since July, and government payment of rent for public housing rent for August and September. Other measures will gradually take effect, and I believe that they will help relieve people's pressure in life under inflation.

With the gradual stabilization of global food prices in the past few months, the expected slowing down of local economic growth in a tough external environment and the recent cooling down of the property market, I believe that the external and local inflationary pressure can be alleviated next year. However, as the advanced economies continue to maintain a very loose monetary policy, we still have to pay attention to the effects of ample global liquidity on asset prices and consumer prices.

The main concern of Hong Kong's macroeconomics next year will no longer be inflationary pressure. We should pay attention to how our exports, the overall economy and employment market would be impacted should there be an economic downturn in Europe and the United States. I think the development in this area is even more worrying than the threat of inflation.

In conclusion, in preparing for next year's Budget, I will examine the latest economic situation and work out the details of the relevant measures in order to help people deal with possible economic downturn.

President, the Government has always adhered to the principle of prudent financial management so that Hong Kong can maintain long-term competitiveness under low tax rates and a simple tax system, and at the same time ensure that the Government has sufficient resources to meet challenges, including sudden global economic downturn. In the past four years, in light of different circumstances, we have introduced special measures and spent a total sum of over \$170 billion on alleviating people's hardship.

All these are made possible due to our prudent financial management throughout the years, so as to enable us to have sufficient resources to be spent for appropriate purposes. As our future economic situation will be highly variable and the outlook is extremely uncertain, I will, as always, make good planning to pool together resources and make good preparations so that the Government can have the means to support our economy, safeguard employment and stabilize people's livelihood should there be a global economic downturn.

This year, the Chief Executive has proposed in his last Policy Address a series of practical measures that the current government considers beneficial to the public. In the Budget to be announced in February next year, I will earmark necessary funds for implementing these measures. Starting from

mid-November, I will consult the public on the revenue part of the Budget and I hope that they would enthusiastically express their views.

For many years, "big market, small government" has always been our core governance philosophy, and this is also one of the cornerstones of our success. In the long run, we should still adhere to the principles of living within our means and prudent financial management, in order to meet various challenges in the future. The fact that many European countries have to adopt fiscal austerity measures because of the debt crisis confirms the importance of financial stability.

President, in light of the rapidly changing external economic situation, while we certainly need to stay vigilant at all times, we also have to plan for the long-term economic development of Hong Kong, so as to ensure the sustainability of the policies implemented and allow people to share the fruits of economic prosperity.

As the Central Government will vigorously develop the service sector in the future, it is projected that huge domestic demand potential can be released to promote the restructuring of the national economy for long-term stable economic development. The future economic development of Hong Kong is dependent upon our further economic integration with the Mainland and the development of Hong Kong into a high value-added knowledge-based economy.

We will proactively complement the 12th Five-Year Plan of China and enhance our competitiveness in various areas, such as deepening regional co-operation, enhancing the competitiveness of the four pillar industries, promoting the development of the six industries where Hong Kong enjoys clear advantages, co-ordinating industrial development, making investments in infrastructure, nurturing talents and developing new markets, continuing to give play to the advantages of have the Mainland as the hinterland, being based in Asia and serving the whole world.

With these remarks, I urge Members to support the Policy Address this year.

Thank you, President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I would like to thank Members for expressing their views on the session "Developing the Infrastructure for Economic Growth" of the Policy Address. My response is mainly about the major areas of work of the Commerce and Economic Development Bureau.

Regarding the assistance to the industrial and commercial sectors, the macroscopic view is that the policies of the Special Administrative Region (SAR) Government should provide a favourable business environment and appropriate support. A simple tax system, low tax rates, good infrastructure and so on are conducive to the development of enterprises in Hong Kong and maintenance of our international competitiveness.

Our industrial development must keep abreast of the times, developing from low-cost, labour-intensive mode of production towards high value-added knowledge-based production activities. In promoting long-term industrial development, the SAR Government aims at assisting enterprise to upgrade and transform by making use of technology and innovation to enhance product values.

We will continue to provide support to the industry through various channels, such as the SME Funding Schemes, CreateSmart Initiative, the Innovation and Technology Fund and the Research and Development Cash Rebate Scheme. We are now reviewing the new Small Entrepreneur Research Assistance Programme and the Research and Development Cash Rebate Scheme, with a view to providing enterprises with more appropriate assistance. Enhanced measures are expected to be introduced in the first half of next year. Some Members mentioned that we should have greater flexibility in formulating these subsidy schemes and processing applications. While we understand such request, we also hope that Members would understand that in providing the industry with support, the Government must observe certain norms and procedures to ensure proper use of public funds and fair handling of various applications.

A few Members have expressed concerns about the recent external economic situation. We understand that our support to enterprises must meet the conditions of the time. As the Chief Executive has stated in the Policy Address, due to the recent sharp downturn in the external economy, our economy

will face greater downside risks next year. We will closely monitor the changes in the external environment and will pay special attention to the difficulties of SMEs. Where necessary and appropriate, we will introduce effective measures to help the industry tide over difficulties.

Even though the external environment is not optimistic, the 12th Five-Year Plan of China and the Mainland policy on expansion of domestic demand have brought great business opportunities to Hong Kong. To further help Hong Kong enterprises tap the Mainland market, the Policy Address proposes setting up a dedicated fund of \$1 billion, to encourage them to move up the value chain and build brands by leveraging Hong Kong's strengths in design.

CEPA is an important measure for supporting the long-term development of businesses and the service industry. The SAR Government is now negotiating closely with the Mainland ministries and commissions concerned on a Supplement VIII to CEPA, seeking to expand and deepen the liberalization and facilitation measures. For instance, Vice Premier LI Keqiang made it clear when he visited Hong Kong in August that China would further expand the liberalization measures for trade in services for Hong Kong.

The SAR Government attaches great importance to the development of the six industries where we enjoy clear advantages. Regarding testing and certification, the Government will continue to co-operate with the Hong Kong Council for Testing and Certification in the coming year to implement the three-year development plan for the testing and certification industry, and develop new testing opportunities together with the industry. Our work will be focused on four selected trades, namely, Chinese medicine, construction materials, food and jewellery. We will also enhance the development of new testing technologies and training personnel.

As regards assisting testing organizations in Hong Kong to undertake product testing for the China Compulsory Certification System, the scope of the pilot scheme will be expanded from four testing categories to all the 23 categories this year. We are currently discussing the implementation details with the relevant Mainland departments, with a view to gradually implementing the arrangements next year.

About the Competition Bill, we have proposed six amendments to the Bills Committee on the Competition Bill of the Legislative Council in response to the concerns of various sectors, especially SMEs. We are really glad that we have gradually reached a consensus on the basis of new discussions and we can scrutinize the Bill in a more focused manner. We will continue to spare no efforts in driving the passage of the Bill within this legislative year.

President, tourism is one of the important tasks that I am responsible for. Concerning the operation and regulatory framework of the tourism sector, we are considering the views received during the consultation period and we will announce reform proposals in the fourth quarter of this year as planned.

Inbound tourists within the first three quarters of this year exceed 30 million and we expect the total number of inbound tourists this year to reach 40 million.

In order to attract tourists, we must continuously enhance the scenic spots in Hong Kong. We are discussing with the two major theme parks the plans for further development. Ocean Park is now actively studying the feasibility of developing a new integrated theme zone at Tai Shue Wan. As for Disneyland, the first new theme zone is expected to open in mid-November this year, and it is also exploring the feasibility of further expansion on the existing site.

The construction works on the new Kai Tak cruise terminal are now in full swing and the overall progress is favourable. We will make good use of the newly built terminal to attract cruise lines to arrange more cruise vessels visiting Hong Kong. The new cruise terminal will attract more tourists to Hong Kong and it will certainly create business opportunities for many local industries.

For tourists to have pleasant travel experience, besides scenic spots and facilities, splendid festival events are indispensable. Therefore, we will continue to make every effort to promote and further enrich the mega events held in Hong Kong.

President, I would like to talk about our work in respect of information technology. As many large multinational enterprises have recently chosen to establish high-end data centres in Hong Kong, in order to increase the supply of

new sites for the development of data centres, it is stated in the Policy Address that the Government has reserved about two hectares of land in Tseung Kwan O for data centre. Moreover, to further encourage the development of data centres in revitalized industrial buildings, we will consider introducing more facilitation measures to further abolish unnecessary regulations and restrictions.

Cloud computing is the latest trend of information technology development. We have formulated the relevant policies and we will develop a government cloud platform and procure public cloud services in the next few years, so as to provide shared e-Government infrastructure and services in more flexible and cost-effective manner, thereby accelerating e-Government development and promoting the development of cloud computing technology and application by the local industry.

To promote research and development in this area, we have continuously carried out work to promote infrastructural development and technical support. Such work includes the development of Science Park Phase III at a total cost of \$4.9 million, as well as promoting and co-ordinating through five research and development centres applied research and development work within key research areas.

The 12th Five-Year Plan creates new co-operation opportunities for scientific research in Hong Kong and the Mainland. In the coming year, we will work with the Ministry of Science and Technology of China to put into action the ideas of establishing in Hong Kong a sub-centre of the National Engineering Research Centre and a high-tech industrial base. Moreover, we will assist more scientific researchers in Hong Kong to participate in national science and technology projects such as the Database on National Experts on Science and Technology and State Key Laboratory Partner Laboratories.

On telecommunications, we plan to provide through auction wider frequency spectrum for use by the fourth-generation public mobile communication services to meet market needs.

Information technology development in these few years has promoted the convergence of different media. Not long ago, the Legislative Council passed the Communications Authority Bill to enable the establishment of a unified regulator for the telecommunications and broadcasting industries. We are now

making preparations for the establishment of the Communications Authority, and our plan is that the Authority will be established around the second quarter of next year. After the establishment of the Communications Authority, we will expeditiously review the broadcasting and telecommunications legislation. We will later consult the Panel on Information Technology and Broadcasting on the administrative structure of the Communications Authority and we will then apply to the Establishment Subcommittee for approval.

In connection with the development of public broadcasting services, the Government announced in December last year a comprehensive package for the next few years to fully support the development of Radio Television Hong Kong as a public service broadcaster. The package includes developing digital audio broadcasting (DAB) services and digital terrestrial television service, establishing a Media Asset Management system, constructing the new Broadcasting House in Tseung Kwan O and promoting community participation in broadcasting.

Regarding digital audio broadcasting services, the Chief Executive-in-Council issued audio broadcasting licences to three companies in March this year for the provision of new digital audio broadcasting services. The three licensees and Radio Television Hong Kong plan to gradually provide digital audio broadcasting services on a total of 18 channels, beginning from the end of this year or the beginning of next year.

President, the above are the major areas of work of the Commerce and Economic Development Bureau. We will make efforts to promote industrial and business development in Hong Kong, assist enterprises in upgrading and transforming, develop the market with technology and creativity and create business opportunities. With these remarks, I urge Members to support the original motion.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the theme of this session is "Developing the Infrastructure for Economic Growth", yet only a few Members have touched on infrastructure projects under my purview. It is quite different from the debate in 2007 on the first policy address of the present term of the Chief Executive.

First of all, I must say that I share the views of Mrs Regina IP that in achieving economic growth, we do not merely need the infrastructure of opening up land or building bridges and roads, we also need the infrastructure of knowledge, humanist qualities and culture.

I would like to describe the phenomenon of Members talking less about infrastructure projects with an English idiom, "No news is good news". Hence, with Members talking less about infrastructure projects, it means that we have made certain achievements in infrastructural development over the years.

As a matter of fact, no efforts have been spared by the current-term Government in promoting infrastructural development and this can be illustrated by two indicators. If Mr Vincent FANG is asked to give his scores again, I hope we would score over 54. By the first indicator, while the Government's total spending on infrastructure projects was \$20.5 billion in the financial year of 2007-2008, the level of spending has exceeded \$58 billion this year. Earlier, the Financial Secretary has also indicated his expectation that the annual capital works expenditure required for our mid-term development in future will be maintained beyond the high level of \$60 billion.

The second indicator is something which many Members representing the trade unions had mentioned when this subject was debated in 2007. At that time, Members representing the trade unions were worried about the under-employment of construction workers. Yet, the reality has shown us that with our efforts over the years, the unemployment rate of the construction sector has gradually fallen from 8% in 2007, or the peak of 12.8% after the financial turmoil in 2008, to 4.4% in the latest quarter of 2011. In fact, our present worry is that — as Dr Raymond HO has said — there is inadequate supply of labour or technical workers in the construction sector. Therefore, we have taken a lot of initiatives in collaboration with the Construction Industry Council to enhance manpower supply and attract the joining of fresh blood in the industry.

I must point out that such massive spending on infrastructure is not limited to the 10 major infrastructure projects outlined in the Chief Executive's policy address in 2007. Instead, the funding is allocated for all kinds of large, medium and small-scale infrastructure projects, as well as various projects aimed at improving urban safety and building a quality city.

Although Dr Raymond HO, the representative of the engineering profession, is one of the few Members who talked about infrastructure projects in the debate just now, I am baffled by some of his remarks because he described the attitude adopted by the Government or the Chief Executive in this Policy Address on infrastructure as the "caretaker mode" — that is, the attitude of a "caretaker government". There is nothing further from the truth.

In the past, whenever Dr Raymond HO and I attended gatherings of the relevant professions, he would enthusiastically recount to other people how many capital works projects had been approved by the Public Works Subcommittee under his chairmanship that year.

In the current Legislative Session, that is, the Legislative Session just commenced, we expect that a total of 65 capital works items will be ready for submission to the Public Works Subcommittee for approval. Of these, 60 are new works items. The estimated total cost of these 60 new works items is \$198.5 billion. Of course, these works projects costing nearly \$200 billion will not be completed within one year. Therefore, we can see that the SAR Government has made considerable planning in terms of capital works spending in future.

Infrastructure is provided to support the overall development of Hong Kong. I hope Dr HO can see our determination in land development. Work in relation to land development in new development areas, as well as the six new initiatives presently announced by the Chief Executive, can only be taken forward through the support of infrastructural development. Hence, in terms of land development, we have already mapped out the key areas of infrastructural development in future.

Of course, most of the comments I heard from Members in this debate session are about housing. Regarding the "bread and flour theory" proposed by Mr WONG Kwok-hing, I agree that "flour" is the crux of the problem. In other words, the key question is how to maintain a sustainable and stable supply of land in order to meet housing demand. In this connection, I would like to brief or respond to Members on the overall situation of land formation and land supply in Hong Kong.

The first question which we must answer is whether there is adequate land in Hong Kong to satisfy the housing demand? As I have told many Members before, Hong Kong has a total land area of 1 100 sq km, of which only 24%, that is, less than one quarter, has been developed so far. Looking further into these 24% of developed lands, how many are used for residential purpose? It only accounts for 6.8% of the total land area, or 76 sq km. In other words, if only an additional 1% of the total land area of 1 100 sq km can be developed, a large supply of land will be available to meet the housing need of Hong Kong.

However, on top of such analysis, we should not forget that a large area of land has been conserved in Hong Kong in the form of green belt zones and country parks, which is a subject of envy for many people of Hong Kong, as well as many overseas countries. Nowadays, 46% of the land area in Hong Kong is under the protection of the Country Parks Ordinance or situated within "Special Areas".

But frankly, with our experience over the years, I find that it is extremely and increasingly difficult to develop new land. Our land invariably comes from two sources. Firstly, there are the greenfield sites (or undeveloped land), including land sites developed through reclamation. However, this process of land development involves a myriad of environmental, ecological, conservation, development density, public concern, land resumption and clearance issues, or even the possibility of judicial proceedings.

Secondly, there are the brownfield sites, or lands which have been developed previously. The challenges involved in this process of land development are scattered property titles, as well as compensation and rehousing issues. Very often, it may meet with opposition in the district.

Nevertheless, we must tide over the challenges for the long-term development of Hong Kong. During the process, I hope that not only will government officials made efforts, we can also get the support of Members as well as the endorsement of the community. Just now, I heard Dr David LI say that no matter what was done by the Government, "governance is about choice". As the Government, we must ensure that our decision is correct, and have to make a pragmatic balance. However, in taking forward these initiatives, I hope

that we will, as Mr Jeffrey LAM has said, put the overall interest of Hong Kong in the first place.

Mr LEE Wing-tat said that while he generally endorsed and supported the land policies outlined in this year's Policy Address, he considered that they came too late. He also queried why these land policies were only introduced in 2011, but not earlier. His statement is not entirely fair.

Undeniably, the Chief Executive admitted in 2002-2003 that the drastic reduction in housing demand had affected our planning for land supply and infrastructural development. Members may also recall the challenges we met then. However, once the current term Government assumed office, that is, in mid-2007, we have immediately initiated the planning work for land development. Studies are now in progress on the North East New Territories New Development Areas, the Hung Shui Kiu New Development Areas, as well as a number of quarries close to exhaustion, and the further development of Tung Chung.

In the meantime, we have also sped up the pace of urban renewal so as to make up for the infrastructural development of land affected some time ago. As I said just now, land can be developed through the reuse of brownfield sites. Therefore, I think Members will acknowledge the work done by the Development Bureau over the years on urban renewal, both in respect of public redevelopment projects undertaken by the Urban Renewal Authority (URA), as well as redevelopment projects undertaken by private developers in old districts. Of course, work has also been carried out in respect of revitalization of industrial buildings.

The Policy Address of this year and last year have indeed injected new impetus into land development, including initiatives in the following three areas.

Firstly, the concept of land reserve has been proposed. This concept is essential for ensuring that our work in relation to land development will not be affected by economic cycles and fluctuations in property prices.

Secondly, the Steering Committee on Housing Land Supply (the Steering Committee) chaired by the Financial Secretary has been established. Now almost one year into its operation, the Steering Committee has convened five

meetings chaired by Financial Secretary John TSANG to resolve and channel certain issues we met in our work.

Thirdly, six new initiatives have been proposed in this year's Policy Address to usher in an innovative approach to land development.

I would like to point out that these six new initiatives have been conceived under the leadership of the Financial Secretary after proactively considering various views and opinions collected to date. However, these six initiatives only form part of our strategy. We will continue to adopt other initiatives through innovative thinking.

Therefore, regarding Mr Frederick FUNG's suggestion for the establishment of an inter-departmental "Land Creation Committee" or "Supplemental Land Committee", a similar committee has already existed and it has been operating well.

Mr LEE Wing-tat hoped that the deliberations of the Steering Committee under the Financial Secretary's chairmanship would be more transparent. At present, every important issue considered by the Financial Secretary will be followed up on public occasions at a later stage. For example, the re-planning of industrial land would have to go through the public consultation process of the Town Planning Board. Hence, the public will have sufficient opportunity to express views on our work in relation to land development.

I will also take the initiative to brief the Panel on Development on various major issues discussed by the Steering Committee chaired by the Financial Secretary (such as changing the use of green belt zones and rock cavern development). However, I urge Prof Patrick LAU, Chairman of the Panel, to convene more meetings so that we will have the opportunity to deal with the numerous issues involved.

In this Policy Address, the Chief Executive put forth a target of making land available for building 40 000 residential units each year on average. Although this target can indeed provide greater consistency in our land development work, I must point out that it presents an enormous challenge.

In the past, we have been working on the basis of "Hong Kong 2030: Planning Vision and Strategy" (the HK2030 Study) published in the end of 2007. Back then, in the HK2030 Study, long-term projections up to 2030 were made on the basis of population growth and the number of new households. According to the Study, some 34 000 residential units would be required each year. Given the considerable difference between 34 000 units and 40 000 units, we must work even harder.

Some Members suggested that the projections made under the HK2030 Study should be reviewed seriously. As I just said, the Study was conducted on the basis of two indicators of population growth and number of new households, without taking into account factors such as economic cycle, affordability, investment intention, or even the emergence of singleton households in many overseas countries recently.

As Members are aware, I have visited three Scandinavian countries last week and met with some ministers. I was surprised to learn that in these Scandinavian countries, as many as 40% or more of the households are the so-called "singleton households". Therefore, we must also plan ahead and study how the relevant housing demand can be met in case such a phenomenon also affects Hong Kong.

While indicating support for the resumption of the Home Ownership Scheme (HOS), Mr LEE Wing-tat queried why the Government could not use the sites currently under the Land Sale Programme or in the Application List so as to expedite the delivery of new HOS flats. He has mentioned a figure, that is, housing land is readily available for the production of 35 000 units this year.

I must take this opportunity to clarify to Mr LEE again (although I have already made the same clarification to him in private time and again) that the housing land which can support the production of 35 000 units is not wholly owned by the Government. Instead, they are from different sources, namely Government land for sale, property developments above MTR stations along the West Rail (with the MTR Corporation Limited (MTRCL) as the agent), railway property development projects of the MTRCL, redevelopment projects of the URA, projects subject to lease modification or land exchange on sites owned by

private developers, and private projects not subject to lease modification that are generally of an urban redevelopment nature. Taken together, these projects can provide a total of 35 400 units. Together with sites sold through government-initiated tender in the third quarter, over 20 000 units can be constructed this year. Hence, the average production target of 20 000 units has been achieved this year.

Separately, some 16 000 units can be provided on sites to be sold through government-initiated tender. Of these, the Government has already disposed of sites that will provide nearly 7 500 units. In respect of the remaining 80 000 units, they will be provided at two sites (in Tai Wo Hau, Tsuen Wan and Tung Tau, Yuen Long respectively) originally earmarked as sites with "flat size restrictions". The two sites will be handed over to the Transport and Housing Bureau to construct new HOS flats. Hence, we consider this a balanced approach which caters for various housing needs.

After land development, there is of course the sale of land. I would like to say a few words here.

With regard to land sale, flexibility has been enhanced over the years to cater for the need of society by the introduction of land use restrictions on sites. For example, as a start, we have rolled out "hotel only" sites that are specifically used for hotel development. Now, sites have been designated specifically for developing data centres — an initiative greatly welcomed by Dr Samson TAM. In other words, we are willing to impose land use restrictions on sites to cater for the development of Hong Kong industries even at the expense of lower income from land sale.

In consideration of the supply of small and medium-sized flats, we have also rolled out sites with "flat size restrictions" and "flat number restrictions". However, should further restrictions be imposed in respect of prices and target buyers, I am afraid it might duplicate various subsidized housing schemes of the Government. Hence, I think it is a matter to be dealt with under the housing portfolio, rather than by imposing restrictions on land sale conditions wilfully.

Mr Abraham SHEK stated two views on land sale arrangements under our land policy, which echo the statement issued by the Real Estate Developers

Association of Hong Kong (REDA). Firstly, it is hoped that the Government should adopt a more flexible attitude when implementing the Application List system so that land sites can be triggered off more easily; and secondly, the Government should adopt a more practical approach when calculating land premiums when conducting land exchanges and lease modifications with private developers.

Mr Abraham SHEK delivered his speech in English. I notice that he used the expression "innovative approach" when talking about the calculation of land premiums, while REDA used the expression "facilitating approach" in its statement. I am afraid I cannot concur with this view. Should the Government adopt a "facilitating approach" when calculating land premiums, there can only be one result, which is even lower land premium. This is diametrically different from the stance I always maintain about not selling land at dirt cheap prices.

Mr CHIM Pui-chung who is in the Chamber now mentioned that a senior government official was always saying, "The Government will not sell land at dirt cheap prices." I think he is referring to me. The purpose of not selling land at dirt cheap prices is to safeguard public revenue, but it does not mean we will deliberately push up land premiums to make the local property market even more rampant.

Lastly, I would like to talk about the proposal for "kick-starting the development of East Kowloon". I am extremely grateful that at least 10 Members have spoken in support of this major proposal for "kick-starting the development of East Kowloon". In fact, since its announcement by the Chief Executive on 12 October, the proposal has received a lot of active and positive feedback. The public generally feels elated, and so do I and my colleagues. Although there are queries as why the Government rolls out such a major proposal towards the end of its term of office, I have always maintained the stance that so long as the policy is rational and supported by the public, it will be sustainable. Hence, Members need not worry about it.

In taking forward the proposal for "kick-starting the development of East Kowloon", the greatest challenge is of course the scattered property titles in old districts. That is truly a challenge to our wisdom. We must carefully consider

how this issue can be resolved so that the old districts can develop in tandem with the Kai Tak New Development Area.

Ms Starry LEE suggested that the proposal for "kick-starting the development of East Kowloon" be extended to become a proposal for "kick-starting the development of Central Kowloon" so as to cover areas in the vicinity of Kowloon City and To Kwa Wan. This suggestion differs slightly from our entire planning because the purpose of "kick-starting the development of East Kowloon" is to create another core business district. If the site is extended to cover predominately residential old districts, the problems we face will be quite different. For example, the provision of the proposed Environmentally Friendly Linkage System will be relatively simple if its operation is limited to business districts. But once its service area is extended to cover old districts, massive problems will arise in relation to its impact on landscape, noise pollution, and so on.

Notwithstanding, Ms LEE should know that we are highly concerned about Kowloon City. That is why we have chosen to establish the first District Urban Renewal Forum in Kowloon City so as to implement urban renewal at the planning stage with a "bottom-up" approach under the New Urban Renewal Strategy announced in February this year. I hope that when a blueprint for the redevelopment of Kowloon City is prepared or finalized through this "bottom-up" approach, the district can be integrated with East Kowloon so that benefits will truly be brought by the transformation of old districts from Kai Tak to Kowloon City.

Given the positive feedback on the proposal for "kick-starting the development of East Kowloon", as well as the support from Members, my colleagues and I will now set to go with full steam ahead. In the remaining eight months or on of the current term of government, I want to achieve three things. The first issue is about the organizational structure of the Kowloon East Development Office (KEDO). As I envisage, while not a big office, the KEDO will be a highly focused multi-disciplinary team. We will work our best to submit an application for the establishment of the KEDO to the Establishment Subcommittee of the Legislative Council in April or May next year. I hope Members will support and endorse our proposal.

The second issue is about branding and publicity. In order to take forward the proposal for "kick-starting the development of East Kowloon", massive publicity is required, not only locally but also internationally. During my recent visit to the three Scandinavian countries, I had already introduced our proposal for "kick-starting the development of East Kowloon" to the business sector in Sweden and Finland. Of course, as Mr Alan LEONG said just now, publicity means more opportunities for public engagement. In this regard, work is now in progress to identify a location in East Kowloon for the KEDO.

From my overseas visits, I note that whenever our hosts gave a presentation on some specific areas or harbourfront development, their office would invariably be located in the same place. In other words, they would not make a presentation on East Kowloon in Central. I hope that after a suitable location has been identified in East Kowloon, we can construct the office of KEDO and an exhibition centre as soon as possible through a minor works project. I hope Members can visit us there when the facilities are ready.

The third issue is to implement a number of projects in East Kowloon with visible effects for early enjoyment of the people.

The first project is the zero carbon building (ZCB) cum education centre in Kowloon Bay to be commissioned in May next year. The ZCB is a collaboration project with the Construction Industry Council (CIC) with funding provided by the CIC, and its construction is now in progress. Upon its completion by mid-2012, the ZCB will be opened to the public.

The other two projects are related to the design and construction of harbourfront promenades which are the focus of concern for many citizens and Members. I am delighted to announce that funding requests for the Kai Tak Runway Park and Kwun Tong Promenade Stage 2 will be submitted to the Legislative Council by mid-2012 so that construction work can commence by end-2012. These three projects will allow more people to enjoy some of the facilities in East Kowloon early.

Members have also touched on issues related to "sub-divided units", building safety, heritage conservation and harbourfront development in this

session. President, please allow me to respond to those points in the next debate session.

President, I so submit and implore Members to support this year's Policy Address.

Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I thank Members for their views on various transport and housing policies as set out in the Policy Address. I would like to give consolidated replies on several subjects.

First of all, I will talk about transport policies. Some Members have expressed concern about the progress of the 10 major infrastructure projects. Let me give Members an overview on some of the recent news first. In respect of the Hong Kong-Zhuhai-Macao Bridge (HZMB), the Court of Appeal has allowed the appeal of the Director of Environmental Protection unanimously and confirmed the validity of the Environmental Permits. We have just secured the support of the Panel on Transport of the Legislative Council on the relevant funding submissions yesterday, and will work expeditiously so that they can be submitted to the Public Works Subcommittee and the Finance Committee of the Legislative Council next month. It is our hope that construction work can commence at the end of this year to ensure the commissioning of the HZMB in 2016 as scheduled. I hope Members will support the relevant funding submissions.

Some Members — that is, Mr Jeffrey LAM, Ms Miriam LAU, Mr Albert HO and Mrs Regina IP — are concerned about airport development of Hong Kong. In this regard, the Airport Authority Hong Kong (AA) has already completed the public consultation on the Hong Kong International Airport Master Plan 2030 in early September. The AA is collating the views collected and it will make a recommendation on the way forward to the Government by the end of the year. The Government will then carefully consider the recommendation, with a view to deciding on the next stage of work, which mainly includes exploring the funding arrangements, pursuing detailed engineering design and

statutory environmental impact assessment. Regarding Members' view on stringent cost control, this will definitely be one of our objectives.

Members are also concerned about logistics development, particularly about land use for the purpose. To cater for the need of the industry, we have already made available a number of sites for long-term and short-term logistics use. We are actively working with relevant departments to identify suitable sites, including those in Tuen Mun area. We will continue to maintain close co-operation and communication with the Hong Kong Logistics Development Council and the industry.

Regarding the point made by Ms Miriam LAU about Hong Kong's ranking amongst container ports of the world, throughput is no longer our only indicator. I think Ms Miriam LAU is very clear about this because we are partners in this matter. We travel together to other countries to publicize and promote our value-added maritime services, and certain achievements have been made. This is in fact our development goal as the maritime centre of the next generation.

President, housing policy was mentioned by a number of Members. In respect of housing, let me first respond to the point about the supply of public rental housing (PRH). In the Policy Address, the Chief Executive has reiterated our long-term commitment of maintaining an average waiting time of around three years for General Waiting List (WL) applicants for the purpose of providing PRH to low-income families and persons who cannot afford private housing. In order to honour our pledge, we plan to construct about 75 000 PRH units in the next five years. That means an average of 15 000 units each year.

Some Members suggested that the production of PRH units should be increased. I have to stress that the production of 15 000 units each year is by no means a fixed target. Our target is to maintain an average waiting time of around three years for WL applicants. The five-year Public Housing Construction Programme of the Housing Authority (HA) will be carried forward and reviewed annually. If necessary, flat production and supply of PRH flats will be suitably adjusted in order to maintain the target of three years' average waiting time.

As stated in the Policy Address, we need to explore ways to appropriately increase the densities and plot ratios of PRH projects without compromising the living environment. We will take follow-up action actively in order to ensure an adequate and steady production of PRH. The Housing Department will liaise closely with the relevant government departments and hold discussions with the District Councils and people in the districts so as to maximize land use. I hope our work in this regard will have the support of Honourable Members at the district level.

In terms of facilities, Prof Patrick LAU, Wi-Fi service is provided in public and open areas of PRH estates. While Wi-Fi service is not provided for every household, I do not think it is our responsibility to do so. Nonetheless, Wi-Fi service has already been provided in public areas.

Some Members expressed concern or even queried about the waiting time for PRH, but such concern or query is unwarranted. I would like to stress that the established mechanism for calculating average waiting time is scientific and objective. According to our detailed analysis, 16 000 WL applicants have been allocated with PRH from mid-2010 to mid-2011. Of those, 50% were given their first two flat offers within two years and 70% first flat offer within three years. Those figures tally with the 2.2 years' average waiting time in mid-2011. As for applications with longer waiting time before PRH allocation, most of the applicants preferred PRH in popular districts while in some cases, special circumstances of individual families were involved.

As far as I know, some cases may have a longer waiting time because their applications have been frozen as a result of the income limit being exceeded for a certain period of time or other changes in their circumstances. Ultimately, their waiting time would become longer. As for current WL applicants, some 11 200 (or about 13%) have been waiting for three years or more without successful PRH allocation. Of these applications, 50% have reached the investigation stage. If eligible, they would be given PRH allocation soon. Hence, overall speaking, we consider that the target of about three years' waiting time is achievable.

Separately, the suggestion of resuming the Tenants Purchase Scheme (TPS) was made by some Members. Members would also understand that recovered PRH units are an important source of PRH supply. PRH units, once sold to the

tenants, will no longer be available for re-allocation to WL applicants, thereby affecting the turnover and supply of PRH units. At this stage, we have no plans to resume the TPS.

Many Members have expressed their views on the new Home Ownership Scheme (new HOS). Some Members hoped that a greater number of new HOS flats can be provided. First of all, let me reaffirm the positioning of the new HOS as an adjustable buffering mechanism. The new HOS will serve as a buffer when the private residential property market is in disequilibrium due to unbalanced demand and supply, as well as internal and external macroeconomic factors.

With the sites identified at this stage, we plan to provide more than 17 000 flats over four years from 2016-2017 onwards, with an annual production of between 2 500 and 6 500 flats. For the first year, 2 500 flats can be made available. The first batch is expected to be ready for pre-sale in 2014 or 2015. As more sites become available, we will set our planning target at 5 000 flats a year on average. Depending on actual circumstances, the number of flats produced and made available as well as the demand at the time, this target will be reconfirmed each year.

As complex issues are involved in the implementation details of the new HOS, the HA will follow up further. Some Members suggested that the resale restrictions in the HOS secondary market should be relaxed to allow eligible white form HOS applicants to apply to purchase those HOS flats. This suggestion would require careful consideration, including whether it aligns with the objectives of the HOS secondary market, which are to promote the mobility of PRH tenants and at the same time to recover PRH units for reallocation. Other issues include whether the supply of HOS flats can effectively match with the demand.

Regarding the arrangements for resale and premium payment, I have received various views from many Members, including the issue of fairness to existing HOS flat owners. As clearly stated in the Policy Address, the general direction is that premium payment arrangements under the new HOS should enable owners to shift to the private residential market. Nonetheless, when working out the details, the HA will consider whether the new arrangements are

fair to existing HOS flat owners and acceptable to the public. The HA will certainly consider these issues carefully.

In addition, I note the worry expressed by some Members as to whether the new premium payment arrangements would encourage speculation. By making available additional supply of housing units on top of PRH and private housing, the new HOS will serve as a buffer. Such additional supply under the scheme is never meant to encourage speculation. Moreover, in addition to the payment of premium, other eligibility criteria and resale restrictions will apply under the new HOS to prevent speculation.

In respect of enhancing the My Home Purchase Plan (MHPP), having considered in detail the useful suggestions made by Members and people from various sectors in the community previously, we decide to introduce two enhancement measures to the MHPP. First, apart from the proposed "rent-and-buy" mode, we will offer a "buy-or-rent" option. Second, a "ceiling price" will be introduced.

While providing another choice of housing on top of the HOS, the MHPP also serves as a buffer in terms of home ownership. Good progress has been made for the first development project at Tsing Luk Street in Tsing Yi, which will provide around 1 000 "no frills" small and medium sized flats. Piling works are scheduled for completion by April next year, and superstructural works will commence afterwards. These units will be available for pre-letting next year, and will be completed in 2014.

President, last but not least, further strengthening the regulation of the sale of first-hand residential properties is the most important priority in the work of the Transport and Housing Bureau. I thank the Steering Committee on Regulation of Sale of First-hand Residential Properties by Legislation for its report (together with legislative proposals) submitted to the Government this month. We will make every effort to consult the public on the recommendations in the form of a White Bill next month in order to expedite the legislative process. We will present the relevant bill to the Legislative Council for scrutiny in the first quarter of 2012. Hopefully with the support of Members, we will strive to have the legislation enacted in 2012.

President, the policies of the Transport and Housing Bureau are closely tied to the people's livelihood. I will certainly work closely with Members in the above areas. Thank you, President. I implore Members to support the Policy Address.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I would like to thank Honourable Members for their valuable views on the regulation of financial markets, strengthening Hong Kong's strategic position as China's Global Financial Centre, the Mandatory Provident Fund (MPF) system, and so on. As the Financial Secretary has said, the recent extreme volatility in financial markets has aroused public concern about our economic environment and outlook. The Government and regulators will continue to closely monitor market operations, work relentlessly to improve our market quality and promote investor protection, and maintain the stability of our financial system. In parallel, we will promote the development of the financial industry, proactively seize new business opportunities arising from the shift of economic gravity to Asia, as well as consolidate our position as an offshore renminbi (RMB) business centre, an international asset management centre and a capital formation centre.

Recently, the stock market remains volatile. We note that the market is particularly concerned about short-selling and derivative transactions. Although we already have in place a set of stringent regulatory measures, given the continuous development and recent situation in the market, we will regularly review and enhance the existing mechanism. For example, in respect of short-selling, the Government and the Securities and Futures Commission (SFC) will expedite the introduction of a short-position reporting regime so as to step up supervision on the relevant activities. Our current goal is to submit the relevant subsidiary legislation to the Legislative Council for approval. Moreover, the Hong Kong Exchanges and Clearing Limited (HKEx) is holding discussions with derivative issuers on various suggestions to improve regulation, such as whether issuers should be required to provide collateral for derivative warrants and callable bull/bear contracts.

In addition to enhancing the supervision on stock trading, a number of initiatives for improving market quality are being implemented, such as

conducting consultation with the market on the proposal to develop a regulatory regime for over-the-counter derivatives, establishing a statutory regime to oblige listed corporations to timely disclose price sensitive information, and effecting the enhancements to the Basel II framework. In the meantime, Basel III will be phased in between 1 January 2013 and 1 January 2019. To this end, we are preparing an amendment bill to the Banking Ordinance, to be introduced into the Legislative Council as soon as possible within this Legislative Session. We will also actively take forward the establishment of an independent Insurance Authority so as to enhance the standard of the insurance industry and facilitate its long-term development.

Mr Albert HO was concerned about whether our regulatory regime, particularly in respect of disclosure requirements and regulation of irregularities in the market, is effective enough to monitor overseas companies listed in Hong Kong as well as Mainland enterprises so as to ensure market standard and investor protection. In fact, the Securities and Futures Ordinance and the Listing Rules apply to all companies listed in Hong Kong, regardless of their place of incorporation. For the purpose of ensuring the effectiveness of regulatory action against a non-complying listed overseas company, one of the most important factors to be considered by the Stock Exchange of Hong Kong Limited in processing listing applications from overseas companies is whether the applicant is incorporated in a jurisdiction of which the statutory securities regulator has adequate arrangements with the SFC for mutual assistance and exchange of information, for the purpose of enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong either by way of the International Organization of Securities Commissions Multilateral Memorandum of Understanding or an adequately comprehensive bilateral agreement with the SFC.

Some Members spoke about recent RMB business in Hong Kong. All along, Hong Kong has been an effective testing ground for the Mainland's reform of the capital market, as well as the regionalization and internationalization of RMB. Hong Kong can capitalize on its existing edges to promote the offshore circulation of RMB, thereby acquiring more room for developing RMB business in Hong Kong and grasping the opportunity presented by the rapid expansion of offshore RMB business.

In order to complement the policy objective pledged in the National 12th Five-year Plan to develop Hong Kong as an offshore RMB business centre, and expeditiously effect the package of measures announced by Mr LI Keqiang, Vice-Premier of the State Council, in August this year to support Hong Kong's social and economic development, the Financial Secretary, the Chief Executive of the Hong Kong Monetary Authority and I visited Beijing last week to meet with a number of ministries and commissions in order to exchange views and follow up on the matter. We are pleased to note that good progress have been made on a number of measures, including cross-border foreign direct investments in RMB, that is, Foreign Direct Investment (FDI) and RMB Qualified Foreign Institutional Investor (RQFII), the issuance of RMB-denominated bonds in Hong Kong by Mainland enterprises and the Ministry of Finance, and so on. All these will help the healthy growth of offshore RMB business in Hong Kong.

From January to September this year, RMB 85.4 billion yuan worth of RMB-denominated bonds have been issued, which is two times the total amount for the whole year of 2010. With the State Council's approval last week for the first non-financial Mainland enterprise to issue RMB-denominated bonds in Hong Kong, I think more enterprises will follow suit one after another.

In respect of direct investments in RMB, the Ministry of Commerce and the People's Bank of China respectively promulgated the "Notice on Cross-border Renminbi Foreign Direct Investment" and the "Renminbi Foreign Direct Investment Settlement Rules" in October. Under the relevant rules, enterprises can make use of the RMB fund-raising platform in Hong Kong by financing direct investments in the Mainland through banks, debt and equity. I think these measures can facilitate the development of Hong Kong as an offshore RMB fund-raising centre.

As stated by the Chief Executive in the Policy Address, we will promote the use and circulation of RMB funds, and establish strong and extensive links with the Mainland's onshore RMB market by three "bridges", namely trade, direct investment and equity investment so as to reinforce our offshore RMB business platforms. In addition, we will encourage the diversification of our financial markets and products, and actively promote Hong Kong's role as an offshore RMB business centre internationally. We will also maintain communication with our financial regulators as well as the relevant Mainland authorities to identify wider scope in policy for increasing the circulation of RMB funds.

Hopefully, it will bring benefits to the financial industry generally, including the insurance industry which is of concern to Mr CHAN Kin-por. I hope the industry can give us full support and co-operation so as to further develop RMB business in Hong Kong.

I would like to talk about asset management business now. To further enhance Hong Kong's role as an international asset management centre, we will adopt various measures including signing a greater number of comprehensive agreements for the avoidance of double taxation, updating the Trustee Ordinance, and stepping up overseas promotion. Through continuous efforts to improve market standards and promote market development, we will strive to develop Hong Kong as an asset management centre anchoring Mainland and overseas liquidity, talents and financial products. Separately, we will continue to develop an Islamic finance platform and follow up on the relevant legislative amendments with a view to leveling the playing field for common types of Islamic bonds (that is, sukuk) *vis-à-vis* their conventional counterparts as far as tax liabilities are concerned, so as to diversify our asset management industry.

As stated in the Policy Address, Hong Kong needs to strengthen trade and investment co-operation with emerging markets. Earlier, HKEx announced the formation of the BRICS Exchanges Alliance with Brazil, Russia, India and South Africa. Initially, each exchange will cross-list derivative products on its benchmark equity index on each of the other alliance exchanges. Thereafter, the alliance will develop innovative products to track the BRICS exchanges. This initiative can help diversify our futures market and strengthen Hong Kong's financial relationship with the BRICS.

Regarding MPF, we will continue to increase market competition in order to bring down MPF fees and charges. In this connection, to tie in with the implementation of the Employee Choice Arrangement (ECA), we will soon complete the drafting of legislative amendments for the regulation of MPF intermediaries. We plan to introduce the relevant bill into the Legislative Council in December so as to further safeguard MPF scheme members. Subject to the enactment of the bill within the current term of the Legislative Council, the Mandatory Provident Fund Schemes Authority (MPFA) will commence the ECA in the second half of 2012.

In addition, we will brief the Panel on Financial Affairs in November on our proposal to introduce an automatic adjustment mechanism to the Mandatory Provident Fund Schemes Compensation Fund, which will help reduce the average MPF fund expense ratio. We will also maintain close contact with the MPFA so as to follow up on various reviews for the enhancement of the MPF system, including support measures for the implementation of MPF Full Portability, the withdrawal of MPF benefits by phases or under specific circumstances, and so on.

As stated by the Chief Executive in the Policy Address, the pace of economic recovery in the United States has slowed, and the sovereign debt crisis has deepened. Given the weak investor sentiment, we can foresee that market fluctuations will prevail over a certain period in future. Local financial regulators have implemented various measures to monitor the systemic risk of the market, and maintain contacts with financial institutions under their supervision, as well as their overseas counterparts, so as to keep abreast of the operation and latest financial position of financial institutions with foreign capital. When necessary, we will act decisively, effectively and timely to ensure the normal operation of the financial market. Legislation is also an important part of our efforts to improve the regulatory regime. We will continue to fully co-operate with the relevant bills committees with a view to enacting the new Companies Ordinance, establishing a statutory regime on the disclosure of price sensitive information, regulating MPF intermediaries, effecting Basel III, and so on, through legislation in the current Legislative Session. On the other hand, we will press ahead with the implementation of various initiatives under the policy agenda, and maintain close co-operation with market players and stakeholders so as to enhance the competitiveness of Hong Kong's financial industry.

As China's important financial centre, Hong Kong will perform the roles of "firewall" and "testing ground" in order to provide continuous support for the country's overall planning for economic and financial reforms, and promote the sustainable development of our financial industry to achieve a "win-win" situation for all.

President, I so submit. I hope Members will support this year's Policy Address. Thank you.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the Special Administrative Region (SAR) Government has attained encouraging progress in its promotion of co-operation with the Mainland and Taiwan in recent years. I am also very glad to hear that Members who have spoken on this subject generally agree with the SAR Government's policy direction on these two fronts.

Regarding Mainland affairs, after years of development, the Mainland and Hong Kong have established a multi-level collaboration framework and platform. As mentioned by Mr Albert HO in his speech, the development of economic integration between the Mainland and Hong Kong is based on the principle of mutual co-operation and complementarity. At the overall national level, as Mr Jeffrey LAM has said, the 12th Five-Year Plan (FYP) has acknowledged Hong Kong's irreplaceable functions and positioning in national development. Complementing the overall development direction of the country, we can create a win-win situation together. At the regional co-operation level, the SAR has set up regional co-operation platforms with Guangdong, the Pan-Pearl River Delta Region, Beijing and Shanghai to jointly promote mutually beneficial collaborations. At the city level, we are actively launching some major co-operation projects with our neighbouring provinces and cities, including the co-operation with Shenzhen to push forward the Qianhai project and the joint development of Nansha with Guangzhou.

The National 12th FYP was promulgated in March this year. Its dedicated chapter for Hong Kong and Macao clearly indicates the Hong Kong SAR's unique and irreplaceable functions and positioning in national development under the principle of "one country, two systems", and the work in this regard will be carried forward in compliance with the following three policy directions:

Firstly, support for Hong Kong in further consolidating and enhancing its competitive advantages, including its status as an international financial, trade and shipping centre, and in developing into an international asset management centre and an offshore Renminbi business centre, with enhanced global influence as a financial centre;

Secondly, support for Hong Kong in nurturing emerging industries, facilitating the relevant industries to extend the fields of co-operation and scope of service on the Mainland; and

Thirdly, support for Hong Kong in deepening its economic co-operation with the Mainland, including continued implementation of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), strengthening co-operation among Guangdong, Hong Kong and Macao, implementing the Framework Agreement on Hong Kong/Guangdong Co-operation (Framework Agreement), and supporting the opening up of the Guangdong service industries for Hong Kong on a pilot basis.

During his visit to Hong Kong in August this year, LI Keqiang, Vice-Premier of the State Council, announced a series of some 30 specific policy measures formulated by the Central Government in accordance with the requirements of the National 12th FYP to support Hong Kong's further development and deepen its economic, trade and financial co-operation with the Mainland, covering various areas such as trade, finance, tourism, co-operation between Hong Kong and Guangdong, as well as livelihood issues and social business. These new supportive policy measures make the SAR's work more concrete and operative in complementing the National 12th FYP. Both Dr David LI and Dr Philip WONG have repeatedly laid emphasis on the work in this respect. The implementation of the relevant policy measures will be the focus of the SAR Government's future work. The Policy Bureaux concerned will actively take forward the issues under their respective portfolios. The Constitutional and Mainland Affairs Bureau will continue to assist in the liaison and co-ordination work.

The National 12th FYP has also confirmed the positioning of Hong Kong-Guangdong co-operation and set a clear objective for further collaboration between the two places. The implementation of the Framework Agreement is the focus of Hong Kong-Guangdong co-operation, and so far the progress has been satisfactory, among which the work to push forward the two major joint development areas of Hong Kong and Guangdong, namely, Qianhai and Nansha, has also achieved phased development.

Regarding Qianhai, the National 12th FYP has confirmed Qianhai's positioning as a "Hong Kong/Guangdong modern service industry innovation and

co-operation exemplary zone". The Shenzhen Municipal Government has taken up the leading role in Qianhai and is responsible for its development and management. The SAR Government will continue to give advice on its development planning as well as the study and formulation of the related policies. It will also tie in with the Shenzhen authorities by actively taking forward various favourable policies and enhancing Qianhai's business environment, with a view to encouraging Hong Kong-invested enterprises and service providers to explore the Mainland market. The first meeting of the "Inter-ministries Joint Conference on the Development of Qianhai Area in Shenzhen" was convened in Beijing in September this year. Representatives from relevant ministries of the Central Government, Guangdong Provincial Government, Shenzhen Municipal Government and the HKSAR Government reviewed the work progress of the "Overall Development Plan on Hong Kong/Shenzhen Co-operation on Modern Service Industries in Qianhai Area" since its approval, and mapped out the next step on how to drive the development of Qianhai and enhance its business environment. At that meeting, the Guangdong Provincial Government announced major measures to support the development of Qianhai, including allowing foreign-invested service industry companies established in Qianhai to serve the whole Guangdong Province; supporting early and pilot measures of CEPA in Qianhai, delegating some of the provincial level approval authorities relating to modern services industries; and supporting the speeding up of the development of the transportation infrastructure to connect Qianhai and its surrounding areas.

Regarding Nansha, in August this year the SAR Government and the Guangdong Provincial Government signed the "Letter of Intent between Hong Kong and Guangzhou on Co-operation in Pushing Forward the Development of Nansha New Area" and set up a working group on Hong Kong/Guangzhou co-operation to jointly take forward the development of Nansha, including conducting a study on the establishment of Nansha innovative industrial park to promote the upgrading and transformation of Hong Kong-invested enterprises; developing a demonstration zone for the implementation of CEPA and its early and pilot measures, and promoting Hong Kong-Guangdong co-operation in elderly care services.

With regard to Ms Starry LEE and Dr Philip WONG's proposal for the Government to further follow up the SAR's collaboration with Qianhai and

Nansha, I will commence a review with the Guangzhou and Shenzhen authorities as soon as possible.

In the National 12th FYP, the development of western China, the Chengdu-Chongqing Economic Zone and the Economic Zone on the West Coast of the Taiwan Strait have been made key strategies of regional development. In this year's Policy Address, the Chief Executive has proposed to set up dedicated liaison units in Chongqing and Fujian to strengthen and deepen Hong Kong's multi-faceted co-operation with the Chengdu-Chongqing area and Fujian. I am very glad to have the general support from Mr Andrew LEUNG and other Members who have spoken. The Constitutional and Mainland Affairs Bureau will actively follow up the relevant work.

Mr WONG Ting-kwong has asked how the SAR's present Economic and Trade Office (ETO) on the Mainland could further service Hong Kong enterprises, including the provision of legal advisory service. I would like to add that the SAR's Mainland ETO has maintained close communication with Hong Kong enterprises on the Mainland and provided appropriate support, including: obtaining and disseminating the latest information on commerce and trade-related policies/regulations and economic development; organizing symposiums and seminars to enhance the trade's understanding of new policies, laws and regulations as well as business environment; reflecting to and following up with the relevant authorities commerce and trade issues of common concern among Hong Kong businessmen; and organizing trade delegations to visit the Mainland.

Besides, the ETO in Guangdong has been working in collaboration with social service organizations since 2009 to provide free advisory service on Mainland laws to Hong Kong people in need. Through the relevant arrangements, the responsible social service organizations may hire Mainland lawyers to provide services at service points respectively set up in Guangzhou, Shenzhen and Dongguan. Members of the public may also contact the ETO in Guangdong when necessary.

President, in April last year, we set up the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC) as the working counterpart of the Taiwan-Hong Kong Economic and Cultural Co-operation

Council (THEC), thereby establishing a platform for direct communication between Hong Kong and Taiwan for discussion on collaboration in the public policy areas.

Over the past year, Hong Kong has made good progress in its relationship and collaboration with Taiwan in various domains. The Tourism Board has set up its office in Taipei. We are also actively preparing for the establishment of the Hong Kong Economic, Trade and Cultural Office in Taiwan this year, which will be responsible for fostering economic ties between Hong Kong and Taiwan, promoting investment, and conducting cultural exchanges between the two places. We have also further relaxed the entry measures for Taiwan residents to visit Hong Kong for business or leisure, allowing Taiwan visitors holding a valid Mainland Travel Permit for Taiwan Residents (commonly known as "Tai Bao Zheng") to visit Hong Kong at any time for 30 days. Besides, Hong Kong and Taiwan have signed a memorandum of understanding on banking supervision co-operation. In August this year, the ECCPC and THEC held their second joint meeting, in which both parties agreed to put forward six new priority areas of co-operation, including education co-operation, co-operation in civil and business-related legal matters, insurance supervision co-operation, deepening exchanges in the cultural and creative industries, trade facilitation and exchanges among law-enforcement officers.

We will continue to actively and practically promote further co-operation between Hong Kong and Taiwan through the ECCPC and THEC platform with goodwill under the principle of reciprocity.

President, I so submit.

PRESIDENT (in Cantonese): The first debate session ends. We now proceed to the second debate session on the theme of "Quality City and Quality Life". This session covers the following six policy areas: development (other than planning, lands and works); economic development (energy); environmental affairs; food safety and environmental hygiene; home affairs (other than district administration and civic education); and information technology and broadcasting (creative industry). Members who wish to speak in this session will please press the "Request to speak" button.

MISS TANYA CHAN (in Cantonese): On the second session, I would especially like to talk about conservation. Secretary for Development, Mrs Carrie LAM, as the Antiquities Authority, is directly responsible for heritage conversation. However, as this session also covers nature conservation and heritage conversation, I would like to spend more time discussing these issues. They are vital factors in making Hong Kong a quality city where people can have quality living. As a city that has been developed fairly well, Hong Kong definitely has the prerequisites and qualifications to talk about genuine quality living and quality city.

In respect of heritage conversation, the past two to three months are really a period of "brain-storming" for the Secretary and for me. The Secretary has just announced the Government's intention to declare Ho Tung Gardens a statutory monument. I visited Ho Tung Gardens some time ago and I think that it is now time to update the policy on heritage conservation. Why do I say so? The legislation was enacted as early as 1970s. Recently, especially in the past five to eight years, it seems that heritage conversation has suddenly become the collective memories of Hong Kong people. However, things are not that simple. There are many international standards on heritage conversation and objective assessment has to be made to determine which cultural relics, historical buildings or sites are worth conserving, how to conserve them and how many of them should be conserved or changed, and so on. There are charters and guidelines to be followed.

It seems that people in Hong Kong tend to have heated discussions about things that have happened. Nevertheless, it seems that we have never carried out in-depth and detailed discussions on overall policies, nor have we surpassed the checkpoint of "public engagement". I think it is time for us to have the relevant discussions, especially on matters concerning privately owned property.

Ho Tung Gardens is the fourth building or site declared as a proposed monument. Regarding the first building declared as a proposed monument in 2003, there was a school nearby. As there was pressure on the development at that time, the building was eventually preserved after discussions were held between the Government and the owners for some time. The owners were allowed to construct a new building at the same site by means of transfer of plot ratio.

There are also the cases of King Yin Lane and Jessville. Jessville is located at 128 Pok Fu Lam Road; the approach of handling the first building declared as a monument was adopted again in handling Jessville. Owners were eventually allowed to construct a new building at the same site while the monument was converted into a club. The club is only partially but fully open to the public.

The third monument is King Yin Lane which is now included under the Revitalizing Historic Buildings through Partnership Scheme. President, my feelings for King Yin Lane is strong and every time this issue is raised, I have mixed feelings because it broke my heart in seeing the destruction of King Yin Lane at that time. The Secretary has also taken some clips and I cannot help but cry when I see those clips. I really do not understand why the owners could allow such destruction. Many people believe that monuments have a life of its own, so the owners are destroying the life of the monument. King Yin Lane has been preserved through the efforts of many people. I am worried whether such a large site can have sustainable development if it is still operated and maintained under the Partnership Scheme. The site of King Yin Lane is indeed extensive.

It is still uncertain whether Ho Tung Gardens can eventually become a statutory monument because many things may happen. Yet, concerning the places that I have just mentioned, the public and even the owners may get confused. It appears that the relevant policy has failed to reflect the Government's conservation standards and requirements. These standards are related to compensations, especially the compensation packages for privately owned monuments.

Very often, the Secretary will say, in view of the different situations of each case, it is hoped that tailor-made arrangements will be devised. However, the Government has often neglected public participation in formulating the tailor-made arrangements. We doubt whether the situation is just like what the incumbent Secretary has described — I remember she has once advised the next SAR Government that conservation and development should be handled by the same Policy Bureau. This is because the incumbent Secretary still has the determination and methods for handling this issue; yet, with lower transparency and higher ambiguity, the public become more worried, even the owners may feel uneasy.

Which areas are lacking of transparency? Take Ho Tung Gardens and King Yin Lane as examples, we note that the Government provides the same area of land in exchange, even though the site is only nearby and not in the same area or lot. The situation of Ho Tung Gardens is somewhat different because the two sites overlap, with exactly the same development plot ratio. On the contrary, for some buildings with historical rating, such as the site on the Peak that belonged to descendants of Haking WONG, the owners originally intended to carry out redevelopment and only preserve the external wall of the building; yet they were given an additional 10% development plot ratio by the Government. We are really at a loss. For the building that can be conserved wholly — of course we are still not sure whether the building will finally be conserved by the Government, or whether other approach will be adopted — no additional development plot ratio will be provided. Why is it that a 10% additional development plot ratio is granted in the case of conserving the external wall of a building? Is it because the owners who intend to demolish the building can negotiate with the Secretary for additional development plot ratio? Will owners gain more benefits then? These issues remain unclear. This also reflects that the conservation of monument is regulated under the Antiquities and Monuments Ordinance, while buildings of historic status are not covered under the Ordinance. There are cases that buildings given Grade II historic status have been converted into columbaria. What should we do? We believe that we should conduct a comprehensive and in-depth review of the conservation policy.

I am just a Legislative Council Member, not an expert; but from what I have experienced these few years, I am compelled to understand more about conservation policy. There are few cases like Maryknoll Convent School which voluntarily allows a building on its campus to be declared by the Secretary as a monument. After the building has become a declared monument, the school authorities have to comply with many obligations and they will be required to meet a lot of requirements, which is not an easy task at all.

Speaking of conservation, naturally we are most concerned about the West Wing of Central Government Offices on Ice House Street. Some government departments have already been relocated to the New Hong Kong Government Complex. We learn from the Policy Address that the Government still intends to go ahead with the original development programme. Although the size of the shopping mall will be reduced, the change is just like not being Landmark but

become IFC or an ordinary shopping mall. We still fail to understand, there are already many Grade A shopping malls in Central, and the Secretary has also mentioned "kick-starting the development of East Kowloon" and developing West Kowloon; perhaps Ms Starry LEE may also propose developing Central Kowloon in addition to East Kowloon and West Kowloon. Since Grade A offices will be developed in these two places, why should developers still prey on the West Wing of Central Government Offices? We really do not understand. Even though the Secretary has given a response, we still find it very sad that the Government is going to cut a piece of its flesh and sell it to developers. Up to this moment, I still do not understand why the Government has to do so.

For this reason, we think there is an urgent need to review the whole conservation policy. Let me give another example. The Hong Kong Anglican Church owns a land lot. During the whole discussion or negotiation process in relation to land exchange involving the Anglican Church, there is a total lack of public participation. As I have just said, without public participation, people will have the impression that the negotiation is conducted behind closed door with no transparency. The public also query the criteria of land exchange by the Government and how the development plot ratio is derived at. At present, some residents in Mount Butler in Wan Chai have raised questions on the calculation of plot ratio, even though they understand the meaning of government or GIC land. They query why the land designated for ancillary services or buildings can be expanded in an unlimited manner? Ancillary services include medical centres as well as hotels and guesthouses. President, it seems that the definition of ancillary services can be very broad and they cover many areas. Though the term of the current government will expire in a few months' time, I still hope that the Secretary would re-examine the conservation policy. My biggest worry is that, even though our conservation policy is moving in the right direction under the leadership of the Secretary and with the support of the Antiquities Advisory Board, if everything is unclear with no transparency, the policy may easily go astray. I do not want to see such a scene in the future.

Next, I would like to talk about nature conservation and I notice that the Under Secretary is also present today. We have discussed about nature conservation many times and it is not easy for Hong Kong Geopark to be officially named "Hong Kong Global Geopark of China". As for other more

important issues, such as country park enclaves, we also hope that the Secretary for the Environment or the Secretary for Development can co-operate closely. I recall that the Secretary for the Environment told us the other day that the necessary work had been completed, and everything is now in the hands of the Secretary for Development, because she has all the tools. Is that really the case? As both Secretaries are now present, I hope they can respond to my doubts later. Although the Government has undertaken to make further efforts, it is still rather slow in taking actions. Regarding the general conservation policy, whether it is related to buildings which are hardware, or related to nature conservation, can there be co-operation in the setting up of conservation funds. Can the two Policy Bureaux conduct a joint study? I wish there would be a clearer direction.

Next, I will talk about cultural conservation which is very likely within the purview of Secretary TSANG Tak-sing. Naturally, cultural affairs is under his scope of duties and President, you should be aware that I am very concerned about this issue. The third round of consultation on the West Kowloon Cultural District is now in progress and the consultation will be concluded after this weekend. I will seize the opportunity to participate in the third round of consultation. There is now a large-scale exhibition in Kowloon. I really hope that Members would find time to take a look and make comments.

Regarding the conservation of intangible cultural heritage, I have discussed this topic with the Secretary numerous times and I know that the Secretary has also replied many times. I do not know why every time I put a question to him, there will be small progress afterwards, thus I very much hope that after today, some small progress can be made. Now that a conservation policy has been formulated, a very important tool is legislation. I have repeatedly asked the Secretary when the legislation on intangible cultural heritage will be introduced. As far as I understand, the Secretary has replied that the authorities concerned are now discussing with a number of surrounding cities, we may draw reference from their legislation and formulate our own legislation. Yet, if the Secretary can tell us the timetable and road map of the legislative work, we will all the more feel at ease.

Although in the last session, I have not talked about accommodation for the living, I am in fact highly concerned about this issue. I believe that President,

you would also know why I say so. After The Icon incident, we realize that many things are not covered by the old leases. For example, the existing provisions for the regulation of the sale of uncompleted flats, that is, the requirements to be enforced by the Lands Department, are not found in old leases; hence it was not necessary to get the Lands Department's approval. Nevertheless, I learn that the White Bill, which governs the regulation of first-hand properties, is now undergoing consultation and will cover old leases. I am waiting anxiously for the White Bill. When the Bill is introduced into the Legislative Council, I promise the Secretary that I will participate fully in the long meetings for studying the Bill. I will certainly become a member of the relevant Bills Committee after the Bill has been introduced into the Legislative Council.

Apart from accommodation for the living, I would also like to talk about accommodation for the deceased which is within the purview of Secretary Dr York CHOW. Why is it necessary to discuss about accommodation for the deceased? First of all, the judgment on a recent court case may give us a certain direction. We still think that the legislative process is extremely slow at present. I remember that the Government issued a consultation paper a year ago and there is a general direction after the consultation. To date, we are still uncertain when the legislation will be introduced. In the last consultation paper, the Government mentioned that it would take three years. President, a year has passed and there are two years to go. This waiting period is most dangerous as many columbaria will be constructed, and lands will be cleared for constructing as many columbaria as possible, so as to reap as much profits as possible.

President, I have studied some cases and found that in some cases, Party A signed a contract with Party B who intended to buy a columbarium niche. Yet, it turns out that Party A does not own the land, he may just set up a company with \$10,000 capital but the columbarium niches sold may cost millions of dollars, or even up to a six-digit amount. If such companies which sold columbarium niches close down, people who have bought the niches can in no way seek compensation. Even if we can ask the companies concerned to undertake that the amount received will be returned to consumers if they cannot get the columbarium licence, we all know that consumers lack bargaining power. Thus, we can only remind consumers to be careful and most important of all, they have to refer to List A and List B. However, List A and List B are published by

Secretary Carrie LAM but not Secretary Dr York CHOW. List A sets out the columbaria compliant with the land leases and the statutory town planning requirements while List B sets out other columbaria not on List A. The biggest problem is that, even if the requirements in List A are met, it does not necessarily mean that a licence will be issued to the columbarium; and columbaria in List B may not necessarily fail to get a licence. President, I really do not know what that means and like I said before, I do not know what should be done. Ordinary people who have brought columbarium niches will eventually be like victims of the Lehman Brothers incident. They may get nothing at all in the end.

We can say that columbarium niches are needed unless the deceased are buried to the ground or their ashes are scattered into the sea. Yet, we all know that scattering ashes into the sea may not be widely accepted. Though I am not a member of the Panel concerned, I earnestly hope that Secretary Dr York CHOW — I know that the consultation on columbarium niches has been completed and the Secretary has already briefed this Council on the views collected — would legislate as soon as possible because the prices of columbarium niches are soaring. President, we are not experts but I know that the prices of niches at eye level, that is, at the best location, may range from some \$100,000 to \$200,000. The prices of niches located at the foot of a Buddha statue may reach \$700,000 while niches for whole family may cost more than \$1 million. Those transactions involve huge amounts. Members may ask if lawyers can be engaged to consider such transactions which involve huge amount of money. Nonetheless, we all know that people are sometimes in a great hurry to buy niches and they have no idea where else they can put the ashes. In some buildings in Hung Hom, there are temporary rental niches which cost \$3,000 a month, even more expensive than the rental of a cubicle. Hence, it is unacceptable for the Government not to handle these problems expeditiously, knowing that so many problems have arisen. We dare not act too slowly regarding accommodation for the living. Even though we have waited for many years, the White Bill on the Sales Descriptions of Uncompleted Residential Properties Introduction has finally been released. How long do we have to wait before there are similar descriptions on completed niches? A white bill should at least be published to facilitate further understanding and consumer protection.

These are my remarks on this part.

MR FRED LI (in Cantonese): President, I would like to express my views on Secretary Dr York CHOW and Secretary Edward YAU.

I would like to discuss food safety first. Let me leave this issue aside first and focus on discussing columbarium and animal welfare. Members are all very much concerned about the issues raised by Miss Tanya CHAN just now.

It has been some time since the Government issued the consultation document on its columbarium policy. Members have repeatedly said at the meetings of the Panel of this Council that they hoped the Government would conduct consultation as soon as possible and draft the legislation to impose regulation. The Government now indicates that the second round of consultation will commence by the end of this year, I believe that we cannot make any progress in respect of legislation before July next year, and we can only expect the next-term Legislative Council to follow up on this issue.

The Government now proposes that columbarium facilities will be established in all 18 districts in the territory, and it hopes to get the support of District Councils (DCs), so that more public columbarium facilities can be expeditiously constructed. I would like the Secretary to tell us the progress of the work, has the work come to a halt due to the DC election. Before the DC election, the Government had already proposed some schemes for consultation, but it has not announced to the public the next step to be taken. The Government only announced the construction of new columbarium niches in the Wo Hop Shek Cemetery. We already learn about this plan and the funding has been approved. More than 40 000 bodies are cremated each year and the demand for niches will not become lower. If the Government fails to boldly and seriously deal with the problems, the next-term Government may not be able to offer a solution as well.

Another issue is about animal welfare. The Chief Executive mentioned animal welfare for the first time in last year's policy address but very little has been said about this issue this year; so I would like to follow up. No doubt, improvements have been made in respect of animal welfare as the Government has enhanced education, publicity and co-operation with animal groups. We also hope that the adoption services for stray dogs and cats can be improved, so that the number of stray dogs and cats culled, in particular stray dogs, can be reduced from a five-digit number to a four-digit number. I would like to see a

continuous reduction in the number so that the Government does not need to kill so many stray dogs and cats each year. We certainly hope that the Government would implement the "trap-neuter-return" trial programme and tell us the present situation as well as the districts where the trial programme is implemented.

We also notice that the police have introduced an "Animal Watch Scheme". While the Legislative Council supported the implementation of an "Animal Police" scheme, the Government did not give conscious support. Now that a scheme is introduced which is similar but not the same as the "Animal Police" schemes implemented in overseas countries. We will definitely support the "Animal Watch Scheme", and it has attained the co-operation of the Society for the Prevention of Cruelty to Animals, the Agriculture, Fisheries and Conservation Department and the police.

The Government is now performing better in the formulation of animal policies but there are still some problems, especially those related to hobby breeders, that cause headache to the Government. These breeders can breed animals in any places, including rooftops, self-occupied flats or village houses, and sell them to pet shops. Most of these breeders lack professional knowledge in animal breeding, and they do not understand the genetic diseases and other problems of animals. They just want to make those animals look neat and pretty in order to sell them quickly, and they do not bother about the diseases these animals will have in the future. Three years ago, the Government amended the licensing conditions to specify that animals supplied by animal traders should come from legitimate places. However, nothing has been done with regard to the proposal raised three years ago on regulating hobby breeders. What is the progress of work in this respect?

The second issue is about electricity tariffs. I would like to tell Secretary Edward YAU that I have always been concerned about this issue and we rely totally on him. We will be informed of the increase rate in December. We have recently got wind of a proposed tariff increase by CLP Power Hong Kong Limited (CLP). The CLP will for sure present the relevant figures to the Secretary, and the Secretary must be our gatekeeper.

I understand that the CLP has a different situation from that of the Hongkong Electric Company Limited (HEC). The CLP has to identify new sources of natural gas, and it has signed a 20-year supply contract with the

Central Government through the SAR Government. Places with a supply of natural gas, such as Turkmenistan and Kazakhstan, are very remotely located. Pipes have to be laid from these places all the way to Guangdong, and then from Guangdong to Hong Kong. The CLP has to lay pipes to supply natural gas to the Mainland. The natural gas terminal at Yacheng in Hainan Island cannot be used for a very long time because all natural gases will be exhausted by 2013. Supply may have to be increased further if the use of natural gas will continue. The Government has considered the use of nuclear power but after the Fukushima accident in Japan, the plan should be delayed and the Mainland has to conduct a further review.

Factors affecting the wider use of natural gases include: first, natural gas has higher costs and is definitely more expensive than coal. Second, the CLP has to invest I do not know the cost of pipe laying but I know that it amounts to hundreds of millions of dollars. Although profit is calculated on the basis of 9.99% of the permitted rate of return, it depends on the assets, that is, the amount spent on pipe laying should be included in the return; it is not sufficient just to consider the efficiency rate, operating rate or return on sales, the number of assets should also be considered. Regarding the introduction of natural gas and pipe laying, various matters are involved, such as the commencement date of the laying works and the duration of work; whether the work starts too early; whether the costs are too high; whether the project scale is too large and whether it is necessary to launch the project; all these matters concern money. If the project commences too early, if the scale is too large or the costs are too high, the burden would have to be borne by consumers. They have to pay fuel surcharge for higher energy costs — the real assets will also increase. The assets values will appreciate if many pipes are laid, and the return will be based on the appreciated values. Hence, our electricity charges will go up. That is why the CLP has "leaked" the news recently. I declare that I am a customer of the CLP, but this discussion does not involve my personal interests. The CLP has over 2 million customers — the Legislative Council gets its electricity supply from the HEC — the CLP has to incur huge expenses for introducing new sources of natural gas and closing down the natural gas-generation station at Yacheng in Hainan Island. The expenditures will become even higher if the supply of natural gas is increased further. The wind power stations to be constructed that I have not yet mentioned also involve huge investments; thus the tariffs will be even higher than natural gas. All these expenses will be passed onto the consumers.

Some people say that electricity tariffs in Hong Kong are lower than those in other regions. Nonetheless, our local power companies excel other power companies in the world in making profits. Hence, though our electricity tariffs are not as high as other first-class cities, the HEC definitely excels other power companies in first-class cities in making profits, and its annual income is considerable.

About energy, we may have to review the use of nuclear power again. Should the percentage of nuclear power be as high as 50%, or how many years it will take to reach 50%? In order to increase the supply of nuclear power, we need to purchase nuclear power from the Mainland. Our biggest worry is whether we can sufficiently monitor the nuclear power plants on the Mainland after we have purchased nuclear power from the Mainland. This is worrying. We have been monitoring the Daya Bay nuclear power plant for many years and we hope that we can continue to ensure its safety. One third of our electricity supply, that is, the electricity supplied to the Kowloon Peninsula and the New Territories, comes from Daya Bay. If there is an additional supply of nuclear power, where will the nuclear power come from? How can the supply be monitored? Concerning the additional nuclear power supply, the Democratic Party is rather worried and we have reservations. An inevitable trend is to increase the use of natural gas, but how to make use of the infrastructure in the most budget-conscious manner to get the natural gas supply, we have to reply on the subordinates of the Secretary to monitor the relevant accounts and facilities, so as to ensure that the power companies have not blown up their accounts and spend money indiscriminately.

I express these views on the Policy Address because we will be facing these problems in the next few years. I hope the Secretary would safeguard the public interest. I so submit.

MR JEFFREY LAM (in Cantonese): President, what is regarded as a quality living environment in a quality city? I believe many people will first think of the number of days we can have a clear blue sky and can breathe in fresh air.

The policy addresses of the Chief Executive in recent years have discussed in length the Government's concern about environmental protection in Hong

Kong, apart from mentioning economic development and livelihood issues. Since people are highly concerned about improving air pollution, it has become a priority of work of the Environment Bureau.

Just now, I am really pleased to learn from Secretary Carrie LAM that the first zero carbon emission government building will be constructed in the core business district in East Kowloon. I think this is a good start and I hope that developers would construct more zero carbon emission commercial or residential buildings in the future. The Government's role in taking the lead is very important and sets a good example. I hope the Government would enhance its leading role in respect of other policies, and I also hope that the planning of the business district in East Kowloon can be geared towards low emission and even a smoke-free living area.

President, in this year's Policy Address, there are almost three pages on environmental protection. This section took up more or less the same space in last year's policy address. I think it is just like old wine in a new bottle with limited bright spots. Although quite a number of policies are just a continuation of past measures, I personally think that in the past few years, there are more days when we can see the blue sky in Hong Kong. When we are standing on the roadside, we find that the pungent odour emitting from cars has improved.

According to data, sulfur dioxide emissions in the power industry in 2010 substantially dropped by 71% as compared with 2007; nitrogen oxides and respirable suspended particulates have also decreased by 40% and 37% respectively. These are improvements achieved in addressing the pollution problems arising from power generation. As results have gradually become obvious, I think the Government's effort is worthy of recognition. Nonetheless, the improvement in air quality cannot be achieved overnight. How to maintain good air quality for a long time and how to do better in areas lacking significant improvements are even more vexing than finding ways to reduce emissions. The Government has also mentioned that the next focus is to tackle the problem of roadside air pollution.

We, the Economic Synergy, have always shown great concern about improving roadside air pollution, and we have always urged for improvements to

be made to reduce pollution from bus emissions. The Government has earlier accepted the proposal of the Economic Synergy on the installation of catalytic reduction devices on Euro II and III franchised buses, and roadside tests are now in progress. I really hope that the Government would, with reference to the test results, expeditiously study how the project can be more extensively implemented. The Economic Synergy also proposes the introduction of non-polluting electric buses and the proposal has been approved by the Government this year. The Government will add in the relevant clause during future franchise negotiations with bus companies, so as to promote the comprehensive use of electric buses by these companies. If the project can be implemented smoothly, roadside air pollution can be improved and older diesel buses will be gradually replaced.

President, the implementation of environmental protection policies needs the provision of economic incentives and the Government's promotion. A good example is that the Government will earmark funds for the purchase of electric buses by bus companies and subsidize the installation of catalytic reduction devices. Yet, such improvement is relatively insufficient in improving climate changes, energy saving and emission reduction. I recall that the Government indicated in the policy address a few years ago that it would proactively explore the development of a carbon trading platform. As the community has responded little to this concept, the proposal has not been taken up.

Some small and medium enterprises (SMEs) have reflected to me that the full implementation of universal carbon audit in Hong Kong will incur higher costs for SMEs and increase their burdens, and SMEs do not know how to carry out carbon audit. The Government has taken the first step to implement carbon audit mainly in government buildings; the next step is, how to promote this measure to other organizations and SMEs? How can it create incentives to promote carbon trading?

President, the problems of the environment not only affect people's living environment and health, they also have significant impacts on our investment and business environment. The Hong Kong General Chamber of Commerce has all along been extremely concerned about our environment policies. As the Hong Kong General Chamber of Commerce understood from some foreign companies,

when international enterprises assess the suitability of establishing regional headquarters in Hong Kong, whether the environment is nice and whether talents can be attracted to Hong Kong are very important factors to be considered.

Yet, Hong Kong cannot fight on its own in improving air quality, tackling climate changes, promoting environmental protection industries and protecting water resources, we must have close communications and co-operations with Guangdong Province and our neighbouring areas.

Guangdong and Hong Kong should work out a series of measures for strengthening regional co-operation under the Framework Agreement on Hong Kong/Guangdong Co-operation, and jointly construct the Quality Living Circle, such as formulating the 2011 to 2020 emission reduction targets and programmes. I hope the governments in both places would establish these programmes as soon as possible, so that the vision of creating a quality city with quality living can be realized at an earlier date. I hope the Secretary would work with Guangdong Province and the State in speeding up the work, with a view to improving our air quality in the future.

President, I so submit.

MR IP KWOK-HIM (in Cantonese): President, the work on home affairs has always been important and is closely connected to improving the quality of life of every citizen and upgrading their qualities; areas such as culture, recreation, sports and self-cultivation are included. Therefore, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) earnestly hopes that the departments responsible for home affairs would listen to more public views in relation to sports development, the West Kowloon Cultural District (WKCD), enhancement of national education and youth development, so as to make preparations for upgrading the qualities of the population and complementing the high-speed development of our country.

Sports development

The SAR Government has all along adopted a three-pronged approach to promote sports development, that is, to promote sports in the community, to

develop elite sports and to make Hong Kong a major location for international sports events. These areas have been mentioned in this year's Policy Address, the Policy Agenda and briefings by officials of the Home Affairs Bureau. There are some new initiatives, such as the public swimming pool monthly pass scheme that we have been striving, as well as standardize charges of public sports venues in urban areas and the New Territories. However, there are bottleneck problems in the abovementioned three aspects to be addressed by the Government.

First of all, television broadcasting of international sports events is a major bottleneck in promoting Hong Kong as a major location for international sports events. Allowing people to watch soccer matches and Olympic Games at home is vital in making Hong Kong a major location for international sports events and in promoting sports in the community. Television broadcasting of sports events can create a better atmosphere to attract the audience and increase their interests in sports. In recent years, television stations have spent a lot of money on bidding for the television broadcasting rights of international sports events. As these games are available on pay television channels, people have to pay to watch these games, hence the grassroots with limited means cannot watch these exciting games. International sports events, including World Cup and the Olympic Games, are held to promote sports so that the public can share the fun. If people have to pay to watch television broadcasting programmes, this undoubtedly runs contrary to the principle of organizing these events.

In order to enable the general public to watch major sports events free of charge, and reduce the controversies of television stations over broadcasting rights, the DAB urges the Government to study whether the Government or non profit-making organizations (such as the Hong Kong Jockey Club) should bid for the broadcasting rights of international sports events, and then sell such rights at a fair price to various free television broadcasters, Internet service providers and radio stations, and even broadcast the events in government venues, so that the public can enjoy these international sports events free of charge. I believe this would improve public interest in sports, and thereby effectively promote sports development in Hong Kong.

The lack of adequate district sports facilities is a bottleneck in promoting sports in the community. The Chief Executive undertook in the Policy Address to study the financing options and mode of operation of the proposed

multi-purpose stadium complex at Kai Tak. It is reported that the project involves \$19 billion and it can be commissioned around 2018 to 2019 at the earliest. While there are uncertainties as when the works on large sports facilities will commence, the most disappointing fact is that the Government has failed to respond to the public's requests for many district sports facilities over the years, such as the Indoor Recreation Centre at Area 4, Tsing Yi; the Sports Centre in Area 14B, Sha Tin; the Sports Centre in Area 24D, Sha Tin; the development of a bathing beach at Lung Mei, Tai Po; an indoor heated pool in Area 1, Tai Po; the Indoor Recreation Centre at Area 14, Tuen Mun and the Local Open Space in Area 117, Tin Shui Wai. All these works are outstanding leisure and cultural services projects of the former Municipal Councils; the planning and preparation works have been completed and the projects have been endorsed by District Councils. The only missing step is the Government's approval to allocate funds.

At present, people fight hard to book sports venues, which reflect a serious shortage of district sports facilities. People who want to book the sports venues of the Leisure and Cultural Services Department (LCSD) have to do so via the Internet or by telephone 30 days in advance. They must be punctual and log on the website of the Leisure Link Internet Booking Service at 7 am because booking is accepted on a first-come-first-serve basis. In the past two years, the Office of The Ombudsman received many complaints from the public about the booking of LCSD sports venues, and more than 50 cases had been handled. It is even found that some people have exploited the management loopholes of the LCSD and reserved a large number of prime-time slots; they then sell these time slots on the Internet for profits, turning public facilities into profit-making tools. This reflects that there is a strong public demand for sports venues; hence, the Government can no longer turn a blind eye. Given its huge financial surplus, it should meet public demand for sports venues as soon as possible and approve the funding for the construction of district sports facilities.

As regards the development of elite sports, the bottleneck is the monitoring of National Sports Associations (NSAs). NSAs are responsible for the selection of the best athletes. They enjoy autonomy and independence in selecting athletes, setting their eligibility qualifications, as well as deciding the number and choice of athletes, coaches and persons to provide logistics support. At present, the subvention from the Government to 58 NSAs amounts to \$231 million and four of these NSAs have received subvention of more than \$10 million. Since

we have invested large amount of resources in NSAs, we naturally hope that NSAs would effectively utilize these resources and contribute to the nurturing of outstanding elite athletes.

In the past, we received from time to time comments from individual athletes about the unfairness of NSAs in selecting and subsidizing athletes; they also complain that NSAs are impartial and act behind closed doors. Years ago, the Audit Commission had, in its report on NSAs, pointed out that the amount of subvention received by NSAs had nothing to do with their performance. After reviewing the issue, the LCSD has proposed this year some measures to set things right. These measures include setting performance-based performance targets for NSAs, conducting quality assurance inspections covering all NSAs on a three-year cycle, and implementing a commendation and subvention adjustment system. It is a responsible and reasonable act of the Government to suitably monitor NSAs and ensure the efficient use of public funds. I believe the Government can assist and promote NSAs to enhance the transparency of their administration, financial status and selection mechanism, so as to ensure that all athletes are treated fairly.

In the Policy Address, the Chief Executive has also mentioned the WKCD, though not in details. There is only one paragraph, that is, paragraph 143, on the issue. However, there is strong public opinion for the expeditious implementation of the WKCD project. The Administration is currently conducting public consultation on the WKCD development plan, which will be submitted to the Town Planning Board at the end of this year. There are less than five years before the completion of the facilities for the initial phase in 2015, which include the Great Park, arts pavilions and the Xiqu Centre. However, as the development plan is still not finalized, we are indeed worried whether the facilities for the initial phase will be available in 2015 as scheduled. Thus, I really hope that the Government would spare no effort in taking forward the WKCD project, and that it would not waste resources or continue to allow the land to lay barren for a long time.

As regards cultural software, I would like to take great pains to urge the Government to invest more resources. Within five years beginning from the year 2010-2011, the Government will spend \$486 million to develop programmes, nurture talents, promote art education and build audience base. The said amount seems to be a large sum but we cannot catch up with our

neighbouring areas such as South Korea and Japan. For example, Hong Kong will only spend \$22 million within five years to subsidize or support students to take part in arts education activities, that is, only \$4.4 million per year. Given the limited resources, it is doubtful how arts education can be promoted to 1.1 million kindergarten, secondary, primary and tertiary students. I propose that the Administration should upgrade the policy level of cultural and arts education, make reference to the experiences of places like Japan and South Korea, inject more resources and proactively nurture the interest of youth in culture and arts, thereby building Hong Kong into a regional cultural hub.

The Chief Executive has mentioned hostels for single youths in his Policy Address. Youths aged below 30 who cannot afford home ownership can rent hostel units at lower costs, and they do not need to live in sub-divided units. Last year, the DAB already proposed the provision of such units to youths so that they will become independent and no longer have to rely on their parents. The DAB conducted a questionnaire survey last year on 350 youths aged between 21 and 35, and we found that half of them believed that they should purchase homes before planning to get married and have children. More than 70% of youths supported the implementation of the Hostels for Single Youths scheme. As such, we suggest that the Administration should provide such rental housing schemes for youths, and small units should be provided under the schemes to meet the demands of youths. I really hope that the Government would give youths stronger support.

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

The policy areas under the Home Affairs Bureau are wide-ranging, though they seem to be unrelated. All in all, these policy areas seek to enable the public to realize their potentials in a favourable living environment. Thus, the DAB hopes that the SAR Government would ensure that the department responsible for home affairs would have sufficient resources for the implementation of major projects in hand.

I so submit.

MR WONG YUNG-KAN (in Cantonese): Deputy President, on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong, I will speak on food safety, agriculture and fisheries and environmental protection.

Food is a first necessity of the people. The hiking commodity prices in recent years have imposed, among others, increasingly heavy financial burden on the people of Hong Kong. The Chief Executive has also pointed out in the Policy Address that extra efforts will be made on food banks, in a bid to provide more food and further improve this service. However, it is evident that global climatic changes are dramatic. For instance, to date, flooding in Thailand has shown no sign of subsiding, which is indeed a matter of concern to us all. Certainly, you may ask, is Thailand the only place that supplies rice to Hong Kong? Although it is not, the flooding has sounded an alarm to society and the world that food prices are rising.

The Financial Secretary said just now that our commodity prices seem to have stabilized and the commodity prices on the Mainland have also stabilized a little. However, is it really where the problem is? I believe that owing to factors such as climatic changes and social changes, food prices will inevitably go up.

Since we have to solve the food problem I remember that in September this year, someone was invited to a television programme to talk about the development of the industry. I also wish to talk about the agricultural and fisheries industries the food problem to be exact. A decade ago when the operating licences for pig and chicken rearing were not surrendered to the Government, 20% of the pigs (that is, about 800 pigs in the 4 000 to 5 000 pigs in total) were directly supplied or reared by local farmers. However, owing to problems such as diseases and complaints about the industry, pig farmers have voluntarily surrendered their operating licences to the Government. To date, there are only 43 pig farmers with operating licence. These 40-odd pig farmers are still in business, but the supply has substantially dropped to only about 100 to 200 pigs every day. As a result, the price of pork in Hong Kong has inflated with the increasing commodity prices on the Mainland.

Similarly, as compared with imported pigs, the price of locally-reared pigs is lower. Some people may attribute the lower price to the inferior quality of

local pigs. This is actually not the case. Locally-reared pigs are sometimes better than imported pigs in quality and sometimes not. The industry has many views to voice and it does not know what the Government is up to.

During the summer recess, I paid a visit to pig farms on the Mainland including those in Hainan and Zhaoxing. It is my habit to make use of the long holiday to travel around and observe the progress of the agricultural industry. I note that as compared with us, the agricultural industry on the Mainland is Of course, the Government will say that with the State's support, agriculture on the Mainland will surely develop. Some people say that pig farms are smelly, but I do not find such problem in these pig farms because all manure is reused in an eco-friendly way. At present, most of the pig farms on the Mainland are required to use the biogas emitted from pig manure to generate electricity for the farm. There are such measures on the Mainland. Moreover, all manure collected in pig farms are used for cultivation.

I do not know how the Environment Bureau considers this issue. I often told the media that Hong Kong is the dumbest place in the world. We have such good things, but we just let them rot or dry up at our doorstep. The present ordinance, the one about discharge of pollutants, has been enacted since 1985. We have been using the same method to discharge pollutants. Are changes really not possible? Is the Environment Bureau is the approach indisputable? I do not know why there is no room for changes. That is why the industry regards this as a heavy We have to carry the bad name of being filthy; farmers, and pig farmers have to bear the blame for all the unpleasant things. Thus, when the Government proposed the surrender of the operating licence, some pig farmers, who had long been the target for criticism, opted for the proposal, saying that they were left with no choice. This is one of the government policies.

The situation of the chicken rearing industry is the same. There were once 160-odd chicken farms, but now only 30 farms left. In terms of supply, indeed, the Government has been very Half of the chicken are still supplied by local farms because the Government has been actively promoting chilled chicken. Thus, the Government still pays good attention to local chicken farms, but the monitoring requirements imposed are very stringent. We accept the monitoring. The industry has not rejected the monitoring of the Government.

It is our responsibility to find ways to improve our work. As the chicken farmers have said, in recent years, apart from the avian flu in 2008, The cause of the flu has not been identified. To date, the causes are still unknown. Some said that the avian flu was airborne The chicken farmers had great grievances because they had been put out of business for almost a year. In this regard, I hope the Government will really look into Even now, the media still confuses avian flu with other kinds of influenza, warning the public that they should be careful or even avoid going to farms; and on the same footage, influenza is also mentioned. I thus hope that the Government, in making announcements of public interest, can lay down clear definitions, so that the public will know. Nowadays, many people will visit places with animals when they travel abroad. I hope that the Government can understand our situation in this regard.

Just now, I talked about conservation, that is, environmental protection, and I have talked about the agricultural industry. I do not know if the Secretary for the Environment has ever seen these photos. They were given to me by a farmer. I was shocked when I saw the photos. This one shows the Long Valley wetland, a place frequented by bird watchers. The vegetables planted were all trampled on. The farmers have tried to seek help but to no avail. Finally, the Under Secretary for the Environment discussed with me on how to settle the incident. If there is just one bird A group of 30-odd photography lovers went to the field to watch birds and they trampled on the vegetable. The tears of the Long Valley farmers have run dry. They have sought help from the Agriculture, Fisheries and Conservation Department (AFCD), hoping that the AFCD could help them, but the AFCD said they could not provide any help in this incident. If farmers have problems with vegetable cultivation or if they have to apply for some sort of emergency relief fund, the AFCD can provide help. Given that the damage done to the vegetable farm is not incurred by bad weather, farmers cannot get any compensation. If the vegetable dies, just let it be. It is the farmers who suffer, not bird watchers.

Hence, you see, similar to the vegetable fields The fish ponds in Yuen Long and Mai Po are having the same destiny. If you fill your land with water and let birds fly over and eat the fishes in your ponds, you will be granted a few thousand dollars; otherwise, you will not get a penny. How can the farmers make a living then? I hope the two Secretaries can understand that people who

are currently make a living with agriculture in Hong Kong have a hard time, but they are very committed. To date, look at them If this group of people go to the Social Welfare Department (SWD) I once took them to the SWD to discuss their case The SWD staff said that they were eligible to apply for Comprehensive Social Security Assistance (CSSA). As these people are still physically fit, how can they apply for CSSA? They simply are not willing to do so. They only wish to have a place for farming and make a living. It is that simple. They said, "We want to make a living and we are not asking you to provide assistance to us." However, the Government seems to regard them, the farmers, as a burden to society, and is not even willing to meet them.

Should the Government show a little compassion and meet with the farmers? How about building a pergola for them to plant vegetables? The Government refused to do so. The farmers wish to take out loans, but the Government says that the money borrowed has to be returned. The Government can grant a few million dollars to the Bird Watching Society for bird watching and management, but it refuses to grant a few million dollars for farmers to build pergolas for farming. What kind of logic is this? Members, what kind of society is this? When the produce of our hard labour are ruined by others, we cannot get any compensation for the loss. When we turn to the Government for help, we are being ignored. On the other hand, these bird watching societies are given an annual grant of several million or even 10 million dollars by the Government for bird watching activities; yet, their members can wilfully ruin other people's property and pretend as if nothing has happened. What kind of society is this and what kind of people are they? We advocate the development of a harmonious society, but are they not stirring up social conflict? I hope the Government can pay attention to this incident.

I wish to bring up another incident. A farmer in Tai Long Sai Wan recently came and said to me that he could not do anything with his land. He does not intend to sell his land; he just wants to cultivate the land. Yet, he is not allowed to grow vegetables on his land. Virtually nothing is allowed to be grown. It turns out that if he wishes to plough the land, prior application with the Lands Department is required; otherwise, no cultivation is allowed because the process involves ploughing the soil. A farmer owning his own land cannot plough or cultivate his land without prior application. What kind of logic is this? Secretary, just go and tell those farmers how they can maintain a living!

Recently, another farmer came to me and said he wished to plant pseudo-ginseng on his land in Yuen Long. The land was originally a fish pond which was filled up some 10 years ago because of flooding in rainy season. After the pond was filled, the Government resumed the land because of railway construction, but the land was then left vacant and has not been designated for any land use so far. So the farmer asked the Government to let him cultivate pseudo-ginseng to make a living as he has acquired the skill. The Government said he could not do so because it was Government land. I hope the Government can be more humane in enforcing these policies. The farmer only wished to plant pseudo-ginseng on a piece of land by the side of the Government land. He was not asking the Government for CSSA or other assistance. He only wished to have a means of subsistence. These are hard-working farmers. How does the Government treat them?

Some farmers in Lau Fau Shan have filled their fish ponds for growing vegetables, but the Government said that the land cannot be used for such purpose, it can only be used for growing grass. No vegetables except grass can be grown. What kind of policy is this? Farmers who have turned their own fish ponds into farmland are not allowed to grow vegetables on their own land. Only grass can be grown. One of the farmers queried the use of growing grass, given that he was not growing turf grass used in the Hong Kong Jockey Club. Turf grass is very expensive, but he does not know how to grow it. The Government said he could grow green grass, but what is the use of growing green grass? I thus hope that the Government can consider adopting some policies to rectify its mistake. Its approach is wrong. I thus hope that the Government can address the issue from a different angle.

I wish to turn to the problem of trawling which was mentioned in paragraph 140 of the Policy Address. The Government has already submitted a relevant paper, stating that it will introduce legislation to expeditiously establish a licensing system. This is a proposal we put forth in the Committee on Sustainable Fisheries. I welcome the Government's willingness to adopt this measure. However, after reading the whole document, I note that only the Hong Kong waters will be regulated. There are about 3 000 fishing vessels in Hong Kong, but only 400 of them will be put under regulation. Should the other 2 000-odd fishing vessels be regarded as fishing vessels in Hong Kong? Thus, I will definitely propose an amendment when the Bill is introduced into the

Legislative Council. The Government should find out the total number of fishing vessels in Hong Kong. Instead of taking this opportunity to introduce a territory-wide licensing system, the Government has proposed to grant licences only to the 400 fishing vessels or other inshore fishing vessels. I agree with the licensing system, but I do not think that the Government should only do part of the job and leave part of it undone. Thus, as far as this proposal is concerned, we do not agree with the Government's approach.

Recently, many people from the industry, who have been local fishermen all their life, approached me and asked me how they could earn a living under that government policy. They asked whether their fishing vessels are regarded as local fishing vessels and whether the Government will look after them in its future policy, that is, fisheries policies. Moreover, when they surrender their licence In the past few days, I visited some fellow fishermen in the district and they told me that their fishing vessels were one of the 400 fishing vessels. They wish to remain as fishermen because they are only in their fifties. Buddy, should they just live on their savings? The Government only gives them a small amount of money. They cannot just sit idly at home and wait for the time to eat or even to die. However, can they obtain a licence for their fishing vessel to operate in Mainland waters? My fishing vessel was originally fitted with a 600-horsepower engine. I can now fish further afield in Nansha or Zhongshan because the engine power can now reach a maximum of 1 000 horsepower. Who decide this range of horsepower? According to existing Mainland policy, you need to purchase horsepower from other people before you are allowed to run your fishing vessel at 1 000 horsepower. In other words, the fishermen have to pay for the horsepower themselves. Hence, the Hong Kong Fishermen Consortium has urged the Government to expeditiously discuss and resolve these issues with the Central Government and the Ministry of Agriculture because among the 400 fishing vessels the licence of which will be surrendered to the Government, over 100 of them fish in the open sea. These people are not very old, mostly aged below 55. How are they going to make a living? What will be done with these fishing vessels?

Mr Vincent FANG just made a calculation. He found that the Government has allocated \$180 billion for social welfare in the past few years. Just now in the Ante-Chamber, I told Mr Vincent FANG that I would be more

than happy if the Government could allocate \$800 million out of the \$180 billion for fishermen to develop the fisheries industry. I have to state that the money is only a loan, loaned to us to develop our industry. If the Government is willing to do so, I am more than happy. Just remember how the Government has been severely criticized for its cash handout. To date, people have not stopped criticizing the Government for handing out \$6,000. Certainly, with the first batch of people getting the cash handout, the criticism has died down a little. Right? The Government is again being criticized for having to wait till now to implement the \$2-trip transport concession. Why is that so?

We certainly support transport concessions for the elderly, but the Government should do more. It can follow the measure adopted on the Mainland and issue a free transport card to elderly aged 65. Is it not a good idea? We support this measure, but what matters most is how the arrangement can be improved so that people can be granted more money hassle-free. Hence, in this regard, how is it possible that the Government on the one hand wishes to take forward inshore marine conservation, but on the other it wishes to make this group of people disappear or vanish from this earth? Should it not have a better solution so that these fishermen can remain in their profession?

Why do I always talk about these problems? It is actually related to the current commodity prices. When I became a Member of this Council, I had already pointed out that the contribution of the agricultural and fisheries industries to the economy are insignificant. In terms of assets value, the industries are not even as high-valued as a building. However, the agricultural and fisheries industries involve the livelihood of many people and are related to commodity prices. Should the Government not attach importance to the industries? China attaches importance to the industries. The whole world attaches importance to the industries. Why our SAR Government Do we really have no land at all? Are there really no jobs suitable for farmers? I do not think so. The point is that the Government has nipped everything in the bud and applied outdated policies to take forward conservation in modern time. I hope the Government can also adopt a multi-pronged approach in considering and examining this issue.

Regarding fisheries, I wish to tell Secretary York CHOW that, no matter who your successor will be, your work should go from strength to strength, just

like the title of the Policy Address. I hope that your bureau can really find a way out for the agricultural and fisheries industries in Hong Kong and that something can be done for the trade, or efforts can be made to improve the work done. Our fellow farmers are having a tough time. Some say that they make money, but others say that they have deficits. In order to grow vegetables, they have moved from Guangdong to Jiangxi and now from Jiangxi to Ningxia and then from Ningxia to Yinchuan and Gansu. Why? Just for growing vegetables. Do you think they can make money? In order to make a living, they travel to faraway places to grow vegetable and transport seasonal vegetable back to Hong Kong for the people. But has the SAR Government offered any help to them? I hope that the Government can do something for the industry Given that it has spent so much money on charity, why does it not do something for our farmers?

Moreover, I hope that conservation policy is not one-sided. Just now I mentioned the incident in Tai Long Sai Wan. In fact, there is another incident. At a meeting of the Country and Marine Parks Board held in October, I was upset and said that conservation policy was not overriding, it should be accommodating. Right? The conservation policy only takes care of hikers, what about land owners? Now farmers do not even have land to farm, but they are criticized for obstructing the development of conservation by some people in the community. I said at the meeting that if Tai Long Sai Wan was to be incorporated into the country park as a conservation area, 54 other conservation areas would also be incorporated. Tai Long Sai Wan would become a precedent, after which other plots would also be automatically incorporated into the country park by the Country and Marine Parks Board or through some other channels.

Furthermore, I do not know how the membership of the incumbent Country and Marine Parks Board is formed, because not even the most authoritative Heung Yee Kuk New Territories has a member to sit on the board. I am not sure whether Secretary Edward YAU is reluctant to include them as members, for fear that they may say something inappropriate. If so, I think he is wrong. He has rejected those who wish to communicate with him and welcomed those who frequently criticize him to sit on the Board. What kind of policy is this? I thus hope that the Government will reconsider whether this is logical to do so. I am not sure if I am correct because on the day of the meeting, I noted that representatives from the Heung Yee Kuk New Territories were not on the

attendance list, not even Dr YAU Wing-kwong who has been very supportive of the Government. His exclusion was perhaps because he had been a board member for six years.

I hope the Government can consider its conservation policy from another angle and see if the policy has any problem. We support the Government's conservation efforts. Why? Back then when marine parks were to be established, I, together with another District Council member Mr HO Tai-wai, was severely criticized by fishermen for supporting the Government in this matter. My support turned out to have placed the fishermen in an increasingly difficult situation. Have you tried to be understanding of our situation? When I talked about conservation just now, I did not mean unilateral conservation, but conservation benefiting the entire society.

Another point is, the Government should leave room for local residents and local people to survive. It has now turned conservation into On that day at the meeting, where I was criticized by the NGOs, I asked, "What can our local residents do?" Can local residents mobilize other organizations to take forward conservation? Why does the Government not provide assistance to local residents in taking forward conservation? Why should the NGOs be the one to take the lead? Is it true that people who make the loudest noise will be appeased and be given what they want; but farmers are unwelcomed and will be driven away or beaten up if they show up? Secretary Edward YAU, is this the way our society should be? I thus hope that his conservation policy will not be unilateral, it has to be incorporated with local aspirations to be a genuine conservation policy. How can the conservation policy work if it rejects even the local people? Just like the farmer who came here on that day, he said that if they said anything more, he would burn everything down, saying that there was no point discussing with them. I asked him not to do so, saying that he would commit a criminal offence and would be arrested. We do dissuade farmers from doing such things, but on the other hand, what about you? You and the outsiders keep criticizing them. I thus hope that the Government can consider the conservation policy from another angle because people in an integrated society should get together and discuss how to get things done. Moreover, people vested with the rights should also be protected. Only when their rights are protected can they get together and start the discussion.

I do not think that people in the New Territories or the fishermen are rigid. We are also reasonable. Right? On the other hand, nowadays, many people are unreasonable. They say, "I want to trample on your land, so what? If I do not trample on your land, I cannot photograph that bird." Their behaviour has turned the matter into an "either you die or I die" situation. This is what the farmers have said: either you die or I die. How can the farmers put up with the present situation? I thus hope that the Government, instead of taking its own course, would listen to more views on the conservation policy and do a better job.

I wish to use the remaining time to discuss several government reclamation projects soon to be started, including the one concerning the airport and the Hong Kong-Zhuhai-Macao Bridge project. The Government has also stated in the Policy Address that it will generate more land by means of reclamation. All these are related to my industry. However, what kind of treatment did farmers and fishermen get from the Government? Regarding the policy on compensation, for instance, we have discussed this issue with the Government for years. Will the Government reconsider this issue and expeditiously meet with the industry for discussion? In particular, will Secretary York CHOW expeditiously initiate discussion with us? I hope Secretary York CHOW will expeditiously meet with the fishermen and fisherman organizations and see how to properly formulate the compensation policy.

Another issue is, the Government wishes our industry to have better development, it has at the same time turned our industry Let me cite a simple example. Take Ma Wan, a place of fish farms, as an example. If you farm fish in Ma Wan and you need light at night, you need to generate the electricity yourself with a diesel generator. Many rich people living next to the fish ponds, such as those living in Park Island who mostly belong to the middle class, have complained against them. In fact, the fish farmers have been there for a long time. They have been working there since the 1970s and 1980s, but the Park Island was only constructed in the recent decade or eight years ago.

However, I am not directing against these people. What have we, the fishermen, done in the past? We have discussed the matter with CLP Power Hong Kong Limited (CLP), hoping that it could supply electricity to the fish rafts and save us from generating electricity ourselves. The fishermen have already discussed with the Lands Department as well as the Home Affairs Department. But now they are told by the Lands Department that if they wish to be exempted

from paying Government rent, they will have to find a Policy Bureau to prove in writing that their land has been engaged in fishery businesses. With the letter, the Lands Department will immediately proceed to work and provide electricity to the fish rafts together with the CLP. However, the discussion has lasted for years. Our fishermen are really too honest in submitting formal applications to the Government. If not, they would be able to illegally provide electricity to their fish rafts long time ago. As a result of the applications they have honestly submitted to the Government, the Food and Environmental Hygiene Department undertook that they would discuss the matter with them, but later they said that they transferred the case to the Electrical and Mechanical Services Department. Secretary CHOW, which department is actually responsible for following up this matter for us? To date, the matter is still unresolved.

Complaints from people living in Park Island have never stopped. Even the District Officer in Tsuen Wan has come and asked for my help to persuade the fishermen. However, it turns out that after I have persuaded them and they have accepted my proposal, the government departments stand in the way. What should we do then? Now, electricity is still not supplied to the fish rafts. If the fishermen use the electricity generator, the noise will become a nuisance to the residents. I thus hope that the Government can examine this matter and help to put these policies straight. We, the Federation of Hong Kong Aquaculture Associations, have submitted to the Government six to seven locations of fish rafts which are adjacent to the residents. We hope that the matter can be properly resolved, and that Secretary CHOW can consider this matter in the light of the development of our industry.

With two minutes left, I wish to say that fishermen in Hong Kong have to thank our country for what it has done in the past few years. President, honestly, from 2009 to now, the Ministry of Agriculture has provided diesel subsidy to Hong Kong fishermen, amounting to RMB 800 million yuan. For the first half of 2011 alone, the fishermen have been granted RMB 200-odd million yuan of diesel subsidy. Why? It is because we are regarded as Mainland fishermen as well as Hong Kong fishermen. We hold accounts in the two places.

Hence, not only has the SAR Government failed to implement conservation policy for the fishermen, it has also failed to consider this point. Let me cite a very simple example. Regarding the review on fishery development, can consideration be given to assessing whether it is feasible to provide low-interest

loan or to use the fishing vessel as a guarantee? The RMB 800 million yuan provided by our country is non-reimbursable. In the first year, RMB 200-odd million yuan was granted; in the following year (it was 2010), RMB 490 million yuan was granted, and in the first half of 2011 (that is, the six months preceding June), RMB 280 million yuan has already been granted. I and my organizations have strived for such benefit from Beijing. Certainly, some Policy Bureaux have also played a part in the process. I thus hope that the Government can examine whether there is any room for improvement in this regard, and implement some measures for the agricultural and fisheries industries. In order to provide cheaper food for the people of Hong Kong, the Government should take the development of the industries to the next level.

Thank you, Deputy President.

MS AUDREY EU (in Cantonese): Deputy President, I follow Mr WONG Yung-kan to speak. Just now, Mr WONG has spent 30 minutes to pour out his grievances in bitter and anger. In fact, this is not the first time he does so. Sometimes, he has even almost used unparliamentary language. However, I feel sorry for him because I am afraid in the end Mr WONG Yung-kan will have to toe his political party's line to vote in support of the Motion of Thanks.

Deputy President, today I

(Mr WONG Yung-kan stood up)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Yung-kan, do you have a point of order?

MR WONG YUNG-KAN (in Cantonese): Is she insulting me or what?

DEPUTY PRESIDENT (in Cantonese): Mr WONG, are you asking Ms Audrey EU to make a clarification?

MR WONG YUNG-KAN (in Cantonese): What did I say that has upset her so much?

DEPUTY PRESIDENT (in Cantonese): Are you asking Ms Audrey EU to make a clarification?

MR WONG YUNG-KAN (in Cantonese): Yes.

DEPUTY PRESIDENT (in Cantonese): Please sit down. Ms EU, are you going to make a clarification?

MS AUDREY EU (in Cantonese): Deputy President, I am afraid Mr WONG has misunderstood me. I did not say that his speech upset me. I only said that he sounded very unhappy and angry when he spoke. Despite his anger, complaining for 30 minutes, he ultimately might have to follow his political party in giving thanks to the Chief Executive. This is what I meant to say.

DEPUTY PRESIDENT (in Cantonese): Please continue with your speech.

MS AUDREY EU (in Cantonese): Deputy President, I will talk about environment protection in this session.

Actually, I think the Policy Address has highlighted the Government's long-standing position in environmental protection, that is, no timetable, no roadmap and no commitment. It gives us the impression that the Government adopts a cavalier attitude and it will not make an effort to do more. If you have listened to the Secretary for the Environment or other Secretaries just now, you will notice that the series of measures they have put forth are often fragmentary, and in the end the results of the measures will not be prominent. This is precisely the biggest problem we have encountered in environmental protection.

For instance, in paragraphs 24 and 129 of the Policy Address The Chief Executive said in paragraph 129, "We have consulted the public on updating our air quality objectives (AQOs) and the associated improvement measures." Deputy President, as a matter of fact, the consultation was completed two years ago. As stated in the 2009 policy address, the Government conducted a four-month consultation which was completed in November 2009. In the same paragraph, the Government said, "We will draw up the final recommendations for updating the AQOs and make a proposal to this Council." However, Deputy President, one and a half years ago around end of last June, the Government already submitted the proposal on updating the AQOs to the Legislative Council after completing the consultation, but to date it has no timetable telling us when the new AQOs will be implemented.

In this May, when I chased after the Chief Executive on the time for implementing the new AQOs at the Chief Executive's Question and Answer Session held at the old Legislative Council Building, he said it would be implemented by the end of this year. However, we keep waiting and waiting until the Policy Address in October, only to find that no timetable is mentioned. Hence, I pursue again. The other day when I met the Secretary for the Environment, he told me that the new AQOs would be implemented in the second half of next year. I said no, citing the Chief Executive's words that it would be implemented by the end of this year. It turned out that in a programme of Radio Television Hong Kong, the Chief Executive said that the new AQOs would be implemented within his term of office, that is, before end of June next year. In other words, there is another half year delay.

The implementation is subject to Secretary Edward YAU. I have repeatedly asked Secretary YAU about the time of gazettal. In fact, the new AQOs proposal was available on 28 June last year, but the proposal has to be published in the Gazette before it can be implemented. Then, when is the time of gazettal? What is he waiting for? Deputy President, the Government has given no explanation. Recently, I asked him for the time of implementation again, given that the Chief Executive already undertook at the radio programme that he would tackle this issue within his term of office. He answered that the Government was now rolling out 19 measures, after which it would implement the new AQOs at an appropriate time.

Deputy President, what I wish to say is that the AQOs are not a set of simple objectives or a standard. They have actual functions. Having implemented the 19 measures does not mean that the air quality will be able to meet the AQOs. Why? In conducting the environmental impact assessment (EIA) on infrastructure projects, the Government has adopted the old AQOs laid down in 1987, which is almost a quarter-century ago. Hence, the assessment can be endorsed. Deputy President, the Government often told us that the EIA did not identify any problems, but something legal does not mean that it is justifiable, nor does it mean that it is environmentally justifiable.

Deputy President, the actual situation we are facing is that the Government is unwilling to tell us the timetable, the exact day or month in which the AQOs will be updated. As long as the updated AQOs are not implemented, all EIAs conducted on infrastructure projects will be based on the old AQOs laid down in 1987.

Deputy President, another part of the Policy Address also points to the same problem. In paragraph 137, which is about solid waste management, the Chief Executive said the Government would raise the municipal solid waste (MSW) recovery target to 55%. I wish to draw Members' attention to the fact that the Government has already laid down a target, which is to reduce the total amount of MSW generated. It has previously set out a target in the Policy Framework for the Management of MSW, which was to reduce the total amount of MSW generated by 1% per annum from 2005 to 2014 (almost 10 years' time). However, Deputy President, the Government certainly cannot achieve that amount of waste reduction. Instead of reduction, the amount of MSW has actually increased. In the end, the Government has abandoned the target. Let us look at the data. In 2004, the amount of MSW generated was 5.7 million tonnes; in 2008, it reached 6.6 million tonnes. Thus, Secretary Edward YAU came to the Legislative Council last year and said that the Government had a new target, which was to raise the recovery rate. Raising the recovery rate has nothing to do with the total amount of MSW generated because the latter can keep increasing while the Government only raises the recovery rate.

This is another good example to illustrate that the Government has no timetable and target in respect of environmental protection. Even though it once had a target, the target was ultimately abandoned. Now, the Government has

simply given up announcing the total amount of MSW generated. However, based on the 9 000 tonnes of MSW being disposed of at the landfill every day and a 49% recovery rate, we are able to calculate that the total amount of MSW generated in 2010 was about 6.44 million tonnes. If we adopt the target of reducing the MSW by 1% per annum from 2004, the total amount of MSW generated in 2010 should be 5.44 million tonnes. However, we estimate that the total amount of MSW now should be about 6.44 million tonnes. Hence, as compared with the target then, there is now a difference of 1 million tonnes.

Deputy President, in the same paragraph on solid waste management, the Chief Executive said, "We will expedite legislation for the early extension of the Environmental Levy Scheme on Plastic Shopping Bags to all retail shops, and for the introduction of a new Producer Responsibility Scheme for waste electrical and electronic equipment." Similarly, the Government originally has set a timetable to complete the legislation by 2009 for extending the Producer Responsibility System to six other products. It is now 2011, but the discussion still remains at expediting legislation for one product, meaning that the Government has not even completed the enactment of legislation for one product.

Besides, I have asked the Government, in respect of the legislation on environmental protection, what can be achieved this year? The Government is not going to introduce legislation to take forward phase II of the plastic shopping bags levy, nor is it going to introduce legislation on electronic waste. Deputy President, we can precisely see from this example that when it comes to something important or something which should be done, the Government has no timetable and roadmap. It has not done what it should, but it has done As the Chief Executive has said in the Policy Address, the Government has done something. It is going to earmark \$180 million for purchasing 36 electric buses for trial runs.

Deputy President, I actually do not oppose these measures, except that similar measures proposed by the Chief Executive in every policy address are very fragmentary. Members may still remember that last time he sought funding approval from the Legislative Council for buses to install catalytic converters. Deputy President, you should also remember that on that occasion he also sought funding approval for replacing the pre-Euro and Euro I buses. Because of the lukewarm response, he then proposed the replacement of Euro II buses and the launching of the Pilot Green Transport Fund, to which very few people have filed

applications. Fifteen applications were ultimately approved under the \$300-million Fund, which covered 16 electric buses and nine electric goods vehicles, accounting for \$50 million, that is 16% of the Fund. The series of similar measures, many of which are unpractical and unpopular, are not cost-effective.

(THE PRESIDENT resumed the Chair)

We always say that buses forming lines of tall walls are the main culprit in roadside air pollution. We propose that \$6 billion be earmarked to establish a bus retrofit fund. The Government should initiate discussion with bus companies to explore the possibility of renting buses which are purchased with government subsidies. Moreover, many aged buses are running on the street as bus companies will only replace their buses which have run for 18 years. Hence, another solution is, the Government can request bus companies to replace their buses sooner and provide subsidies for any loss incurred due to bus replacement. By so doing, people walking on the street can at least breathe in less polluted air and the three roadside air pollution monitoring stations will not always break new records. However, the Government has not tackled these important issues.

The same is true for electricity. We propose that the power grid should be expeditiously made accessible or electricity tariff should be readjusted, so that the tariff paid will be relative to the electricity used, rather than the other way round, which discourages people from conserving the environment. However, the Government has not tackled these important issues at all. We also propose that large corporations should conduct carbon audit. I understand that it may be difficult for small and medium enterprises to do so, but we can at least make it a statutory requirement for large corporations, so that they can take the lead in conducting carbon audit. All these are feasible measures, but the Government just ignores them.

President, I also wish to talk about the Hong Kong-Zhuhai-Macao Bridge (HZMB). In fact, people object to the construction of a bridge connecting to the Mainland not for economic considerations but for environmental considerations.

The present environmental policy and environmental impact assessment system are full of loopholes. Secretary Eva CHENG pointed out just now that the Court ruled that the Government's handling approach is legitimate, but as I have said, the Government who has adopted a legitimate handling approach does not necessarily have a satisfactory performance in environmental protection. It is because the Court has no power to formulate policies or force the Government to update its AQOs. Moreover, the Government is treating the environment as a large container, putting all types of infrastructure projects inside as long as the container is not full or does not "break new records". However, the Government is using an old yardstick for measurement.

In fact, the Court of Appeal has also pointed out that the attitude of the Government is incorrect. The Government is duty-bound to minimize pollution created by every infrastructural and construction works project with the best possible means. This is very important. Secretary Eva CHENG said at the meeting of the Panel on Transport yesterday that the cost of the HZMB has indeed increased, but one of the major reasons is that the construction method has changed. A more environment-friendly but more costly method is now adopted which involves less excavation but more piles. I certainly hope that more of such environment-friendly methods will be used so that the works project can comply with environmental protection principles.

We note that in the litigation concerning the HZMB, the Government does not tell the public how many precious lives will be lost or what similar losses will be incurred if the new AQOs or a more environment-friendly approach is not adopted; instead, it has emphasized that over 70 works projects will be put to a halt and a certain number of workers will lose their job.

This morning Secretary Carrie LAM mentioned some rather interesting and indicative figures. In 2007 and 2008, people criticized Secretary Carrie LAM for kicking-start too few works projects. The costs were then \$20.5 billion. She said that by the time of this Policy Address, no one has criticized her because the costs have increased to \$58 billion. It is evident from the figures she provided that the Government has been continuously kicking-start different works projects. If the set of AQOs is not updated, the works projects will inflict an even greater impact on the environment.

Just now, Secretary Carrie LAM provided another set of figures concerning the unemployment rate. She also provided two sets of figures indicating whether construction workers would become unemployed as a result of the HZMB litigation. She pointed out that the unemployment rate then was 8% and the present unemployment rate of the construction industry is 4.4%, further adding that the Government is concerned about insufficient manpower and will thus conduct a lot of training. President, it is evident from these figures that many people, including the Government, love to scare people with figures, telling us how many people will lose their job and how the economy and unemployment rate will be affected.

In fact, the most important thing is our health because it is priceless. I really hope that the Secretary can give us a date on which the AQOs will be updated and tell us when the new AQOs will be genuinely implemented.

Moreover, President, I wish to spend a little time on our new Legislative Council Complex because whether we are environment-friendly is also very important. In the old Legislative Council Building, the air-conditioning in all the rooms could be adjusted or switched off and the light could be switched off when the rooms are not in use. Now the new Legislative Council Complex has numerous rooms, but the air-conditioning in the rooms cannot be switched off because they are controlled by central air-conditioning. In the past, we requested the temperature to be set at 25.5°C, but now I note that the temperature of some of these rooms is 19.8°C. I truly hope that the new Legislative Council Complex can demonstrate to the public our respect for the environment and that we have done what we should in conserving the environment.

Thank you, President.

DR LAM TAI-FAI (in Cantonese): President, I have not praised the Government for quite a long time. Yesterday, I spent 20 minutes criticizing the Policy Address for not mentioning industrial development. While criticizing the wrongs, we should approve the rights. There is indeed something commendable in this year's Policy Address. In the remaining 10 minutes of my speaking time, I want to spend five minutes expressing my views on sports issues.

Secretary TSANG Tak-sing is not in the Chamber now, so he cannot hear my compliment. President, actually, I highly appreciate Secretary TSANG Tak-sing. Although the proposal for bidding to host the Asian Games had been turned down, he has not been discouraged and continues to attach importance to sports development. The Policy Address has proposed establishing a \$7 billion Elite Athletes Development Fund and I think this is a good idea. The investment return of the Fund can then replace the current mode of providing subvention to the Hong Kong Sports Institute (the Institute). This will provide the Institute with stable resources, help make the Institute a world-class training centre, provide more comprehensive support to elite athletes, and strengthen our efforts in identifying athletes with potential. In my view, it is a sound policy for developing elite sports and I give it my full support. However, I want to tell the Under Secretary that \$7 billion is barely enough. It will be far much better if the funding can be increased to \$10 billion.

President, as compared with the past, elite athletes now enjoy a much higher social status and have higher income. An increasing number of people in Hong Kong are now willing to become full-time athletes. Many people share the view that full-time athletes can have a good prospect, and some parents also encourage their children, who are talented or interested in sports, to join the sports sector. I think the Government deserves credit for all these.

Nevertheless, it is necessary for the Government to improve and enhance its work in certain aspects in order to train up more outstanding athletes. I hope that the Under Secretary can relay my opinions to the Bureau.

First of all, the Government must allocate additional resources, so that more athletes can participate in international and national competitions for specific groups, in particular, those for young athletes, so that they can accumulate more experience in competition and upgrade their level. At present, there are too few opportunities for young athletes to go abroad to take part in competitions. Of course, the most important point we should bear in mind is that disregarding whether our athletes win or lose in the competition, the Administration should send some staff to greet them at the airport when they return to Hong Kong. In addition, we hope that the Bureau will not focus on developing certain kinds of sports and just provide resources to these sports. It should achieve a balanced development.

Secondly, as we all know, elite athletes must be trained since childhood. The Government's support must be on a long-term basis and covering all aspects. To put it simply, there should be a lifelong system, so that athletes with potential can fully devote themselves to training since childhood and have the support of their families. The Government should provide a full range of supporting and bridging arrangements in various aspects like family life, schooling, employment and retirement, so that athletes can, without any worries and with the support of their families, be devoted to training. Talents can then be retained. At present, the Government has neither put in place this system nor this concept. I hope that the Government can give a thought to this suggestion.

Thirdly, as I have suggested a few times before, the Government should consider setting up a mechanism to recruit retired elite athletes, which not only allows the Government to get help from these "experts" to provide precious views on policies to develop sports and enforce measures, but also provides elite athletes with another career path. As you know, these elite athletes are famous and esteemed by the public. If they are responsible for promoting district activities or popularization of sports activities, I believe the results will be more effective.

Fourthly, I always hope that the Government can establish a sports development council (the council) to formulate sports development policy and implement measures from a broader and higher level. The council can, at the same time, co-ordinate the Sports Federation & Olympic Committee of Hong Kong, China, various associations and district organizations under the National Sports Associations (NSAs), and even the Institute, and strengthen the communication and co-operation among these bodies, with a view to bringing their advantages into full play. After all, union is strength. Most importantly, the council can ensure a fair allocation of resources so that every NSA can have sufficient resources for its healthy development, and no NSA will claim that development is not possible due to the lack of resources. Upon implementing such arrangement, Hong Kong can comprehensively enhance its status in the international sports world.

I also support the introduction of a Public Swimming Pool Monthly Ticket Scheme as proposed in the Policy Address. However, since not everyone likes swimming or can swim, we also have to promote many other kinds of sports, such as football and badminton. Concessions should also be provided for these kinds of sports activities. Unfortunately, it is difficult to book sports venues now.

"Venue speculation" is increasingly common. I hope that the Government can formulate a policy to curb "venue speculation" actively.

Furthermore, I would like to talk about the uncompleted sports facility works of the two former Municipal Councils. The Bureau must speed up the completion of such works so as to provide the people with more venues for sports activities and in turn, bring them a better life.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): President, a considerable length of this year's Policy Address is devoted to introducing policies on environmental protection, which reflects that the Chief Executive has attached great importance to this area of work. Regrettably, the environmental protection initiatives proposed this year lacks novel ideas, and no breakthrough has been made in setting the air quality objectives. However, with regard to the development of environmental industries by the Environment Bureau, some concrete recommendations have been made.

When the Government proposed the development of six industries where we enjoy clear advantages two years ago, it has been criticized by the trade for refusing to take up the co-ordinating role in promoting those industries. Consequently, the development of the industries was unco-ordinated and naturally, the results were unsatisfactory.

This year, the Policy Address has highlighted the latest development of the six industries. Regarding the environmental industries, the Chief Executive has particularly stated that the Government will support the local environmental industry to participate in environmental exhibitions, trade missions and related events held in the Mainland and overseas. He also pointed out that these initiatives can facilitate the industry to capitalize on the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) for promoting business opportunities through enhanced co-ordination.

I think this is a change for the better. In the past, the Government only provided supporting services to the six industries, and the trade had to work on its

own to find business opportunities. In contrast, the Environment Bureau now takes the initiative in helping the trade promote business opportunities and open up the market.

A few days ago, Secretary Edward YAU attended the meeting of the Panel on Environmental Affairs to brief us on the policy agenda. In answering my question on the new initiatives, he stated that the Government would form delegations with trade associations and the industry to attend environmental exhibitions and trade missions held in the Mainland and overseas to promote the environmental industries of Hong Kong, so as to build Hong Kong's brand name and open up business opportunities. Secretary Edward YAU also said that he had previously led a delegation to an environmental exhibition in Beijing and promoted the environmental industries of Hong Kong in person.

In fact, the experiences of the neighbouring Asian countries in developing various industries have reflected the importance of government promotion. Apart from providing supporting service to the trade, the governments also play a role in development and co-ordination, as well as in helping the trade create business opportunities and solicit business.

On the contrary, with regard to the development of industries, the Hong Kong Government still focuses on supporting measures such as provision of land and subsidies or formulation of policies. Although such measures are of great benefits, they are not sufficient to strengthen the industries. I earnestly hope that the Environment Bureau can achieve some fruitful results this time, so as to play a leading role for other industries.

As for other policies, I would like to talk about energy saving and emission reduction. The Council for Sustainable Development has recently published a consultation paper on "Combating Climate Change: Energy Saving and Carbon Emission Reduction in Buildings". It proposes that emission reduction should start from buildings as 90% of Hong Kong's electricity is consumed in buildings. By saving electricity, we can for sure meet the objective of emission reduction.

While I fully support that emission reduction should start from buildings, I think it is more desirable if each individual can take the first step to reduce

emission. Emission reduction and energy saving can be addressed from various aspects, and I think we should first change our mindset and behaviour. In real life, many Hong Kong people still have not developed the habit of energy saving, they seldom switch off electrical appliances like lights, air-conditioners and computers. To change one's habit, we must first change his mindset. Therefore, education and promotion are very important.

I remember the "Litter Bug" publicity campaign in the 1970s was very impressive and could successfully change the behaviour of the public at that time. Even now, the older generation still remembers the campaign clearly. The publicity efforts made by the Government now generally do not have such impact.

In order to promote energy saving and emission reduction, I think the Government must carry out large-scale and impressive education and publicity campaigns on an ongoing basis, to instill in the public the concept of energy saving. Simple and effective measures like switching off the lights not in use may be introduced. More importantly, if energy saving and emission reduction have become part of our life, it will be easier and more effective for the Government to promote other related measures. The public will by then consider it natural and right to adopt those measures.

Furthermore, many people consider that significant achievements can be made if energy saving and emission reduction start from public rental housing (PRH) estates, which are inhabited by more than 2 million people. In fact, the Hong Kong Housing Authority (HA) has successively introduced energy saving measures in PRH estates in recent years, the results are quite impressive. If the Government can provide the HA with additional resources to expedite the introduction of energy saving measures, such as subsidizing all PRH estates in Hong Kong to install automatic lighting systems in corridors and other suitable places and build green roofs, I believe better results in energy saving can be attained. This may also set an example to private housing estates.

President, I so submit.

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

MR LEE WING-TAT (in Cantonese): President, I still have a few minutes left, and I would like to talk about issues on culture and the environment.

In respect of culture, everybody knows that the West Kowloon Cultural District (WKCD) is the main stronghold of the Government. However, I believe that the first and second performing venues under this mammoth project will only be completed years later at the earliest. I hope that the Home Affairs Department and the West Kowloon Cultural District Authority (WKCDA) will expeditiously complete the construction of the green parts (that is, the park) of the relatively barren WKCD site. As I said previously, efforts should be made to motivate the people of Hong Kong to go to the greening area of the WKCD site. When the greening area is first open for public use, more public spaces should be provided as performance venues, so that people can gradually get used to going to the WKCD site and enjoy staying there.

Secondly, two years ago, I raised the issue concerning the many restrictions imposed on public arts performances in Hong Kong. Although Hong Kong claims to be an international city, I think it has imposed the most restrictions on performances staged in public places. In the past, there were incidents in which painters were evicted by the police, and street performers were intercepted by the police for identity checks. As an international city, these incidents are indeed ridiculous. Two years ago, I proposed to the former Chief Secretary for Administration, Mr Henry TANG that street performances should be permitted by the Government. He accepted my views "partially", and the Government has implemented a trial scheme to designate areas adjacent to three cultural centres over the territory, that is, in Sha Tin, Kwai Tsing and Tuen Mun, as public performance venues. I think it is time for the Government to extend the scheme.

President, except for places which are extremely close to the residential areas or extremely crowded (such as the pedestrian zone in Mong Kok), many places in Hong Kong, say, the Star Ferry Pier in Tsim Sha Tsui, or many other locations can be made available for performances by aspiring local artists. Hong Kong is a free society. Though not in absolute terms, we still enjoy a relative high degree of press freedom. We also enjoy the freedom of expression, and

even more so in the Legislative Council. President, the throwing of objects is allowed in this Chamber, even though I dislike and disapprove of these actions. Nonetheless, it turns out that the scope of freedom in staging street performances in Hong Kong is highly restricted. If someone plays a flute in public, police officers will come over and check his identity card. Then, the staff of the Food and Environmental Hygiene Department will also intervene. In fact, the staging of performances in public places is subject to many restrictions in Hong Kong. I hope that upon the completion of the trial scheme in those three locations, the Home Affairs Department will not terminate the scheme. Instead, the scheme should be extended.

The WKCD is not the sole factor in determining whether there are active and vibrant cultural activities in Hong Kong. As I see it, for most people of Hong Kong, the tempo of life is quick and they do not have high quality of living. Why is that so? For example, with meal breaks only lasting for 45 minutes, employees can hardly take a nap after the meal. In the United Kingdom or the United States, employees can, after taking a sandwich for lunch, take a stroll in the park and enjoy the flute or violin music played by other people, and after some time, say, 15 minutes, they can go back to work. While this is hardly possible in Hong Kong, it is commonplace in overseas countries. I hope the Secretary or the Under Secretary can take my views and work harder, so that apart from the WKCD, there are other places in Hong Kong with vibrant cultural activities.

President, in the remaining three minutes, I want to talk about environmental protection. What I am most concerned about is the little argument I had with the Under Secretary this morning. What was it about? She said, "Mr LEE, do you support the rationalization of franchised bus routes?" I replied that I had always supported such initiatives, and I had even proposed in the Legislative Council that the rationalization of bus routes should not be undertaken on a district basis because that was doomed to failure. I have once commended Gabriel LEUNG. What was it about? On the issue of columbarium, he said that columbarium should be provided in each and every district so that it would not meet with opposition from individual District Council (DC). If the policy is implemented on a district basis, the relevant DC will definitely raise opposition. I have once suggested to the Administration that a benchmark should be set; for example, all bus routes with less than 30%

utilization during peak hours must be subject to review, regardless of whether such routes were servicing the North District, Kwai Tsing, Tsuen Wan or the Hong Kong Island. But most importantly, the Secretary should invite the spokespersons and Chairmen of all political parties, including the Democratic Alliance for the Betterment and Progress of Hong Kong, the Hong Kong Federation of Trade Unions, the Democratic Party, the Civic Party, and so on, for discussion and agreement on the benchmark for review. Otherwise You need not point your finger at me. I will definitely agree. I have said time and again that I will lobby for the support of my colleagues because if bus route rationalization is not undertaken through this approach, but implemented on a district basis, it will be doomed to failure.

Secretary, please do not laugh. If bus route rationalization is undertaken on a district basis, it will definitely meet with opposition from local residents, no matter which district is concerned. But if it is implemented on a territory-wide basis, the people of Hong Kong would know definitely that bus route rationalization will affect each and every district. Just now, over lunch with Ms Audrey EU and Mr Albert HO, we discussed the view that bus route rationalization proposals should not be decided by DCs. I do not agree with this view because it is the "lifeline" of DC members. I am also a DC member. If you mess with the bus routes in my district, I will definitely fight until the end. Therefore, if the decision is left with DC members or DCs, it will be doomed. The only thing the Secretary can do is to take my advice and I will definitely support you. However, bus route rationalization should never be done on a district basis. Instead, the same principle should apply for a territory-wide review. Thereafter, you can invite the leaders as well as the spokespersons on environmental and transport affairs of all political parties to a joint meeting and seek their agreement on the proposal. Then, you can proceed to implement the proposal. I hope bus route rationalization can be achieved in such a mode.

As the Secretary has just come back, I might as well talk about the revitalization of industrial buildings. Even though I only have about one minute left, I must talk about this issue. President, why do I want to discuss this issue? I am aware that much work has been done by the Secretary. But honestly, this initiative can only work for some 30 industrial buildings so far. Since the Secretary is so "tough", she should think out of the box. When I was having a meal a few days ago, I met the Director of Fire Services. I asked him why the

upper floors of industrial buildings were not allowed to be converted for industrial activities. Of course, industrial buildings involving hazardous installation (such as warehouses for dangerous goods) will not be converted. If the industrial buildings are only used for general industrial activities, will the Government consider allowing the modification of their leases such that the first two floors of these buildings can be converted into residential units? This is a benevolent policy if such conversion is made possible. If only the lower floors are converted into residential units, it will be easier for residents to escape in case of fire. They would not have to jump from height because the residential units are only located on the first two floors. Even if they were to jump from the second floor in case of fire, they would only have non-life-threatening injuries. The situation will be even better if additional fire safety equipment can be provided.

While the Director did not agree with my view, he said that insofar as my suggestion was concerned, it might be feasible if refuge floors could be provided. In other words, his requirement is the provision of refuge floors. Honestly, many industrial buildings in Hong Kong have been left vacant. Some have basically been converted into residential units. Should the Secretary not think of other measures? I am not suggesting that the entire building should be converted into residential units. It would be very difficult to do so because people who live in high floors cannot possibly jump off the building in case of a big fire, right? As I see it, the lower floors of industrial buildings (such as up to the first three floors) can be converted into residential units with the provision of refuge floors and additional fire safety equipment. The additional space so released can be converted into singleton hostels so as to provide accommodation for single persons. I hope the Secretary will consider my suggestion. Thank you, President.

MR KAM NAI-WAI (in Cantonese): President, on behalf of the Democratic Party, I will first speak on environmental protection policies. Just now when Mr LEE Wing-tat spoke about the rationalization of franchised bus routes, I saw the Secretary pointing at me — meaning that KAM Nai-wai would always object to bus route rationalization proposals. I hope the Secretary will reconsider the so-called bus route rationalization, particularly from the perspective of the interchanging passengers. In fact, I have always encouraged residents to make

use of the interchange services. But why are they reluctant to do so? Secretary, there is really no cause for any finger-pointing by the Environment Bureau in this matter. If residents have to wait for 30 more minutes for interchange buses, just to save 30 cents, they would neither be motivated nor interested to do so. Therefore, if the Government as a whole is taking this initiative forward, it must work resolutely and thoroughly in order to devise better interchange schemes by offering more concessions. Honestly, the Government's current concessionary fare of \$2 a trip for the elderly is also subsidized by the public coffers or taxpayers. If the Government is determined to rationalize franchised bus services and hopes that people are willing to wait for interchange services, and given the current climate or atmosphere of general concern for the environment, I, KAM Nai-wai, will gladly be the first one to stand up and work together with you to convince the residents, provided that the interchange schemes you propose are attractive.

First of all, I would like to summarize the work of the Secretary during his term of office. What have been achieved by the Environment Bureau under the leadership of the Secretary? Recently, the Secretary has frequently boasted on television about the world-class geological park of Hong Kong. Of course, I would not deny that this as an achievement. The Secretary also mentioned the environmental levy on plastic shopping bags enforced in supermarkets, resulting in the reduced use of plastic bags by the people. Undeniably, this is also an achievement. Nonetheless, in conclusion, I think the Secretary's achievements in his term of office cannot outweigh his wrongdoings. In other words, do the overall achievements and work of the Secretary meet with our expectation? Can he fulfil the people's expectation of "Quality City and Quality Life"? Of course, I notice that just now Ms Audrey EU and many other Members have spoken on the issue of air pollution. We are indeed gravely disappointed with the work of the Secretary.

Regarding Air Quality Objectives (AQOs), when the matter was last discussed at the relevant Panel, I strongly criticized the Secretary and demanded his resignation to assume responsibility. As we all know, Hong Kong's AQOs have remained in force for 20 years without any review. However, the Secretary said that the Government had already engaged a consultant to conduct a review in 2007. It is now 2011, but one review just follows another; the review is still ongoing without any improvement to the AQOs. I am indeed gravely

disappointed. The number of bus routes reduced or the number of plastic bags saved does not affect life; but if the work to reduce air pollution is not satisfactory, and the environment has not been improved, the health of the people of Hong Kong will be undermined. The Secretary's responsibilities are great, yet, he has not done a good job.

The Secretary always say to me, "Mr KAM, please promise to help me implement the 19 measures first. These 19 measures can improve air quality." Secretary, I always tell you that it is a chicken and egg situation. Once we have established a set of clear and definite AQOs which accords with the Air Quality Guidelines of the World Health Organization (WHO), and is accepted both internationally and locally, we will have a clear work target, so that people will know clearly how serious roadside air pollution is. At present, the Air Pollution Index (API) readings are all deceiving. At present, very high API readings are often recorded. In fact, even if the level of air pollution we normal exposed to is not very high, it is already very serious according to WHO standard. If the public can use these objectives as reference, I think they will more readily support the Secretary's bus route rationalization proposals, as well as other initiatives for protecting the environment.

Hence, I hope the Secretary would delay no more in his term of office. Although the Secretary had already stated in 2010 that there was a clear consensus in the community that the current AQOs should be updated, nothing has been done by the Secretary so far. What are the reasons? The only reason is that probably some people are pulling the strings in the background, probably many people in the business sector As we all know, in updating the AQOs, we have to conduct environmental impact assessment (EIA). There is a reciprocal relationship between the two. The construction of the third runway of the Airport may not be possible, and numerous ongoing infrastructure projects, such as the Hong Kong-Zhuhai-Macao Bridge (HZMB), may be affected. Has the Secretary sacrificed the health of the people of Hong Kong because of these considerations? I hope the Secretary will not further delay his work in updating the AQOs because of these factors. In my term of office For three consecutive years in the Legislative Council, I have I will continue to raise my request for the fourth consecutive year for the early completion of the review on the AQOs. That is one of the most important, or the most important environmental protection initiative for myself and the Democratic Party.

Of course, apart from the AQOs, the Democratic Party has also requested the Secretary to replace the high-emission franchised buses which create roadside pollution every day. This year, the Secretary has taken half a step forward — although I still consider the proposal come too late — by subsidizing franchised bus companies to purchase 36 electric buses for trial runs. In fact, like offering elderly people a concessionary fare of \$2 a trip, this initiative comes too late. I really do not understand why actions cannot be taken at an earlier stage. I hope this time, history will not repeat itself. When the Government invited public transport operators to conduct trial runs on buses, only one or two operators applied for the Pilot Green Transport Fund. I think the present proposal should go further and faster because 36 buses are not enough. According to my statistics, there are a total of some 3 900 franchised buses, or 3 942 pre-Euro, Euro I and Euro II franchised buses in Hong Kong. But under the Government's current proposal, only 36 electric buses will be procured for trial runs. That is just a case of "not scratching the right itch". Hence, I hope the Government will expedite the proper implementation of this proposal. Of course, we hope that taxpayers will not always be asked to pick up the tab. Taxpayers should contribute their share, but I often think that the responsibility should be borne together by the Government, the business and the people. However, as far as I can see, the Government always asks taxpayers to pick up the tab, or threatens the public with bus fare increases. I think the society needs to discuss the proposal comprehensively as a whole package, including the costs to be shared by the public, the Government and the business organizations respectively. The Government should not only announce the percentage of bus fare increases during consultation and ask for a decision from the people. The Government will only scare the people off by doing so. I also think that such consultation can serve no purpose at all.

Regarding the replacement of franchised buses, we hope the Government will quicken its pace and broaden its scope of work. Of course, we will also keep pushing the Government. In fact, regarding the Producer Responsibility Scheme on waste electrical and electronic equipment, I do not understand why the Government has yet to submit its proposal to the Legislative Council as the relevant consultation has already been completed in 2010. I have no idea whether the Secretary will proceed with legislation in his term of office, but the problem created by the disposal of electrical products is already quite serious.

Regarding the problem of landfills mentioned by the Secretary earlier, the Democratic Party has in fact always adopted an open attitude on possible solutions including waste reduction and recycling, as well as a volume-based waste charging system. We hope the Government will proceed with consultation as soon as possible to gauge public acceptability so that domestic and commercial waste can be reduced ultimately. I think the Government's work in this regard is also too slow.

In terms of addressing climate change, it was stated in this Policy Address that the Government would review whether nuclear energy should make up as much as 50% of our power generation fuel mix in the future. We all understand that this issue would have to be considered from two perspectives. While nuclear energy will create less air pollution, it is a potentially high-risk energy source. If the Government just resorts to increasing the use of nuclear energy before making its best efforts to achieve energy saving, the public will find this hardly acceptable. Therefore, I hope the Government will try its best to achieve energy saving and emission reduction first. Thereafter, a review should be conducted to decide whether the use of renewable energy in power generation should be increased. The Government should not just ask the public to use nuclear energy such that the supply of additional nuclear energy is needed for Hong Kong. This is something we cannot accept.

Members are also aware of the EIA of the HZMB. The Democratic Party hopes that an independent EIA authority would be established so that the Government (that is, the Director of Environmental Protection) will no longer have to perform the role of gate-keeping or vetting, while conducting or undertaking the EIA. I think role conflicts are unavoidable under the present regime. The Government should establish an independent authority responsible for the EIA of all works projects. I hope the Government can perform its role as gate-keeper properly in respect of the EIA.

As I just said, in conclusion, I very much hope that the Secretary can go faster and farther towards the goal of "Quality City and Quality Life" in respect of environmental protection. The Government should not shrink when there are some petty criticisms, just like the "compact fluorescent lamp" incident in which the Government paved the way to hell with good intentions. Ultimately, the scheme was aborted. I hope greater efforts can be made by the Government to

protect the environment. In my view, the failure to improve air quality through updating the AQOs is an important factor to substantiate that the Secretary has neglected his duties during his term of office.

Separately, I would like to talk about bicycles which are also related to environmental protection. The Democratic Party has always called on the Government to consider incorporating bicycles into the public transport system. Regrettably, as this session is not about transport matters, no officials from the Transport and Housing Bureau are present. I hope the Environment Bureau can make it, as we can see on a recent trip to London, I find that people can ride on bicycle from one location to another in London; please bear in mind that traffic in London is even busier than Hong Kong. How can bicycles be incorporated into London's public transport system? Regrettably, the Hong Kong Government only regards bicycle as a mode of transport for recreational purpose.

Recently, I note that in some announcements of public interest, the public are warned against cycling in urban areas so as to avoid fatal accidents. I have also got hold of many statistics recently. But as I pointed out just now, the situation can change if bicycles are incorporated into the design of the mass transport system, such as the development of harbourfront promenades on the Hong Kong Island connecting the Southern District, the Central and Western District, Wan Chai and Siu Sai Wan which I have always strived for. Recently, some green groups and cycling associations proposed to construct a cycling path along the harbourfront — Secretary Carrie LAM, I am so glad you are in the Chamber — in fact, I think their proposal is not infeasible. Recently, the Legislative Council has conducted an overseas duty visit to Canada. Harbourfront development is a long-term undertaking in Canada, and projects are not expected to be completed within two or three years. During the planning process, if it is found that certain facilities can be converted, they may even For example, if there are some old facilities in the harbourfront areas, they even build a bridge to span across those facilities so that people can access to the harbourfront. Hence, if the need of cyclists can be taken into consideration in the design of the harbourfront, I think people living on Hong Kong Island will be delighted. I have once organized a cycling protest from the Southern District to Central. Even though I was not physically fit enough to finish the whole

journey on bicycle, many people had indeed joined the cycling protest. I very much hope that matter can be jointly discussed by the Secretary for Development, the Secretary for the Environment, and the Secretary for Transport and Housing. As bicycle is also a green mode of transport, I hope it can help people enjoy a quality life.

Having talked about environmental protection, I would like to turn to I do not whether it is more appropriate to raise this issue at the previous session of "Quality City and Quality Life". Talking about quality life, many residents living on Hong Kong Island have told me that their lives are getting more and more difficult because of increasingly high rental. Rental for private housing has been increasing. For example, the current rental of a 40-sq m flat has increased by as much as 15% when compared with the rental in August last year, or an even higher 40% when compared with the rental two years ago. The average rental of small flats on Hong Kong Island has already increased to \$32 per square foot. I recently took a walk around Hollywood Road and was told that the rental for a 300-odd sq ft flat would be as much as some \$16,000, and that the flat would easily be let out this year. Notwithstanding the high rental of some \$16,000 for a 300-odd sq ft flat, there are many potential tenants. This example well illustrates the alarming increase rate of rentals.

For many non-homeowners, a large part of their income goes to rental. Relevant surveys on low-income people have been conducted by various organizations. According to a case cited by the Hong Kong Council on Social Service, a 50-year-old person who originally lived in a 120-sq ft unit with a monthly rental of \$2,000 had to move to a 20-sq ft unit with a monthly rental of \$1,200. The rental of these so-called "cubicle apartments" is as high as \$60 per square foot. The situation is particularly serious on Hong Kong Island, especially in the Western District. Due to redevelopment, many local residents told me that they had to live in smaller and more expensive flats. The "Quality Life" we discuss today is but a faraway dream for those people. In fact, the Democratic Party has all along suggested that — we have also made the same suggestion to the Financial Secretary and the Chief Executive when we met with them recently; I do not know whether the Financial Secretary will have some good news for us later — we propose that the Government should introduce tax deduction for residential rentals, so that expenses on private residential rentals can be tax deductible, subject to an annual ceiling of \$100,000 and offered on a

reimbursement basis. This can help alleviate the financial burden of households on rental.

In addition, we also suggest the introduction of a rental allowance for persons who are non-CSSA recipients, but have been on the Waiting List (WL) for a considerable time, such as two to three years, without being allocated a public rental housing (PRH) unit, so as to provide them with rental assistance until PRH allocation. We also hope that the Government would construct more PRH units and increase the quota for non-elderly singletons, so as to speed up PRH allocation to singleton applicants who have been on the WL for a long time. I notice the recent remarks made by Secretary TSANG Tak-sing on singleton hostels, which has become a heated topic of discussion in the community. Just now, I pointed out that the current level of rental was high. For the younger generation, they have difficulties in renting a unit, not to mention home ownership. Secretary Eva CHENG appealed to young university graduates not to dream of home ownership, they should instead live in rented units; however, as I have just pointed out, rental can be as high as \$60 per square foot. In that case, these young people can only afford to rent a flat of 20 sq ft. If they rent a flat of 300-odd sq ft in Sheung Wan, they have to pay some \$16,000 as rental. Hence, I think there is a substantial demand in society for the singleton hostels now under discussion. I hope the Government can announce the relevant details as soon as possible because at present, young people feel that the society Well, mobility is difficult; they have difficulties in housing, education and employment. I do not know when the Secretary can offer singleton hostels; is it going to take ages, just like the initiative to offer elderly people a concessionary fare of \$2 a trip? This point is really critical.

As Secretary TSANG Tak-sing is now in the Chamber, I might as well talk about my views on housing. Of course, I just talked about the rental problem, and young people are not flat owners. In view of the Government's pledge to step up mandatory building inspection, the relevant legislation has already been enacted by the Legislative Council. I am worried about the lack of staffing support to implement the Mandatory Building Inspection Scheme (MBIS) for the purpose of improving building safety. During our visits to the districts, we notice that the District Offices do not have sufficient staff to provide assistance to owners' corporations. Earlier, I also heard that the Liaison Officers plan to take industrial actions as they were simply overburdened. Hence, in view of the forthcoming implementation of the MBIS, I hope the Secretary for Home Affairs

will expeditiously secure additional resources for his colleagues in terms of additional manpower and enhanced training, so as to ensure the proper implementation of the MBIS and chaotic situations can be avoided. We certainly do not want to see grievances arisen in the community due the implementation of the MBIS.

Regarding the policy area of home affairs, I would like to talk about problems related to libraries. Certain library services are quite absurd. In last year's policy address, it was proposed that three drop-in boxes would be provided for returning library books. I do not know what is wrong with the Government; it took one whole year to provide three drop-in boxes at MTR stations. The proposal is a good initiative; yet, I do not know how the Government implements this "meritorious policy". The Government indicated that it would follow up on the proposal made by the Panel on Home Affairs to the Legislative Council, but it took one whole year to implement the proposal.

I want to tell the Secretary that I was once the Chairman of the Libraries Select Committee of the Urban Council. From the days of the Urban Council up till now, library services have always very popular in the community. If the Government can achieve the goal of "having a library in your vicinity", I think this "meritorious policy" will be more welcomed by people of different strata than the offer of a concessionary fare of \$2 a trip for elderly people.

How much does it cost to build a library? Of course, land is needed; a site of 2 000-odd sq m is enough for a district library; and a site of 1 000 sq m for a small library — the Secretary for Development is in the Chamber now — very often in redeveloping old districts, we hope that library facility can be provided. Regrettably, colleagues of Mrs Carrie LAM once told me, "Mr KAM, as the Leisure and Cultural Services Department (LCSD) has not made the request, the Government cannot provide a library at this site; we cannot provide a library in a redevelopment area if no request was made by the LCSD. We must have the consent of the LCSD before we can proceed." The question is not about the lack of land, but the absence of policy co-ordination from the Home Affairs Bureau. It has been our hope that libraries can be provided in the context of redevelopment projects in the Central and Western District or the Hong Kong Island. But no library can be provided if the Home Affairs Bureau has not made such request.

According to the Home Affairs Bureau, libraries are provided in accordance with planning standards — that is, a library would only be provided if the population has reached a certain number. Yet, the relevant standard has already been met. I always quote the example of Sheung Wan to prove the absurdity of the Government's approach. Somebody once told me, "Mr KAM, with the City Hall Public Library in Central and the Shek Tong Tsui Public Library in Sai Ying Pun, Sheung Wan is flanked by two libraries. There is really no need to provide another library in the district." For the residents, library is not only a place for acquiring knowledge. They can go to library during their leisure time to read newspapers as a kind of recreational activity. They can catch up or mingle with their neighbours. The library is also a place for people to pursue further studies after work or after school. This means of self-enhancement is very important for every citizen.

Hence, I very much hope that the Secretary will not feel complacent for the provision of three drop-in boxes for returning books — which incidentally took one whole year to complete — I also hope that additional libraries can be provided, not just in Sheung Wan. I hope small libraries or even district libraries can be provided all over the territory so as to cater for the demand of the districts. I think this initiative is more practical and targeted than spending tens of billions of dollars to host the Asian Games as proposed by the Secretary.

On the Asian Games, I want to point out that notwithstanding the Democratic Party's opposition for hosting the Asian Games, we always hope that more resources can be allocated by the Government on the training or even future career prospects of athletes. Of course, the Government has responded to the recommendation of the Democratic Party by earmarking \$7 billion to establish a seed fund called the "Elite Athletes Development Fund". However, Secretary, I would like to point out that this initiative is not enough. Many athletes have told us that their greatest concern is career prospect. At present, no comprehensive career path is available for athletes in Hong Kong, particularly if they want to continue with their studies or undertake further studies after they have become full-time athletes. Moreover, how can the Government provide athletes, who intend to work in society, with a clear career path? I hope the Secretary will give more thoughts to this question.

In fact, I need not go into further details today because Members from different political parties and groupings have already voiced many views. I

notice that no officials from the Education Bureau have attended the meeting today; I have met with the new Permanent Secretary for Education earlier and found that she had no idea about this aspect of work. As the Government is a single entity, I hope that in the training of athletes as we all know, the good performances of our athletes will encourage the participation of the people — not just as spectators but as participants — this is very important in encouraging the participation of the people of Hong Kong in sports for good health. For Hong Kong, being a quality city with quality life, this area of work is crucial. Therefore, I earnestly hope that Secretary TSANG Tak-sing will put in more efforts in the areas of increasing manpower supply for the implementation of the MBIS, enhancing library services, strengthening the training and future career prospects of elite athletes, and so on.

I so submit.

MR TOMMY CHEUNG (in Cantonese): President, the greatest challenge currently faced by the people of Hong Kong is high inflation. Even the Chief Executive pointed out in the Policy Address that the average inflation rate for this year is expected to reach 5.4%, which is the highest annual rate since 1997. In the first eight months of this year, global food prices registered a year-on-year increase of 34%, while retail food prices in Hong Kong also rose significantly by 9.1% year-on-year.

The greatest impact is probably felt by the catering industry because food prices, being one of its most significant cost components, have increased across-the-board, be it salt or sugar. We read from newspapers that the wholesale prices of pork and beef have kept rising. The price of beef has even increased four times in the past month. The price increases of some cooking ingredients such as corn flour, white eel and cooking oil, are even more alarming, with prices going up in multi-folds over the past two years.

One of the major reasons for inflation in Hong Kong is surging food prices. If the Government wants to help the people fight against inflation, it should start with food prices. Unfortunately, I have not seen any concrete or effective measures from the authorities in this regard.

Although the Financial Secretary has pointed out when speaking in response in the first debate session that inflation is expected to be moderated next year, 60% of the foods in Hong Kong are imported from China. Some economists have pointed out that commodity prices in China will remain high over a relatively long period of time. I foresee that with the continuous appreciation of Renminbi, the rising trend of food prices in Hong Kong can hardly be reversed.

I understand that Dr York CHOW, Secretary for Food and Health, has recently visited countries including Brazil and Chile to study their food production industry and explore the feasibility of importing foods to Hong Kong. So far, no good news is forthcoming. Notwithstanding the introduction of suppliers of Chinese chilled pork and beef into Hong Kong over the years, the initiative was met with lukewarm response (so far there are four chilled pork processing plants and only one supplier of chilled beef), and meat prices have not been lowered correspondingly. I think additional efforts are required in terms of opening up more food sources if the authorities really want to address the problem of imported food inflation.

As a matter of fact, the entire world is facing the problem of inadequate food supply, particularly in Asia. With increasing economic growth and population in many developing Asian countries, domestic demand for food has increased such that there is hardly any surplus for export. The situation is also aggravated by reduced food production owing to natural disasters. For example, as a result of the recent serious floods in Thailand, the price of Thai rice, well-liked by Hong Kong people, will increase by 20% to 30%.

President, Hong Kong must not always depend on "God's help" or rely solely on the external environment. Given the global concern on the problem of food supply, the authorities should plan with foresight by actively redeveloping and expanding the local agricultural and fisheries industries so as to expeditiously provide a reliable and low-carbon alternative in Hong Kong's food supply chain.

However, since Secretary Dr York CHOW has assumed office, the agricultural and fisheries industries in Hong Kong have been marginalized as the relevant policies primarily aim at regulating and tightening control with rare discussions or planning on their transformation and sustainable development.

The Government's initiatives are often piecemeal and it only moves one step forward when being pressed.

Although the Chief Executive Donald TSANG has all along stressed on the development of the six industries with competitive edge, these industries are still at a budding stage over the past few years, and a limited number of elementary jobs have been created. Consequently, the structural problems in the employment market have remained unsolved. In that case, the authorities might as well actively pursue the long-term development of Hong Kong's agricultural and fisheries industries, so as to create new job opportunities for the large number of low-skilled workers in Hong Kong, particularly those who have been displaced as a result of the Administration's policies to "phase out" the local agricultural and fisheries industries.

I understand very well the difficulties involved in the development of our agricultural and fisheries industries, given the constraints of high population density and sparse land resources in Hong Kong. However, I strongly believe that in the present times when environmental protection and technological innovation are the prime concerns, many internal constraints can be overcome. But this goal can hardly be achieved by the Agriculture, Fisheries and Conservation Department alone, which is an executive department. From the speech of Mr WONG Yung-kan just now, we know that some problems met by the agricultural and fisheries industries would have to be resolved through the co-ordination of many different departments.

I strongly believe that so long as the Administration can change its previously indifferent attitude towards the agricultural and fisheries industries, and the relevant Policy Bureaux can jointly undertake forward-looking policies and measures, complement with resource allocation, the agricultural and fisheries industries in Hong Kong can definitely attain sustainable development that is value-added and environmental-friendly in a systematic and sizable manner. That is the only way for domestic brands of local produce to gain popularity and remain competitive.

President, meat prices have been surging over the years. This does not only create pressures for the grassroots, but also impact on the general public as well as the catering industry. I have reflected to Secretary Dr York CHOW time and again that he should at least increase the supply of imported live chickens on

festive days, but he adamantly refused. He refused to heed to the continuous complaints from members of the public about "eating expensive chickens", which as a knock-on, has pushed up the prices of chilled and frozen chickens to a persistently high level.

In fact, according to a scientific assessment conducted by the Administration in mid-2010, the isolation rate of avian influenza viruses in retail markets has dropped significantly to 0.09%, indicating that the risk of avian influenza in Hong Kong is very low at present. There is definitely room for the Administration to relax the quota on live chickens, both in terms of imports and local farm production.

I have once asked the Administration what the additional risk of avian influenza would be should the quota of imported live chickens be increased by 1 000 per day? However, the Administration refused to give us the statistics.

I hope the Administration would understand, we cannot always "trim the toes to fit the shoes", not to mention that measures taken in Hong Kong to prevent an outbreak of avian influenza have improved tremendously when compared to the situation more than a decade ago. There is substantial improvement in terms of vaccination, hygiene facilities throughout the supply chain, and even hygiene awareness of the staff. For example, people would blow air to chicken butts when they bought live chickens more than a decade ago. But they will no longer do so now. In fact, we all understand that we must pay attention to these details in order to prevent avian influenza.

The demand of the industry is in fact very simple, that is, either to increase the number of imported live chickens on festive days, or allow some flexibilities in calculating the quota of local chicken farms, so that the quota is not calculated on a daily basis, but over a number of days to allow for automatic adjustments of sending more live chickens to the market for wholesale and retail on festive days. I urge the Administration to forego the conservative stance of "less work, less error; no work, no error", and discuss with the industry expeditiously and proactively so that the quotas of live chickens can be relaxed flexibly under a hygienic and safe environment.

President, the business environment of the catering industry is getting worse, in particular over the past few years with the implementation of various

regulatory measures by the Administration, such that the industry must allocate a large amount of additional resources to meet the relevant requirements. This has dealt a particularly severe blow on the small and medium enterprises.

I hope the Administration can treat the industry fairly. If the industry is required to comply with all sorts of rules and regulations, the Administration should strive to expedite the relevant vetting and approval procedures and shorten the processing time specified in the performance pledges. For example, it would take at least several months for the Administration to process applications from food businesses on revision of plans. According to the performance pledges of the Buildings Department and the Fire Services Department, their processing time is respectively 20 working days and 24 working days. Moreover, these two departments have clearly stated that given their existing manpower resources, the pledged processing time can hardly be shortened further.

In fact, I really do not understand; at present the front-line staff members of some departments are already overburdened, and the processing time cannot be shortened without additional manpower. Therefore, I agree that the Administration should provide additional manpower for these departments as and when required so long as it is not seeking to "fatten the top and thin the bottom".

Moreover, the Administration should expedite the digitization of various licensing and application systems, which is definitely a measure to facilitate business operation. But according to my understanding, the Administration has only undertaken to roll out electronic application forms for all food business licences by the end of 2013 the latest. I hope this is only the most conservative estimate. In fact, I have already suggested to Secretary Dr York CHOW last year that the Administration should expeditiously implement an online application system for all types of licences. Given the Administration's agreement for this direction of development, its work should be expedited. If there is problem with resources, a funding application should be submitted to this Council. At least, this initiative is beneficial to the industry.

President, last but not least, I would like to talk about environmental protection because the Secretary is in the Chamber now. Last year, I have engaged in some business related to waste oil recovery and found that the whereabouts of many wasted oils recovered were unknown. In fact, there are biodiesel production plants in Hong Kong which specialize in waste oil recovery.

Moreover, waste oils recovered in Hong Kong can be transported to overseas countries, and such overseas companies would be willing to reuse these oils. However, the whereabouts of many wasted oils are unknown. We also have no idea about the uses of wasted oils after they have been collected on-site. Therefore, I think the Government should designate one or two departments to keep the matter in view, so as to ascertain whether the wasted oils have in fact been transported to China and passed on as cooking oil, as suggested by some hearsay. As we all know, these wasted oils are carcinogenic and hence, we should pay more attention to this matter.

Over the past year, the Secretary and I have also discussed the matter of food waste. Of the 3 000-odd tonnes food waste produced in Hong Kong daily, 1 000 tonnes come from the catering industry. Food waste is in fact 100% recyclable and reusable with the application of modern technology. I hope the Secretary and the Chief Executive can introduce the necessary technology into Hong Kong before the end of their term of office, so that food waste will be 100% recycled and reused in Hong Kong, and the problem of food waste can be addressed as soon as possible.

President, I so submit.

MS MIRIAM LAU (in Cantonese): President, if Hong Kong wants to become a quality city where people can enjoy a quality life, I believe the air in our living environment must be fresh and odourless before this basic and fundamental requirement can be met. Talking about odour, I think the Secretary for the Environment knows all too well the strong feelings of residents living in the vicinity of landfills in Hong Kong. They have reflected their views to the Secretary time and again, particularly Tseung Kwan O residents who have expressed their feelings to the Secretary over and over again in the past few years.

Although we have successfully halted the Government's landfill extension proposal of encroaching 5 hectares of country park land, the Government is still determined to go ahead with its plan for landfill extension by changing the location to Tseung Kwan O Area 137. President, the least I am personally against the proposal of landfill extension. Over the past decade, the Liberal Party has been urging the Government to treat municipal solid waste through

incineration rather than landfills, not to mention landfill extension. Moreover, I am personally against the proposal to extend the landfill to Area 137 because having conducted a site visit to the area, I find that Area 137 with its harbourfront location is an ideal site for logistics use, for example berths can be provided there. Why then is the site used for landfill extension to dispose waste instead of for logistic purpose? As such, I have great reservation about this proposal.

Undeniably, there is the question of whether landfills should be extended. But even without the extension, the South East New Territories (SENT) Landfill will remain in operation until 2013 or 2014. How can the problem of odour nuisance be tackled? In the past one or two years, I have been actively liaising with the Environmental Protection Department (EPD) on the adoption of cleaner arrangements for the operation of refuse collection vehicles (RCVs), including the requirement for RCVs to be washed inside the landfill. In this connection, the newly-installed large-scale automated vehicle washing house will be commissioned in November. Moreover, arrangements have been made by the EPD to increase the frequencies of street washing, and RCVs would have to be parked further away from the residential area.

Nonetheless, these measures fail to tackle the problem at root. A more fundamental solution is to improve the operation of RCVs. At present, the strongest odour comes from RCVs transporting food waste which is mostly wet. Dripping food waste leachate from RCVs on the roads and areas enroute to the landfill would leave behind nauseating smell. Hence, the problem can be resolved at root by removing food waste leachate at source. Draining facilities have already been provided in some refuse transfer stations so that food waste leachate can be drained from the RCVs and the vehicles can be washed before leaving. However, as refuse collection points are managed by the Food and Environmental Hygiene Department but not the EPD, such services are not provided. I hope these two departments can co-operate for improving Hong Kong's environment and relieving people from odour nuisance by providing draining facilities in both refuse transfer stations and refuse collection points, so that RCVs can be washed properly before leaving. In this way, RCVs will neither leave behind odour along the roads enroute, such as Wan Po Road, nor create pungent smell in the landfill as a result of food waste leachate being kept in the vehicles. That is actually the fundamental solution to the problem.

Talking about landfills, they will certainly meet with opposition from the residents. The Liberal Party also considers that in the long run, the Government must resort to incineration for the treatment of municipal solid waste. In fact, we have put forth this suggestion as early as 10 years ago. The Secretary has once said that sludge would be eliminated after 2014. But it is still a long time before 2014, and the residents must continue to suffer from the bad smell. After 2014, should the Administration indeed extend the landfill, the residents will continue to suffer from other pollutions caused as a result of the landfill. In this connection, I hope the Government will rethink its decision carefully.

I would like to spend a few minutes on emissions. In the past, resources have been allocated by the Government in a bid to resolving the problem. But as the Administration has not consulted the industry, coupled with its attitude of only providing financial incentives without dealing with other problems, several schemes were not successful. A case in point is the grant scheme for the replacement of pre-Euro and Euro I vehicles. Notwithstanding the Government's financial incentive, only 30% of the eligible vehicles were replaced through the grant scheme. Hence, the scheme failed to achieve the intended effect. At present, another grant scheme for the replacement of Euro II diesel vehicles has been introduced by the Government for over a year. As the validity period of the scheme is three years, it means almost half of the time has elapsed. But as far as I know, only 7% of the eligible vehicles have been replaced. Hence, I am very worried that this scheme will also fail ultimately. Therefore, I hope the Secretary will thoroughly review the scheme and introduce enhancement measures as soon as possible, so that more owners will replace their eligible Euro II vehicles with new environmental-friendly vehicles early through accepting the Government's subsidy. Nonetheless, I must once again urge the Secretary to properly consult the industry so as to understand their reasons for not accepting the Government's subsidy. He must resolve the problems in a targeted manner in order to encourage members of the industry to replace their vehicles.

In a few quick words, I would like to talk about liquefied petroleum gas (LPG) vehicles. At present, \$150 million has been allocated by the Government to assist the industry in replacing catalytic converters of LPG vehicles. But I want to remind the Government that according to views reflected by the industry, several mechanical parts would have to be replaced together with the catalytic converter in order to achieve a desirable environmental effect. Hence, I urge the

Government or the Secretary to further consider whether subsidies can also be provided to the industry for the replacement of other mechanical parts (such as the part commonly known as "skull") in addition to the catalytic converter. If mechanical parts such as throttle valve and exhaust gas recirculation valve can be replaced together, a more desirable environmental effect will be achieved.

The shortage of LPG filling stations is another issue I want to raise to the Secretary for consideration. At present, taxi drivers would often queue up for 30 minutes to one hour at LPG filling stations, in particular dedicated LPG filling stations, for refills. They consider such situation inhumane. I hope the Secretary can identify more sites for providing LPG filling stations so as to facilitate members of the trade.

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 Member wishes to speak, I will invite five public officers to speak. They may speak for up to a total of 75 minutes.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, Honourable Members, in paragraph 123 of the Policy Address, the Chief Executive points out clearly that the concept of "Progressive Development" is one of the guiding philosophies adopted in the current term of the Government. We hope that development is made in line with environmental protection, aiming to provide the public with a quality city life. The focus of the Policy Address this year can be summarized into four aspects. First, we will improve air quality, in particular roadside air quality. Second, a multi-pronged approach will be adopted in waste management, including waste reduction and recycling and the adoption of advanced technology. Third, continual efforts will be made in energy saving, emission reduction, improvement of the fuel mix, as well as demand and supply, so as to build a low-carbon emission society. Finally, we

have particularly mentioned the promotion of environmental industries. We will reinforce cross-boundary co-operation to develop environmental industries which Hong Kong enjoys a competitive edge. I notice that Members have also mentioned the implementation of conservation policies. President, I will then give my reply on the various aspects.

First, I will use the conservation of natural environment as a preamble. In the past few years, we have achieved promising economic development, gradual improvement in urban development and successive completion of infrastructure projects in Hong Kong; and at the same time, the public have higher aspirations for the conservation of natural environment. No wonder unauthorized land use in sensitive districts, like Sai Wan, has aroused strong reactions from society. Moreover, we notice that the public are happy that our natural landscape, such as the special rocks in the New Territories East, has won global recognition. I believe this reflects that the public hope that Hong Kong as a city should pursue development on the one hand and conserve special ecology and valuable landscape on the other. The Government adopts this direction in implementing conservation policies.

In the past two years, we have stated clearly that the Government would implement conservation policies in various aspects, which naturally included country parks which are within my policy area. In the past few years, we have made efforts to improve country parks, both in terms of area and quality management. After the Sai Wan incident, we hope that certain districts which have not been previously included in country park area, will be incorporated through an open and transparent process with public participation, so as to ensure that those special districts are under protection. At the same time, in collaboration with the Secretary for Development, measures involving land uses, town planning and so on, are implemented to reinforce conservation work. No matter what approach is adopted, extensive discussion must be held during the process. Some Members query whether conservation overrides all other policies. It is definitely not the case; if it is, conservation work will be much easier. However, conservation does not mean resuming all sites to be put under the Government's ownership or prohibiting the development of sites which are originally available for development. We have to adopt a multi-pronged approach in implementing conservation policies, so that sites of conservation value can be regulated under the Country Park Ordinance which I mentioned

earlier, or other ordinances on town planning. In the process of conservation, we earnestly look forward to the support of local residents, or the retention of certain indigenous culture and scenic spots that can reflect people's livelihood. If we allow villages to fall into a state of dilapidation, or if indigenous villages are forced to move out of their villages or abandon their villages without getting any benefits in return, I do not think this is the real objective of conservation. I agree with some Members that in pursuing conservation, the land right or property right of indigenous villagers should be given due respect. We hope that a balance between the two can be struck. Recently, we try to incorporate Sai Wan into the country park area, and the process is expected to commence. During the process, we will consult village representatives, the Heung Yee Kuk, the Rural Committee, District Councils and the Country and Marine Parks Board. We hope that through the Environment and Conservation Fund, which we had injected \$500 million over the past year, as well as through time-honoured and effective management programmes, we can co-operate with local residents, or even invite other organizations to join in to help with the conservation work. At the same time, we hope that residents will benefit from the conservation programme, which will ensure the sustainability of conservation work.

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

Concerning environmental improvement, the public are most concerned about air quality. Naturally, many Members have pointed out the many inadequacies of the air quality of Hong Kong. They eagerly hope that air quality standard can be improved. However, I hope Members would have noticed that specific improvement in air quality has been achieved in the past few years. I am glad that some Members have mentioned power generation. It is noted that the three main types of pollutants emitted by power generation have been reduced, with the extent of improvement has increased from 37% to 71%, which proves the effectiveness of the policies. Naturally, things do not run smoothly in all aspects, and there is a cost for everything. In the electricity market, since the introduction of the new scheme of control agreement in 2008, the permitted rate of return of power companies has been reduced. So far, the implementation of green measures has not necessarily posed significant pressure on the cost of power generation. However, in the days to come, the renewal of electricity

energy will inevitably involve efforts in striking a balance among cost-effectiveness, environmental requirement and reliability of power supply. The Environmental Bureau will definitely fulfil its gate-keeping role properly, as requested by Members, ensuring that requirements for better environment are imposed with due regard to the affordability of the public. As for air quality, Members would notice that practicable measures have been introduced over the past couple of years. Although some Members say that they do not want to hear again my reporting on the improvements made, I am just stating the fact.

The Policy Address this year focuses on the improvement of roadside air quality, for we notice that commercial vehicles are the main source of pollution in major urban areas. As such, we will focus our efforts in reducing emission from buses. It is noted that buses in major bus fleets of franchise bus companies are due for replacement in the next few years, so we hope that bus companies will try to run on electric buses as soon as possible, for electric buses are emission-free. At the same time, other works has been commenced. For instance, we are working on the replacement of catalytic reduction devices for Euro II and Euro III buses, which account for about half of the total number of buses, so as to ensure that a higher emission standard can be met within the shortest period of time. Last year, a pilot scheme was introduced and if the scheme is implemented, full subsidy will be provided to bus companies for bus replacement.

Some Members mentioned the applications for the Pilot Green Transport Fund. In fact, the response is close to our initial expectation. It is hoped that the \$300 million fund will be used in encouraging other non-franchised public transports to replace existing vehicles with more environmental-friendly ones in the next three years. As for the applications in the first batch, approval will be granted in most cases. A dozen of applications have been approved in the first round within a short period, which involves estate buses, school buses and light vans. We consider this an important beginning for a balanced development, so that not only franchised buses but other modes of transport will also be encouraged to make the switch. We hope that in addition to electric vehicles, vehicle types with relatively low emission will also be introduced to Hong Kong to be used as public transport in the long run.

However, our work should not be confined to these aspects, for taxis and light buses fueled by liquefied petroleum gas (LPG) are also facing the problem of ageing vehicles, and there has been little room for improvement in

maintenance. Rightly for this reason, this year, we do not only introduce remote sensing emission tests but have also planned to provide a one-off subsidy to owners for upgrading their vehicles.

Deputy President, the issue on waste management has also been mentioned. As early as 4 January this year, I made it clear in the Legislative Council that a three-pronged approach must be adopted in handling municipal solid waste in Hong Kong, and all three strategies are indispensable. Some people dislike landfills on the one hand, and they worry about incineration facilities on the other. When it comes to waste reduction measures, if the interests of individual sectors are involved, Members may also have worries. I hope Members may give me a hand by suggesting possible methods in implementing the three-pronged approach.

At the meeting of the Panel on Environmental Affairs to be held next month, I will submit two important papers to seek clear guidelines from the Legislative Council. When the environmental levy on plastic bags is put into full implementation in the future, will the legislature be willing to support the present approach we propose. We have to get a clear direction before we can proceed with the law drafting work. In respect of the recycling of electrical equipment and computers, we will put forth two main proposals, one is the levy of charges upon the disposal of electrical equipment and the second is the setting up of a recycling centre in Hong Kong for detoxification of waste electrical equipment. Since the two proposals will involve public works of the Government and law drafting, I hope the legislature will give us a clear direction in this connection, so that we may take forward the law drafting work.

Concerning recycling and waste reduction, some Members mentioned food waste recycling earlier. It is hoped that the work in this respect will be gradually enhanced in the commercial sector or at the domestic level. Despite the efforts made today in this respect, I believe the problem will persist if we fail to introduce modernized incineration facilities in time, and the burden we have to undertake in future may be heavier than today. Hence, I plan to submit the funding application to the Legislative Council early next year for the construction of modernized incineration facilities in Hong Kong. In future, these facilities will achieve the target of waste-to-energy, which is conducive to the reduction in carbon emission. I hope Members will give their full support.

In implementing corresponding measures in Hong Kong to address climate changes, we have to give due regard to energy retrofit. Some Members mentioned energy retrofit earlier and the worries about nuclear energy. We have stated clearly that we must draw reference from the impact of the Fukushima nuclear incident on the country and the safety concerns of the use of nuclear power in the international community. At the same time, we cannot deny that the existing energy mix must be upgraded in the next decade or two. As for natural gas, without the timely efforts made in 2008, it will be impossible for us to increase natural gas supply from the existing 25% to 40% to 50% in the next decade. Members may notice that a further increase in this ratio may not be possible, and we are thus facing the problem of substituting the existing 50% coal-fueled energy in the energy mix with other cleaner and low-carbon energy source. It is not only about the air pollution problem in Hong Kong but also the problem of carbon emission.

Apart from the need to upgrade the energy mix, we notice that there is much room for energy saving in terms of the electricity demand of individuals and families, enterprises and society as a whole, as well as town planning and building design, which will reduce carbon emission correspondingly. In this connection, it is proposed in the Policy Address that following the introduction of a scheme providing \$450 million for energy saving works at 5 000 buildings, enterprises should be encouraged to carry out similar works at the same time. I am glad to hear that some Members support this approach. We hope that these measures, in addition to emission reduction and energy saving, will also open up business opportunities for enterprises engaging in energy efficiency business in Hong Kong. These changes in behaviour, concepts and corporate culture will be conducive to the gradual establishment of a low-carbon emission society.

Finally, we come to the promotion of environmental industries. We have the impression that the environmental industries in Hong Kong only involved recycling, waste management and sewage treatment in the past, but over the past few years, the horizons of environmental industries had been broadened. The Eco Expo Asia held in these couple of days this year is already the sixth held in the past few years. A few years ago, there were only a few dozens of exhibitors, but today, the exhibition has attracted exhibitors from nearly 20 countries and places with nearly 300 exhibition booths and over 8 000 participants. It is evident that there is some room and opportunities for environmental industries. Moreover, as mentioned by Mr CHAN Kin-por earlier, in the past few years, I

worked in close co-operation with the trade and professional organizations, as well as other business associations, and business opportunities outside Hong Kong have been opened up for environmental industries with the concerted efforts made. Actually, apart from providing opportunities in Hong Kong, Hong Kong enterprises may perform the role of a middleman or good partner to enable the promotion of environmental services industries to the Mainland and overseas market. Through the \$93 million subsidy provided under the Cleaner Production Partnership Programme, many environmental services companies have been introduced to work in the Mainland. Hence, we state clearly that we will adopt three approaches in developing environmental industries. First, it is the infrastructure investment-driven approach. Second, it is the policy-driven approach which can provide greater development room for environmental industries. Lastly, it is the brand-establishment approach which aim at creating Hong Kong brand environmental industries, so that the industries can carry out macroscopic and collective promotion in the neighbouring regions of Hong Kong and even in other places around the world. We are willing to invest the resources involved.

Deputy President, I understand that there are many inadequacies in environmental protection work at present, for we not only have to deal with pollution caused yesterday but also have to meet the future expectations of the public on the authorities. Hence, we will make the best efforts to fulfil our responsibilities with all our might and continue to work hard on issues of public concern with the Legislative Council.

Deputy President, I so submit. Thank you.

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, regarding this session on the theme of "Quality City and Quality Life", the Development Bureau is responsible for building safety, urban renewal, heritage conservation, harbourfront enhancement, as well as greening and tree management. As in the case of the previous session, not many Members have spoken on these subjects. Nonetheless, I will make use of the allotted time to share with those few Members who have spoken my views on the relevant subjects.

Firstly, on building safety. Mr LEE Wing-tat has expressed some views on "sub-divided units" in the previous session. After numerous discussions and debates on building safety in the Legislative Council over the past two years, the Government has adopted a four-pronged approach covering legislation, enforcement, support to owners and enhanced public education. Today, I would like to highlight our enforcement efforts. Certainly, enforcement must be supported by legislation. I am very pleased that the Panel on Development has endorsed the subsidiary legislation for implementation of the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) the day before, which will be published in the Gazette tomorrow. The work on mandatory building inspection and mandatory window inspection will enter a new stage after the gazettal of the relevant subsidiary legislation, and we will strive to put it into practice by the end of next year.

Just now Mr KAM Nai-wai has expressed concern about the owners' worries concerning the implementation of the MBIS and the MWIS. Here, I wish to discuss with Mr KAM about the supporting measures introduced by the Development Bureau in this regard. In fact, detailed information can be found in the press release issued yesterday. Under the two schemes, a comprehensive range of technical and financial support will be provided to owners at the various stages of building inspection and repair to help them comply with the statutory requirements. Specifically, in future, each building served with a notice for MBIS or MWIS will be assigned a single contact point, either from the Hong Kong Housing Society (HKHS) or the Urban Renewal Authority (URA), so that owners will have access to a "one stop" service for enquiries and assistance. Regarding financial assistance, we have agreed earlier to subsidize eligible owners the cost of the first building inspection. Furthermore, the Buildings Department (BD), HKHS and URA will also provide financial assistance of different forms, including the recently consolidated Integrated Building Maintenance Assistance Scheme, the loan scheme of the BD, and the subsidy scheme specifically designed for elderly owner-occupiers. Therefore, Mr KAM can rest assured in this regard.

We will soon table another bill to amend the Building Ordinance to further enhance building safety. Some proposals had actually been scrutinized by a bills committee of the Legislative Council last year, which include empowering the BD to apply to the Court for an entry warrant for the purpose of inspection and imposing regulations on advertisement signboards. I hope that Members

will support our work in this regard. Later on, we will also propose legislative amendments to include "sub-divided units" and other common work projects into the minor works control system, which came into effect last year.

Regarding Mr LEE's query on BD's determination in law enforcement, he can actually rest assured. There is no need for me to relay the message to the Director of Buildings because the entire BD is of one mind in stepping up the enforcement efforts against dangerous buildings. Furthermore, work targets have been set. The work target of this year, for instance, is to deal with "sub-divided units", which have been included into the special operations in April. To tackle "sub-divided units" in industrial buildings alone, we will launch operations in at least 30 industrial buildings this year. Recently, I am very glad to hear that upon our request, the Community Care Fund has agreed to provide a one-off relocation allowance to residents of "sub-divided units" in industrial buildings who would have to move out as a result of the BD's enforcement action. This would facilitate our enforcement action.

Mr LEE doubted whether the slow enforcement action taken to follow up on the building at 111-113 Ma Tau Wai Road in the aftermath of a fire. I would like to clarify that even though a fire broke out in that building, according to the assessment of our professional colleagues, the unauthorized building works of the "sub-divided units" pose no immediate hazard. In this circumstance, we must follow our established policy to allow some time for the owners to comply with our removal orders. This case has nonetheless demonstrated our determination in enforcement because closure orders will be issued within one week to owners who fail to comply with the removal orders before the specified deadline. As Mr LEE may be aware, the closure of buildings is indeed a severe sanction. Notwithstanding that, the serving of closure orders may achieve the effect of forcing the owners to expeditiously make the necessary alterations to meet the statutory requirements. Therefore, we will protect Hong Kong's building safety along this line.

Mr LEE mentioned the revitalization of industrial buildings. While this subject relating to planning and land use should be covered in the last session, I am still happy to make a response in this session. First of all, I am grateful to Mr LEE for his grave concern for the utilization of industrial buildings and we have already discussed with the Director of Fire Services. In fact, over the past few years, we have been liaising with the departments concerned to identify ways

to release industrial sites for other uses. However, the rezoning of the industrial sites for residential use does not only arouse concern over fire safety as raised by Mr LEE, who considered it inappropriate to allow the co-existence of industrial and residential uses in one building from the perspective of fire safety, it also poses environmental concerns which are of grave concern to the Environmental Protection Department under the purview of Secretary YAU. It would be unacceptable if a building situated in an industrial area is used for residential purposes. Worse still, there will be an interface problem between the buildings. In view of the series of problems, there are difficulties in releasing the existing industrial buildings for residential use. Instead, we will explore new options by switching to industrial sites which have previously been rezoned by the Town Planning Board (TPB) for residential use, that is, zoned "Residential (Group E)" — Group E refers to sites that can be rezoned for residential use after going through certain procedures. We will explore new ideas in this regard by all means to see if the sites rezoned for residential use can be expeditiously released. The biggest problem, of course, lies in the fragmented ownership.

The second issue concerns the harbourfront. Both Dr Priscilla LEUNG and Dr Raymond HO spoke in the last session, but their speeches are slightly contradictory. While Dr Priscilla LEUNG commended the promenades created during the past two years, which include the Kwun Tong Promenade (Stage 1) and the Hung Hom to Tsim Sha Tsui Promenade, Dr Raymond HO accused us in English of making "little progress". I think Dr Priscilla LEUNG and Dr Raymond HO might need to improve their communication. In fact, we have achieved exciting results in harbourfront enhancement over the past two years, which is a manifestation of our accountability to the public. We have divided the two sides of the Victoria Harbour into 22 Action Areas where promenades will be gradually built. The two promenades which I just mentioned are the 200-metre long Kwun Tong Promenade (Stage 1) and the Hung Hom to Tsim Sha Tsui Promenade which was open before the Mid-Autumn Festival. I always encourage my colleagues to drop by the promenades during weekends to see for themselves how popular the promenades created by them are. Every time I went passed the promenades, I saw people enjoying the harbourfront, especially the recently built Hung Hom to Tsim Sha Tsui Promenade. This has given great impetus to our harbourfront planning and beautification works. The success of the Hung Hom Promenade — I noticed that Mr LEE also mentioned this point just now — is that it is open to all without much restrictions. In particular, people are welcomed to lie on the green lawns, which are made up of four

different grasses, and enjoy the beautiful scenery of the Victoria Harbour. I noticed that many people enjoy going to the promenades.

Mr KAM Nai-wai mentioned that members of the Harbourfront Commission did agree in principle to the proposed construction of cycle tracks in the promenades on Hong Kong Island. However, there are technical difficulties. The physical condition of the Hong Kong Island may not be very suitable for the widespread use of bicycles as a means of transportation, whereas the New Territories has a higher potential. We have therefore explored the feasibility of the construction of cycle tracks in the New Territories through the Civil Engineering and Development Department, and will invest more than \$1 billion for the construction of a 110-kilometre cycle track. In my opinion, the investment will be more meaningful if bicycles can perform greater functions in terms of the environment and transportation. I visited the so-called Octopus Bicycle Service in Paris, London and Nice over the past few months, and flew to Copenhagen, a world leading bicycle city, last week. I think that there is a great potential for cycling, which is beneficial to people's health.

Last but not least, it is heritage conservation. While Miss Tanya CHAN pointed out that we should update our heritage conservation policy, she has not elaborated what should be updated. I am therefore puzzled. However, we do see eye to eye that public discussions on heritage conservation were often held after something happened. If nothing happens, few people would initiate discussion despite much work has been done. For instance, we have completed the grading of 1 444 historic buildings in a few years, and relevant public forums on grading had been scheduled for various District Councils. We have implemented the Revitalization Scheme, which comprised of three batches and 13 historic buildings are involved. Again, we have organized numerous public forums and worked with non-governmental organizations. I hope that there will be public discussions on heritage conservation in future even if nothing happens.

Miss Tanya CHAN was concerned whether the economic incentives provided to owners of privately-owned historic buildings are always tailor-made. No doubt, the adoption of a tailor-made approach for individual cases is both inevitable and essential because we genuinely wish to strike a balance between the respect for private property rights and the protection of heritage. To achieve this end, we must consider the development potential of the sites of the privately-owned historic buildings and the wish of the owners concerned. It is

not our wish to offer higher than necessary economic incentives to protect an historic building.

Miss CHAN highlighted, in particular, the case concerning a building at Barker Road, the Peak. In fact, Miss CHAN has written to us on this case and we have coincidentally sent her a reply today. Let me briefly describe the case, which involves a Grade 2 historic building. After negotiation, the owner concerned agreed to adopt a conservation method applicable to Grade 2 historic buildings, meaning that efforts should be made to selectively preserve the original building. As a result, when the owner considered the new development proposal, he agreed to preserve the exterior walls of the historic building facing the streets, and thus included the exterior walls of the original building into the renovated building. In this connection, we supported the owner concerned to apply to the TPB for a relaxation of the plot ratio, which is actually intended to be a compensation for the original building's exterior walls which need to be preserved. Basically, it does not involve the granting of additional floor area. Such an approach has also been adopted in a previous case. In that case, a tenement building at 179 Prince Edward West has to be preserved and will be converted into a heritage hotel. Since the front portion of the building has to be preserved, we supported that application should be made to the TPB for a slight relaxation of the plot ratio so as to facilitate the preservation-cum-development proposal.

Lastly, Deputy President, I would like to take this opportunity to give a brief account of our work on heritage preservation. I believe the 2012 Hong Kong Heritage Calendar published by the Development Bureau has already been distributed to Members. It contains historical photos taken in Hong Kong in the 1950s. In the calendar, I wrote:

"Over the past four and a half years, we have strived to promote heritage preservation along the line of the Chief Executive's vision. We strongly believe that an improving city does not only possess unique life experiences, but there is also a need to value its culture and history. In our home — Hong Kong, the major highlight of this city is the presence of historic buildings of different eras in a highly dense modern building structure."

Being the Secretary of Development, I am tasked to promote the policy of heritage conservation. Looking back at my work at this juncture when my

five-year term will soon come to end, it gives me great satisfaction. With the unswerving efforts and passion of colleagues working in the conservation of heritage, many new initiatives of heritage conservation have been implemented. For instance, we have carried out "Heritage Impact Assessment" (HIA) for all capital works items; introduced adaptive re-use of historic government buildings; provided economic incentives to encourage the conservation of privately-owned historic buildings; provided financial assistance to owners of historic buildings for repair and maintenance; carried out comprehensive grading of historic buildings, as well as promoted territory-wide public education and enhanced communication with the public.

There have been numerous exciting stories in the past few years, and the most touching is the rehabilitation of the damaged historic building, King Yin Lei, which has restored its past glory. "Conserving Central", comprising eight unique projects, is believed to be the most aggressive heritage conservation project in Hong Kong's history. The former North Kowloon Magistracy, which has been revitalized to become the Savannah College of Art and Design Hong Kong Campus, is the showcase of Hong Kong's efficiency and abilities.

More conservation projects will yield fruit in the run-up to 2012. I sincerely invite all of you, which certainly include Members, to share our joy.

With these remarks, Deputy President, I implore Members to support this year's Policy Address.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Deputy President, I thank the Members who have shared their views.

The Policy Address has explicitly stated that the SAR Government will facilitate development so as to provide people with a quality city life. Art and culture as well as sports and recreation are important elements in a quality life. As Mr IP Kwok-him has said, these are fundamental issues affecting our personal qualities.

In respect of arts and culture, we have made ongoing efforts to create favourable conditions for the development of arts and culture and have actively maintained an environment for creative freedom. With our multi-faceted efforts,

including the development of art programmes, nurturing of talents, promotion of art education and building up of the audience base, cultural resources in Hong Kong have gradually been garnered. More than \$2.8 billion of public expenditure is used every year on arts and culture. From the five financial years starting from 2010-2011 onwards, an additional \$486 million will be earmarked to strengthen our support to local art groups and kick start a number of art cultivation and promotional programmes.

The development of the West Kowloon Cultural District (WKCD) has entered a new stage. With the information of the WKCD Development Plan now on display for the stage-three public engagement exercise, the WKCD Authority expects to submit the Development Plan to the Town Planning Board for consideration by this year end. In parallel, the WKCD Authority are preparing for the design competitions for a number of iconic buildings and facilities so that construction works can begin as soon as possible upon completion of the statutory planning process. The WKCD will continue to launch various arts and cultural programmes to build audiences for the WKCD and nurture management talents, and to develop links with local and overseas arts and cultural organizations.

In respect of intangible cultural heritage (ICH), a territory-wide ICH survey now in progress is expected to complete in the first half of 2012, the result of which will help us in formulating a more comprehensive and specific conservation measure. This year, the four ICH in Hong Kong, namely the Jiao-festival of Cheung Chau, the dragon boat water parade of Tai O, the fire dragon dance of Tai Hang and the Yu Lan Ghost Festival of the Hong Kong Chiu Chow Community have been successfully inscribed on the third national list of ICH in China. We will implement the specific measures in close conjunction with the activity organizers, so as to preserve, promote and transmit the ICH in Hong Kong to our next generation.

We will continue to support the sustainable development of Cantonese opera as a local indigenous art form. Apart from nurturing more new talents under the programmes of the Cantonese Opera Development Fund, we are also developing venues of different scales to meet the development needs of Cantonese opera. The conversion of Yau Ma Tei Theatre and Red Brick Building into a xiqu activity centre was completed in September this year. The xiqu activity centre is expected to commence operation in June 2012, while the

Ko Shan Theatre Annex is now under construction. Certainly, there is another xiqu centre planned to be built in the WKCD.

ICH is rich and diverse. Subject to the actual status of the heritage, different preservation measures, including identification, documentation, research, preservation and promotion, will be adopted. With respect to preservation by legislative means, we will draw reference from Mainland and overseas legal documents before coming up with a system appropriate to the actual situation of Hong Kong.

In respect of public libraries, according to the Hong Kong Planning Standards and Guidelines of the Planning Department, one district library should be provided for each district or for every 200 000 persons. Under this guideline, the Leisure and Cultural Services Department (LCSD) has adopted a comprehensive approach in upgrading public library services. Apart from building libraries, large amount of resource has been invested in other software and hardware development, including the development of a "library without walls" to tie in with the rapidly-developing electronic information era. In addition, support services are provided to schools and kindergartens in Hong Kong and community libraries are built with a total of over 200 community libraries now available to serve people in all 18 districts.

In respect of public art, ongoing efforts will be made to take forward public art and organize more promotional programmes to this end. We will develop partnership with District Councils and various art groups and organizations to bring public art to different sectors of the community. We will also inject artistic elements into the public space of existing and planned government facilities such as parks, sports centres and government premises, including the new Central Government Complex in Tamar and the Town Park and Indoor Velodrome-cum-Sports Centre in Area 45, Tseung Kwan O.

When it comes to sports development, sports in Hong Kong have scaled new heights in recent years, in terms of sports promotion, performance enhancement and organization of major events.

In respect of sports promotion, efforts have been made to enhance the community's awareness of sports through the holding of large-scale events. For instance, the Third Hong Kong Game has attracted 3 000 competing athletes and

300 000 members of the public participated in the related community activities. The "Sport For All Day" organized by the LCSD on 7 August 2011 also attracted over 200 000 members of the public to participate in sports activities. We agree that television broadcasting of major sports events can facilitate the promotion of sports, but the Government has to be very cautious in intervening in the market of the media which has long been run by private enterprises.

In order to encourage more members of the public to take part in swimming, we will introduce monthly tickets for public swimming pools, and concessionary rates will be made available for the elderly, people with disabilities, students and children. We plan to submit the relevant proposal to the Legislative Council for approval in 2012 before implementation. We anticipate that the monthly ticket scheme will be able to benefit tens of thousands of people, including the elderly, who frequently use the swimming pools.

In respect of elite sport, we saw glamorous results for Hong Kong athletes competing on the international stage. After achieving outstanding results in the 2010 Guangzhou Asian Games and Asian Para Games, they excelled once again in the 2011 Universiade in Shenzhen, winning medals in archery, gymnastics and athletics. Moreover, Hong Kong disabled athletes also won two gold, three silver and six bronze medals in the Eighth Chinese National Games for the Disabled. On the other hand, Hong Kong young athletes also excelled at the recently-concluded Seventh National Intercity Games. Bringing back to Hong Kong two gold, two silver and two bronze medals in cycling, athletics, badminton, tennis and archery, they have broken all past records made by Hong Kong in the Games, proving the rising standard of Hong Kong young athletes.

Certainly, different criteria, including the efforts of different national sports associations (NSAs), are indispensable to the outstanding results. The Government will continue its subventions to NSAs and more vigorously monitor the effective use of public money. After reviewing the present subvention scheme for NSAs, the LCSD has launched a series of measures in 2011-2012 covering manpower deployment, subvention distribution and allocation arrangement. It also proposed an increase in the level of subvention to assist NSAs in enhancing their internal controls and corporate governance, with a view to strengthening their knowledge on financial management and manpower. The LCSD will also assist NSAs in developing performance targets under their Key Performance Areas (including organization of programmes, performance of

athletes, development of sport, and corporate governance and compliance), in a bid to establish a closer relationship between the amount of subvention and the governance of NSAs and their compliance to guidelines.

I thank Dr LAM Tai-fai for sharing his views. With the endorsement of the \$7-billion Elite Athletes Development Fund (EADF) by the Finance Committee of the Legislative Council in this July, the investment returns of the EADF replaces the past mode of providing funding to the Hong Kong Sport Institute (HKSI). The change ensures that the HKSI will have sufficient resources to support elite athletes and better cater for their needs during competitions and after retirement.

In respect of sports facilities, we have, since 2005, completed new facilities and upgraded existing facilities at a cost of more than \$5.9 billion. The redevelopment works of the Mong Kok Stadium costing some \$280 million has also completed. To celebrate the re-opening of the Stadium, a friendly football match will be held on 15 November between the Hong Kong Youth Representative Team and the Russian National Youth Team as the inauguration programme. Construction of 13 sports facilities with a total investment of over \$9 billion is now underway.

In the current Legislative Session, we intend to seek funding approval from the Finance Committee of the Legislative Council to initiate the construction of a number of new recreational and sports facilities, including a Sports Centre and Community Hall cum Public Library in Area 14, Sha Tin and a soccer/rugby pitch in Area 117, Tin Shui Wai. In addition, the planning of 18 sports facilities is in the pipeline. We are certainly aware that, as mentioned in the debate earlier, Hong Kong is reaching the peak of works projects and construction workers are in short supply. Hence, we must prioritize the works projects and avoid taking forward the construction of recreational and sports facilities all at the same time.

In respect of the Multi-purpose Stadium Complex at Kai Tak, the Home Affairs Bureau is now identifying the preferred procurement strategy and financing option for the project. Our commitment in taking forward this project is beyond question.

In respect of questions such as hostels for single youths raised by Members, I will respond to them later in the session on youth development. Thank you, Deputy President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, I will highlight the work done in relation to the creative industry which is under the purview of the Commerce and Economic Development Bureau.

Creative industry is one of the six industries which Hong Kong enjoys competitive advantages. Create Hong Kong (CreateHK), a dedicated office set up in June 2009, works closely with different creative establishments to provide one-stop services for the industry. With the establishment of the \$300-million CreateSmart Initiative (CSI) and the \$320-million Film Development Fund (FDF), CreateHK provides financial support for the creative industries to take forward market expansion, exchange programmes, talents' training and publicity programmes, as well as financing small-to-medium budget film productions. As at the end of this September, almost \$120 million under the CSI and almost \$170 million under the FDF have been allocated for approved projects, of which about \$51 million has been used on financing the production of 17 local films.

With the course set at seven strategic directions, namely nurturing of talents, facilitating development of creative establishments, expanding local market size, exploring outside markets, fostering a creative atmosphere within the community, developing creative clusters in the territory and promoting Hong Kong as Asia's creative hub, we will comprehensively take forward the development of Hong Kong's creative industries.

It has been announced in the Policy Address this year that more resources will be allocated to enhance support for the operation of the Hong Kong Design Centre (HKDC), showing the Government's priority and support given to the design industry. We have earmarked funding for the HKDC to continue with its work on promoting the local design industry and organizing signature events which showcase Hong Kong's creativity, in a bid to entrench Hong Kong's position as a regional design hub. Later, after seeking the views of the Panel on

Information Technology and Broadcasting, we will table the funding proposal to the Finance Committee for approval.

As foretold by the Chief Executive in the Policy Address, the coming year will be designated as "Hong Kong Design Year". The Government will join hands with the HKDC, Hong Kong Trade Development Council, Hong Kong Tourism Board and other relevant partners to host a series of mega events on design, including international design forums, regional exchange symposia and exhibitions, and the Business of Design Week which is the annual highlight for the design sector. We will showcase "Hong Kong Design Year" as a brand, which will encompass a number of mega design events. The local design sector can make full use of this platform to promote Hong Kong's design business and extol outstanding designs whereas international design elites and talents will also be attracted to Hong Kong for experience sharing and exchange. We firmly believe that the Hong Kong Design Year will foster the community's interest in design and entrench Hong Kong's position as Asia's creative hub.

Regarding the promotion of creative industries, we will continue to sponsor large-scale promotional events to be hosted in Hong Kong. For instance, Hong Kong will host for the first time the international conference and exhibition of the SIGGRAPH Asia 2011 which promotes the digital entertainment industry. Moreover, we also support different industries in using the digital platform for promotion and publicity. An online platform showcasing outstanding local architectural work was launched in this April by the architectural sector, while a smart-phone platform was launched in this January by the comics sector to facilitate electronic distribution of local comic work. Looking into the future, we will continue to sponsor the setting up of a one-stop digital platform to promote the local digital marketing/interactive advertising industry and its services, so as to facilitate potential clients who wish to use digital marketing/interactive advertising to find a service provider. The platform is expected to be launched in next March.

The Government will revitalize the former Hollywood Road Police Married Quarters into a creative industries landmark. We have chosen the Musketeers Foundation (Musketeers Education and Culture Charitable Foundation Limited) as the operating organization, and the Finance Committee of the Legislative Council has already granted the funding in this July for taking

forward the renovation works. We will join hands with the winning organization and local creative industries to implement the revitalization programme and make full use of the land of the quarters to realize the development potential of the creative industries. The renovation works is expected to be completed by end of 2013.

(THE PRESIDENT resumed the Chair)

President, the film sector is the flagship of our creative industries. The annual film production in Hong Kong has increased from about 50 films in 2008 to over 70 films respectively in 2009 and 2010. In recent years, Hong Kong films and local actors and actresses have won a number of renowned awards in the international arenas, proving that the standard of Hong Kong films and the hard work of our actors and actresses are widely recognized. Since the implementation of CEPA, films jointly funded and produced by Hong Kong film industries and their Mainland counterparts have substantially increased with increasingly larger production scale and better box records. Their achievement is obvious to all.

President, we will continue to support the ongoing development of our creative industries through the dedicated office CreateHK, so as to entrench Hong Kong's position as a creative hub.

President, I so submit and urge for Members' support of the Policy Address.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the protection of food safety and the provision of a hygienic environment are not only the essential elements in fostering a "quality city and quality life", but also the major duties of the Secretary for Food and Health. I will therefore mainly brief Members on the government policies on food safety, food supply and columbarium, as well as the work on sustainable fisheries.

For food safety, the Government has adopted the "from farm to table" strategy to ensure that the food consumed by the public complies with the safety requirements, thereby safeguarding public health. This includes proper food surveillance on the food supply chain from source to downstream stages. The Food Surveillance Programme is also of paramount importance in safeguarding food safety. The Centre for Food Safety (CFS) took about 63 000 samples for testing in 2010, and the overall satisfactory rate is 99.7%. Furthermore, the CFS has also taken into account the latest overseas and local risk analyses, with a view to constantly adjusting the scope and intensity of food surveillance.

The Government has introduced or amended 12 laws on food safety since 2004. The new Food Safety Ordinance, which will come into full effect on 1 February 2012, aims to introduce a food traceability mechanism to ensure that the Government can trace the source of the problem food more effectively and take prompt action when dealing with food incidents. We are now assisting members of the trade to prepare for the full implementation of the Ordinance. As at 17 October this year, we have received more than 1 528 applications, among which 862 have completed the registration procedures.

We will continue to improve the food safety mechanism and standards, and legislate on regulating high-risk food such as imported poultry eggs. Furthermore, we will propose legislative amendments to prohibit the presence of hormones of exogenous origin in dried milk, condensed milk and reconstituted milk, and introduce legislation to regulate the amount of pesticide residues in food.

Over the past year, we have to cope with a number of major food incidents, such as dioxin contamination of food products imported from Germany, radiation contamination of food products imported from Japan, and plasticizer contamination of food imported from Taiwan. In the face of such incidents, our colleagues have been dedicated and devoted in performing the gate-keeping role in food safety. We will continue to serve Hong Kong people under this spirit.

Apart from ensuring food safety, we have also endeavoured to ensure the ample and stable supply of food in Hong Kong, and the trade was encouraged to explore new sources of food supply. We have reached an agreement with the State General Administration of Quality Supervision, Inspection and Quarantine on importing chilled beef from the Mainland to Hong Kong in late December last

year. This has expanded both the sources and types of food supply, thereby further stabilizing local beef supply and maintaining the food prices at a reasonable and stable level. We expect to see more beef suppliers supplying chilled beef to Hong Kong in the near future. As a matter of fact, the demand for chilled and frozen meat has increased in the past few years.

To explore new sources of food supply, we will continue to provide active support to members of the trade. I visited Chile and Brazil in May this year, and found that they are positive about increasing the supply of food products to Hong Kong. It is believed that in the near future, the import of meat and other food products from these two countries will increase.

Given that more than 90% of fresh food products in Hong Kong are imported from the Mainland, we are sincerely grateful to our Nation for its support to Hong Kong people. When Vice-Premier LI Keqiang visited Hong Kong in August this year, he also reiterated, in respect of food supply, the provision of safeguarded supplies. This includes stabilizing the provision of grain, meat, fruits and vegetables to the Hong Kong market.

Members of the public are concerned about the prices of food. According to the Census and Statistics Department, food items under the Composite Consumer Price index between January and September 2011 has increased by 6.6% when compared with the corresponding period last year. Similarly, the Consumer Price Index of food items on the Mainland has also increased by 12.5% in the first nine months of 2011. Although direct comparison between the two indices is inappropriate given the different methods of computation, they do reflect an apparent rising trend of food prices in the region. The vibrant economic activities recorded this year have also further pushed up the retail prices of food. While food prices in Hong Kong will remain at a high level in the near future under the influence of international food prices, in the long run, the various initiatives mentioned by me earlier will help ensure an ample supply of food at stable prices.

Regarding columbarium policy, there has been widespread public support for an enhanced regulation of columbaria under a licensing regime on completion of the first public consultation exercise conducted to review the policy of private columbaria. Over the past six months, we have visited a number of private columbaria to collect information for the development of a framework for the

licensing regime. We plan to launch another public consultation exercise at the end of this year regarding further proposals on the licensing regime.

On the supply of columbarium facilities, there is also a broad consensus that the supply of public columbarium niches should be increased to meet people's demand. The construction of a new public columbarium is now underway at Kiu Tau Road, Wo Hop Shek. It will provide about 43 000 niches and a garden of remembrance; the project is expected to complete in mid-2012. Furthermore, people are generally supportive of the district-based columbarium development projects. We have shortlisted a total of 24 sites in 18 districts in Hong Kong for columbarium development. Of these, the Diamond Hill Columbarium extension has received support from the Wong Tai Sin District Council (DC) and will be completed by early 2012 while the Cheung Chau Cemetery extension has also received support from the Islands DC. We are forging ahead with the technical feasibility studies related to those remaining sites to ascertain their suitability, before rolling out the consultation with the various DCs from 2012 onwards. Together with the supply of the Chinese Permanent Cemeteries, we estimate that about 120 000 new niches will be made available in the coming five years (between 2012 and 2016), and hundreds of thousands more in the mid and long-term (between 2017 and 2031). We also encourage leaders of local communities and DCs to propose potential sites, and will maintain our efforts in soliciting support from DCs and local communities through continuous communication.

In last year's Policy Address, the Chief Executive announced the introduction of a legislation to ban trawling activities in Hong Kong waters. The relevant subsidiary legislation will take effect on 31 December 2012. The Interdepartmental Working Group for the trawl ban has been formed to handle all matters relating to applications received under the one-off assistance package to trawler vessel owners, local deckhands employed by them and fish collector owners affected by the trawl ban, and it plans to roll out the scheme in late 2011. We will continue to proactively follow up on the various support required by the industry concerning the development of offshore fishing, which includes reviewing the eligibility and loan terms of the Fisheries Development Loan Fund; seeking Mainland authorities' advice on the possibility of Hong Kong fishermen fishing in the yet to be developed fishing grounds in the South China Sea and the necessary Mainland fishing permit. Members of the trade will be briefed on the relevant information.

In this year's Policy Address, the Chief Executive also announced that a bill will be put forward in the current Legislative Session to develop a registration system for local fishing vessels, with a view to preventing non-local fishing vessels from fishing in Hong Kong waters, thereby preventing over-exploitation. The bill will also provide for the designation of fisheries protection areas to protect important fish spawning and nursery grounds. The relevant amendment bill was published in a gazette on 21 October and will be tabled at the Legislative Council for scrutiny on 9 November.

Since a Member has mentioned animal welfare, I also wish to talk about it. We intend to encourage some animal welfare organizations to implement the Trap-Neuter-Release trial programme at selected locations in Hong Kong to facilitate scientific assessment of the programme. We are assessing the suitability of the selected locations in collaboration with the relevant animal welfare organizations. As the successful implementation of the programme owes much to the support of local residents, we will consult the relevant DCs after their establishment.

The Agriculture, Fisheries and Conservation Department (AFCD) has recently established an Animal Welfare Task Group to further improve the handling of animal cruelty reports or complaints. Comprising members from the Society for Protection of Cruelty to Animals (Hong Kong) and other government departments (including the police and the Food and Environmental Hygiene Department), the Task Group aims to enable better interdepartmental support for animal cruelty cases. After the Task Group has finished with the necessary discussion and preparation, the relevant departments (including the AFCD and the police) and animal welfare organizations implemented the "Animal Watch Scheme" to further strengthen the prevention of and combat against animal cruelty through enhanced publicity and education, intelligence gathering and investigation. The AFCD has also stepped up the re-homing service. With the concerted efforts of the AFCD and 13 partner organizations, the number of re-homed animals has increased by some 25%. We will continue our efforts in this regard to further increase the number of animals to be re-homed, with a view to reducing the number of animals to be euthanized.

President, I am very grateful to the Members who have spoken, especially Mr WONG Yung-kan, who has, year after year, exhausted all his 30 minutes of speaking time to expound on the industry's aspirations. This year, as usual, he

has given many advices in response to the industry's aspirations, and I have already responded to them. On the other hand, I am also very grateful to Mr Tommy CHEUNG, who has mentioned the different needs of the food industry. I would like to mention in passing that efforts have been made to help the industry, especially in respect of an electronic licensing system. It is hoped that online registration will be made available to the industry as early as possible.

President, to implement the initiatives on food safety and environmental hygiene as set out in the Policy Agenda, we need the support of people from all walks of life, including Legislative Council Members. I hope that Members will continue to support our work in this regard, and support this Motion of Thanks.

Thank you, President.

PRESIDENT (in Cantonese): The second debate session ends. We now proceed to the third debate session on the theme of "Investing for a Caring Society". This session covers the following three policy areas: manpower, security (anti-drug policy); and welfare services (including social enterprise and family matters). Members who wish to speak in this session will please press the "Request to speak" button.

MR CHEUNG KWOK-CHE (in Cantonese): President, in this Policy Address of the Chief Executive, I think the greatest surprise for the general public is the offer of a concessionary fare of \$2 a trip for elderly people aged 65 or above and eligible persons with disabilities to travel on the general MTR lines, franchised buses and ferries. Given that the disadvantaged groups are heavily burdened by the present high level of transport costs, their incentive to go out for activities has been seriously hindered. Hence, upon hearing this initiative, I am somewhat gratified that the Government has finally taken heed to the request made by this Council over a decade for this concession.

Nonetheless, the devil is in the details. It turns out that the \$2 concessionary fare is not offered by public transport operators earning hefty profits. The cost of this concession is solely borne by the Government from the public coffers. The social responsibility which should rest with public transport operators has been shifted to taxpayers. This is undoubtedly and blatantly doing

a great favour for the big consortia so that they can get richer. As we know, most of the elderly people and persons with disabilities travel on public transport during off-peak hours, which incidentally use up the spare capacity of public transport modes; hence public transport operators need not provide extra service. In other words, all the revenue so generated is gross revenue or gross profit. That is why public transport operators should more rightly accept this social responsibility and make their reasonable commitment.

From this \$2 concessionary fare, we can witness how the incumbent SAR Government is tilted towards the business sector and the big consortia over the past seven years. Even though the present concession will benefit some 1.1 million people of the disadvantaged groups, the Government has not forgotten to take care of the interest of the business sector right until the end. I cannot help but recall that when Hong Kong was in the colonial era, the British Hong Kong Administration had indeed gone to great lengths to serve some British businessmen, and the people of Hong Kong were treated as second-class citizens. It has been 14 years since Hong Kong's reunification; I do not reckon that our officials still adopt such a colonial mentality in their work. It really makes me agitated.

Let me go back to the issue under discussion. Although Hong Kong claims to be a so-called international metropolis nowadays, many people are still living in "caged homes", "sub-divided units", cubicle apartments, or even "coffin-sized units" of less than 10 sq ft in size. The standard of these accommodations is even lower than those of some third-world countries, with poor lighting and ventilation, as well as infested with pests and mosquitoes. No wonder CNN also came to Hong Kong to cover a story on "caged homes", which put Hong Kong under the international spotlight. Some people even consider this a shame of Hong Kong. Nonetheless, we are more ashamed by the indifferent attitude shown by the Chief Executive in this Policy Address towards the situation. He even claimed impudently that this uncivilized and inhumane social phenomenon of "sub-divided units" would not be banned.

Nonetheless, the absurdities do not stop there. Rental for these "sub-divided units" or cubicle apartments is by no means cheap. According to a survey conducted by the Society for Community Organization, the median per-square-foot rental of cubicle apartments is as high as \$60 on average. In the most "absurd" case, the per-square-foot rental is an astronomical figure of \$93.

These rental levels are not only comparable to luxury flats, but close to the per-square-foot rental of commercial properties in the business district of Central. I think a comparison can only be drawn with the \$200 per-square-foot rental of the International Finance Centre.

Having said that, I think the lives of Hong Kong people are really miserable. We work hard every day just for getting a roof over our head. However, high land premium is not caused by the scarcity of land resources in Hong Kong. Let me give Members some statistics. At present, residential units make up for less than 7% of the total land area in Hong Kong; the percentage of public rental housing (PRH) is even lower at about 1.4%. In other words, discounting the land currently within country parks and green belts, about 40% of land area in Hong Kong can be made available for development. Hence, to say that the Government and real estate developers are not the culprits of high land premium, high property prices and high rental in Hong Kong, I think nobody will agree. I am not greedy. I think if the Government can make available as little as 3% of land area in Hong Kong for the construction of residential units, it will certainly help reduce the suffering of the people.

Regarding the problem of housing for the grassroots, no positive response has been made by the Government. It does not only refuse to tackle the problem of "sub-divided units" squarely, it also refuses to heed our request for additional supply of PRH units so as to shorten the waiting time of Waiting List (WL) applicants. One should know that home ownership is a cornerstone for social harmony and stability. To a large extent, the current seething discontent in the community is caused by the absence of improvement in the people's living environment. Luckily, the two probable Chief Executive candidates have simultaneously expressed support for additional supply of PRH units. Hence, I can only wait patiently for my wish to come true. But I wish to remind members of the Housing Authority that the current 2.2 years' waiting time of PRH allocation as published by the Housing Department (HD) is just an illusion in numbers. The most conservative estimate now is that an applicant must wait four to five years from submission of application to verification to PRH allocation. Such waiting time is very common. Hence, the HD should present the real picture to the public.

When faced with our social problems, the current-term SAR Government invariably only resorts to the short-sighted approach of "handing out candies" in

exchange for short-lived applause. A quick look over history will tell us that in the past seven years, the SAR Government has already spent a total of \$180-odd billion on various initiatives to "hand out candies". Some of the poverty relief measures, such as "double pay" for Comprehensive Social Security Assistance (CSSA) recipients, and so on, can seemingly resolve the immediate problems faced by many grassroots. But I question how much of the money is put to good use? Quite simply, about the \$6,000 cash handout, many friends of mine said that they would donate the money received to charitable organizations. They donate the money for charitable use because they consider that the Government's \$6,000 cash handout is "improper".

I believe that when the Government was considering this initiative, it might think that cash handout for everybody was the fairest approach. But in fact, this is only "blind" fairness because \$6,000 means nothing for the rich. For them, the money is only enough for tips on leisure trips, or for a dinner. But for the grassroots, this sum is enough to pay for their living expenses in food and shelter for one month. Another "candy" frequently handed out by the Government is rates waiver. We all know that the ones enjoying the most benefits are flat owners as well as property developers who own shopping malls and many properties.

If the Government is willing to think out of the box and instead of handing out "candies", it can hand out "rice", so as to give the most needed help to the disadvantaged and the poor. In this way, the hard-earned money of taxpayers is well spent. For example, the total salary cost of the 3 000 programme worker (PW) posts mentioned in this year's Policy Address is only about \$300 million each year, yet the benefits they bring to the community are so much more than that. As far as I know, many organizations consider that the PW posts can give young people a good experience as their first job, and this initiative can also attract new blood to the welfare sector so that more social services can be provided. Hence, there is strong voice in the sector that unlike the present "saline drip" arrangement with extension given year after year, the PW posts should be regularized. With the \$9.9 billion foregone tax revenue of the Government as a result of rates waiver, these PW posts could be extended for 33 years. If the Government is willing to commit on extending these posts for 33 years, I will stop asking the Government for their regularization.

In fact, no strategic planning has been made for the long-term development of Hong Kong since the Chief Executive, Mr Donald TSANG, has assumed office. For example, regarding residential care places for the elderly, although the Government has said that sufficient funds have been earmarked to increase the number of such places by more than 50% by 2015 (that is, an increase of about 1 250 places), there is in fact an acute shortage of such places with currently over 6 000 people on the waiting list. How can water afar put out a fire nearby? While the provision of residential care places is not an emergency service, why can't the Government be more generous and do more for the elderly people?

On the issue of universal retirement protection, one feels strongly that the Government intends to shirk its responsibility. In paragraph 77 of the Policy Address, it was stated that (and I quote), "It is impractical to introduce fundamental changes to the existing system and adopt a resource reallocation approach to deal with retirement protection because the middle class and professionals would generally not accept it now." (End of quote) Then in paragraph 200, it was stated that (and I quote), "In regard to retirees, we will introduce policies to help the elderly to retire in the Mainland." (End of quote) Having read those two paragraphs, I cannot help but query whether the Government really wants to have all elderly people in Hong Kong moved to the Mainland and not stayed in Hong Kong? Of course, that is only my conjecture. But I am certain that the Government has misunderstood public opinion because according to a survey conducted by The Hong Kong Polytechnic University as commissioned by the Joint Alliance for Universal Retirement Protection last year, more than 80% of the respondents considered that a universal retirement protection scheme should be established by the Government so that those local citizens not covered under the Mandatory Provident Fund system would also be protected. The survey also pointed out that as many as 78% of the respondents with tertiary or above level of education also supported the introduction of a universal retirement protection scheme. If the Chief Executive refuses to change his stance, I think he should provide his own data and statistics to convince the public, rather than using the middle class and professionals as an excuse.

Moreover, I think the Chief Executive in fact does not have a clear concept about the universal retirement protection scheme proposed by the people. Under the proposal from the people and the academics, contributions would in fact come from employees, employers and the Government. Under this proposal for

universal retirement protection, everyone is in fact sharing responsibility and sharing benefits. Everyone must contribute so that all people would receive pension upon retirement. Unlike the claim made by some people, it is not a case of the poor robbing the rich.

Regarding the community care vouchers under consideration by the Government, I also have reservation. As we all know, if elderly people is to acquire services through vouchers, we must definitely face with the negative consequence of "marketization of services", such that people with higher affordability can enjoy more services, while those with less affordability may be provided with inferior services. Once marketization sets in, service standard may deteriorate. In addition, is there an adequate supply of quality service providers in Hong Kong? Are elderly people capable of making the distinction? Are vouchers for individual services adequate to provide elderly people with the relevant services? If the Government cannot provide answers to these questions, it should think twice before implementing the proposal. Otherwise, it will only result in a waste of public resources.

I am sometimes baffled by measures implemented by the Government, such as the provision of youth hostels. I understand that the Government may want to adopt specific measures to help those young people having difficulty in purchasing their first home. However, as Secretary Eva CHENG has said, this problem is not pressing at all. There are in fact other more needy groups in the community, who only want a temporary shelter. Some outreach social workers once told me that there were many marginal youths in the community who might be abandoned by their family or have left home on their own accord. Their need for temporary accommodation is even more urgent. Hence, I call on the Government to consider allocating some of the hostel places to this group of young people for temporary accommodation — I stress, just temporarily — so as to help them tide over the difficulty.

Regarding the concessionary fare offered to elderly people and persons with disabilities, I still want to say a few words. Recently, I learnt from some parents that school children under the age of 12 with disabilities cannot enjoy this concession because according to the Government, these children are already eligible for the monthly transport supplement of \$200 under the Disability Allowance, as well as the half-fare concessions under the Student Travel Subsidy Scheme. Therefore, I propose that the Government should let them choose if

they want to enjoy this concessionary fare of \$2 a trip. Of course, they cannot enjoy all the concessions. But it is better to give them a choice than the present arrangement. Although there are not many people in this category, they indeed have some views about the Government's measure.

President, the Government has all along been indifferent to the problem of mental health. Very often, wrong measures have been implemented. This year is no exception. We learnt that last year, a secondary student suffering from psychosis died from jumping off his school in Tung Chung. The Government finally responded this year by extending the School-based Educational Psychology Service to all secondary and primary schools. But we think this measure cannot practically help resolve the problem because mental illness is not covered under the current scope of integrated education. Even if integrated education is extended territory-wide, it may only apply to students with learning disabilities. The schools will still have no idea how to handle students with mental problems, and we cannot help but worry about a recurrence of the tragic incident.

Honestly speaking, there are only measures but not policies in Hong Kong in respect of mental health rehabilitation services. Coupled with the lack of data analysis to monitor the situation, I think the problem of mental illness in Hong Kong will continue to worsen in the future. Moreover, with higher demands and expectations of parents on their children, young people will be under greater pressures and they may become prone to psychosis. Even Mr Henry TANG, our probable Chief Executive candidate, also said loud and clear that the next generation should try hard to become the next LI Ka-shing, and it is not surprising that our next generation suffers from intense mental pressures.

In the final paragraphs of the Policy Address, the Chief Executive highlighted that our economy had grown by as much as 55% in real terms since the reunification, and the average income of employees had increased by 31%. These seemingly strong increases hide another side of the scale. According to the earlier analysis by the Hong Kong Council of Social Service from data provided by the Census and Statistics Department (C&SD) on household income and unemployment, the poverty rate of Hong Kong is in fact rising. In 2009, the poverty rate was 17.9%, or over 1.2 million people were low-income earners, which was a record high.

According to the data from the C&SD, the top 10% income earners of Hong Kong captured over 40% of the total income of the entire population; whereas for the bottom 20% income earners, their income saw negative growth over the past decade lagging behind inflation. Hence, the highly uneven distribution of wealth in Hong Kong is plain to see. In recent years, the Gini Coefficient in Hong Kong has risen to 0.533. An analysis from various data shows that the so-called economic growth of Hong Kong only applies to a small group of people.

Towards the end of the Policy Address, the Chief Executive cited the example of European countries and pointed out that they were caught in public finances crises because of over-expansion in welfare expenditure. Hence, Hong Kong should stay vigilant and not follow their footsteps. I have great reservation about his statement because the present financial crisis in Europe is primarily caused by problems in the financial systems. The blame should not be put on welfare expenditure alone. Moreover, given the huge gap between the levels of welfare expenditure in Hong Kong and European countries, no comparison should be made between the two.

For our Government which is guided under such a mentality, helping the disadvantaged is clearly a burden, not a duty. A government which is unwilling to bear its social welfare responsibilities is like a parent who abandoned his children. It is despicable. If the Chief Executive dares come to the Legislative Council to talk about political ethnics, he should better make sure that the SAR Government under his leadership is doing the right thing by accepting its rightful social welfare responsibilities. If he cannot do this, he is not qualified to make those irresponsible remarks in the Legislative Council.

I recently walked past Central and saw some young people staged a sit-in on the ground floor of the HSBC Building as part of the "Occupy Central" movement. I wonder whether their actions will lead to some reflection on the Government's part. Being a believer in market economy, the Government has all along kept away from interfering with business operations. Does it still stubbornly hold onto the belief of "big market, small government" now? Looking around the world, market economy has indeed led to the growth of global economy. Yet, it also creates sufferings for many people, particularly those living in developing countries in the Third World. Human beings do not only live to strive for economic development, there are other core values such as

fairness, justice and freedom that we should never cast aside. This is something which not only our Government should reflect on, but also governments of all countries in the world.

President, this is the last year of the current term of the Legislative Council. I stood for election on behalf of the Hong Kong Social Workers' General Union for several purposes. Firstly, I hope that there is long-term planning for social welfare services in Hong Kong. But regrettably, the Government's policies in this regard are still implemented in a "piecemeal" manner without any long-term commitment, say, over two years, three years, or even five years. As I said just now when talking about the PWs, the Government only extends the posts for one year; it is unwilling to regularize those posts. For services with acute shortage, such as residential care places for persons with disabilities and the elderly, even though the supply has been increased, it still lags behind demand. Separately, the Lump Sum Grant Subvention System has been introduced for over a decade, causing serious problems in the welfare sector. Many aspiring and hard-working social workers have been worn down by the system. As social problems become more complicated in our community, service standards can hardly be maintained in the long run.

I also have another political mission on hand, that is, to promote the democratization of our political system, including the abolition of the District Council Appointment System, the abolition of the Functional Constituencies, the abolition of the separate voting mechanism, the implementation of universal suffrage for the Legislative Council and the Chief Executive elections, and so on. However, the Government's performance in this regard is equally disappointing because even for the simple matter of abolishing the District Council Appointment System, the Government is still indecisive. I cannot really imagine how long the Government will take in respect of the far more important issues such as the implementation of universal suffrage for the Legislative Council and the Chief Executive elections. Is it going to procrastinate further or does it have the determination to get things done?

Lastly, I would like to sum up my comments on this Policy Address. As this is the last policy address of the current-term SAR Government, yet the Chief Executive still adheres to a piecemeal approach and strongly refuses to make long-term commitment for the social development of Hong Kong in future, particularly in respect of social welfare services, I will vote against the original

motion. I can only count on the next-term SAR Government to resolve the deep-rooted conflicts in Hong Kong.

President, I so submit.

MR RONNY TONG (in Cantonese): President, I am most enraged by the section on universal retirement protection as stated in paragraph 77 of the Policy Address. Mr CHEUNG Kwok-che pointed out earlier the absurdity of this paragraph. President, in this paragraph the Chief Executive said that "it is impractical to adopt a resource reallocation approach to deal with retirement protection because the middle class and professionals would generally not accept it now." President, I really do not know which middle-class people and professionals he had consulted. To say that the Chief Executive is talking idiot's gibberish is, in my view, an understatement because he seems to be totally out of step with society.

President, Mr CHEUNG Kwok-che mentioned earlier that we had recently commissioned The Hong Kong Polytechnic University to conduct a questionnaire survey. The findings of the survey revealed that over 80% of the respondents supported the introduction of universal retirement protection; over 60% thought that the existing Mandatory Provident Fund (MPF) Scheme failed to ease their worries about their retirement life; and 40.3% supported the abolition of the MPF Scheme. President, such opinion polls are not just conducted by Hong Kong people or the democratic camp alone, I believe the Central Policy Unit conducts opinion poll of this nature almost every week. I believe they absolutely understand the choice of Hong Kong people in this regard and their views on the MPF. Even the Chief Executive himself has admitted in paragraphs 78 and 79 of the Policy Address that the MPF Scheme requires continuous improvement and refinement. However, it is a great pity that paragraphs 78 and 79 contain less than 50 words, and the Chief Executive has not put forward any concrete refinement proposals whatsoever. President, after reading these three paragraphs, we can conclude that this Chief Executive really lacks both vision and initiative.

President, the Government has always maintained that there are three pillars under the retirement protection system in Hong Kong, namely, the MPF, personal savings and social security. However, we learnt earlier that 40% of the respondents supported the abolition of MPF. Why? It is because few Hong

Kong people have confidence in it. President, relevant figures showed that from early this year to mid-September, the MPF has recorded a loss of nearly 8%. At present, the investment return rate of equity fund has in general plunged to The biggest drop of the return rate of equity fund has been close to 15%. While we keep on saving money, stock prices have continued to fall due to the economic environment. When we finally have to retrieve our MPF benefits and the economy is on the downside, what can we do? President, as we all know, a major setback of the MPF Scheme is that it does not cover the elderly, housewives and people who receive no salary for their contributions and services to society. Another major setback is that self contributions are required under the existing Scheme. The Secretary has recently proposed a reasonable amendment by raising the lower contribution limit. What will this lead to? The outcome is that if one does not need to make contributions, one will get even less return in the future. President, who are most impacted by retirement pensions or the retirement scheme? Will he be LI Ka-shing or Stanley HO? President, retirement pension actually have a significant impact on the middle class and the grassroots. Given their small amount of contributions under the MPF Scheme, and coupled with the current alarming deficit as well as the exorbitant management fees and charges, they will hardly have any protection for their post retirement lives.

People may say that we still have the Comprehensive Social Security Assistance (CSSA). However, President, we absolutely cannot rely on the existing CSSA Scheme. Why? President, according to government figures, the elderly population in Hong Kong will reach 2.49 million in 2039, accounting for 28% of the total population. Can these people rely on the \$1,035 "fruit grant" for a living? Even if they have the additional CSSA payment of \$2,530, they can hardly make ends meet. What is more, at present, the application for CSSA requires a "bad son statement". President, without a "bad son statement", you cannot receive CSSA. Then how can the CSSA Scheme protect the retirement life of the elderly? President, I have not mentioned inflation yet. I am now quoting the current figures. By 2039, calculated on the basis of inflation, the amount we spend on CSSA will far exceed the present estimate of \$13.1 billion Sorry, the present expenditure is \$13.1 billion. By 2033, it is estimated that it should be \$31.8 billion, an increase rate of over 40%. By that time, is it possible that the Government needs not increase tax? Why do we not save for a rainy day and address the retirement problem now? It is impractical if we do not address the problem now.

President, needless for me to elaborate, the third pillar is savings. Given the wide wealth gap in Hong Kong at present, the poor are not living in contentment. As they cannot afford a bed space and even food, how can they have any savings? At present, the most important purpose of the retirement scheme is to protect the living of the middle and lower strata upon their retirement, we need not protect the rich in Hong Kong. The Government has ignored the middle and lower-income groups. What will happen to them when they grow old? In fact, this problem will still have to be handled by the Hong Kong SAR Government; by then, the burden may grow even bigger. So, the Government cannot cover its eyes and ignore the situation, saying that it is impractical to study the proposal of universal retirement protection. I think holding this viewpoint is impractical and it lets Hong Kong people down. Thank you, President.

MR TAM YIU-CHUNG (in Cantonese): President, just now, Ms Audrey EU has commented on the content of Mr WONG Yung-kan's speech and his tone. I found her comments provoking, that is why Mr WONG Yung-kan has refuted. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) always adopts the approach of "supporting what is right and opposing what is wrong" in reflecting the opinions of the public and the trade, and in proposing to the Government many pragmatic and practicable measures. However, the DAB will not use public money to lodge judicial review.

The Chief Executive has talked at great length in this Policy Address about addressing the ageing population, which includes examining strategies to address this issue in a macroscopic manner, and proposing various specific measures to improve the living of the elderly, for example, strengthening day care services for the elderly, improving residential care services, providing the elderly with a public transport concessionary fare of \$2 a trip, allowing elderly people residing in Guangdong to receive the "fruit grant" there, providing the elderly with concessions for the use of recreational facilities, and so on. The DAB welcomes and approves these measures.

However, the DAB thinks that as the above measures are aspirations of many elderly people for years, the Chief Executive and the SAR Government should strive to implement the relevant schemes expeditiously. I have already met with the Chief Secretary for Administration and the Secretary for Labour and

Welfare to discuss the relevant implementation timetables. Of course, both of them have explained to me the various procedures. However, it is still our fervent wish to see the relevant schemes being put in place as soon as possible. It is because a long delay will trigger doubts about the administrative efficiency of the Government.

Apart from the implementation timetables, I wish to talk about the "Guangdong Scheme" for the elderly. Actually, some elderly people do not reside in Guangdong, they live in Fujian instead. As many people in Hong Kong are from Fujian, they hope that the Government will consider introducing a "Fujian Scheme" in future. Moreover, some elderly people have written to us, asking if they can receive medical supplement in addition to the "fruit grant". As we now have the elderly healthcare voucher scheme, which is relatively easy to implement, I do not know whether elderly people under the "Fujian Scheme" can use the healthcare vouchers at the same time.

The Chief Executive has mentioned in the Policy Address that the administration will consider community care vouchers to provide direct subsidies to elderly people who need long-term care to acquire community services. The Enhanced Bought Place Scheme will also be refined to upgrade the quality of private residential care homes, so as to attract more elderly people on the waiting list to opt for them and relieve the pressure on subvented and contract homes. Moreover, CSSA recipients aged 60 or above living in non-subsidized homes will be provided with a supplement to ease their burden. The DAB thinks that these policies are heading in the right direction. However, the Chief Executive has also mentioned in the Policy Address that the strengthening of elderly care is not just about funding. The shortage of land and manpower needs to be tackled as well.

The Chief Executive should consider putting in place a comprehensive planning regime for elderly care services. A planning period of every five years can be set as the basis to draw up service pledges for various welfare services, including residential care homes, community care, medical services, and so on. Appropriate supporting planning regarding funding, land and manpower training will be formulated in accordance with the service pledges in the specified period to provide elderly people in need with relevant services, so as to enhance the quality of life of the elderly in a comprehensive and effective manner.

Moreover, the Chief Executive has also mentioned in the Policy Address that it is not easy for the various sectors in the community to reach a consensus on the implementation of a universal retirement protection scheme. He has also pointed out that the SAR Government will study ways to enhance the existing retirement protection scheme and reform the Mandatory Provident Fund (MPF) Scheme, with a view to improving retirement protection for the people. Regarding the reform of the MPF Scheme, I will put forward a series of proposals at next Wednesday meeting.

Regarding retirement protection, we understand that the community has divergent views on a universal retirement protection system that adopts a pay-as-you-go approach. However, on enhancing the existing retirement protection, the DAB has recently put forward some practicable proposals. We think that the SAR Government can reform the existing "fruit grant" system by introducing a three-tier pension system. In the first tier, anyone aged 65 or above can receive \$1,035 a month without going through any means and assets test. In the second tier, an assets test is required. Elderly people with an asset not exceeding \$177,000 can receive \$2,070 a month. In the third tier, an assets test is also required. Elderly people with an asset not exceeding \$88,000 can receive \$3,105 a month. In this way, the existing retirement protection system can be enhanced.

Lastly, I wish to examine the guiding principles adopted by the Policy Address in addressing the ageing population. Given our ageing population and persistently low fertility rate, it is estimated that our workforce will shrink in 10 years' time, which will bring negative impacts on the sustainable development of Hong Kong. For this reason, the SAR Government tries to meet the future manpower shortfall by encouraging parenthood in local families, bringing in Mainland and overseas talents and assisting children born in Hong Kong to Mainland mothers in returning to live or study in Hong Kong.

I believe the community does not oppose the approaches of encouraging parenthood in local families and bringing in Mainland and overseas talents. However, there are deep divisions in the community over the approach of assisting Mainland women in giving birth in Hong Kong. In fact, over 1 000 women staged a petition last week to voice their worries. I understand that according to the ruling of the CHONG Fung-yuen case, children born here of non-resident parents have the right of abode in Hong Kong, and the SAR

Government is obliged to offer every practicable assistance to people having the right of abode in Hong Kong in returning to live, study and work here. However, if the Chief Executive or the SAR Government relies on taking in children born in Hong Kong of non-resident parents to be the major force to address the problem of ageing population, it will depart from the mainstream public opinion, and even create public discontent. I think the Chief Executive and the SAR Government must consider this issue carefully.

MR LEE CHEUK-YAN (in Cantonese): President, as the saying goes, "an oppressive government is fiercer than a tiger", and "inflation is fiercer than a tiger". At present, Hong Kong is suffering from high inflation under an oppressive government. Threatened by these two fierce tigers, the misery of the people is beyond words.

In this year's Policy Address, there are in fact no measures to address problems such as high inflation and high prices. Even if certain measures have been introduced, the effect is actually close to nil. Therefore, I think the Government is "going from strength to strength" in neglecting public suffering, remaining to be indifferent and doing nothing in the face of high inflation. Why is it so? I think it is because the entire Donald TSANG's team — including the Secretary himself — place themselves high above the masses. They never have to face the challenges of the public. They do not visit local districts to listen to public opinions, and people will not approach the Secretary and tell him to the face how bad the current situation is, how prices have gone up and how hard their life is. No one has ever got the chance to meet the Secretary because he is indeed too distant.

The public hope that the Government will curb the present high inflation rate. But what has the Government done? I note that the Government has only done two things. First, it provides an extra one-month Comprehensive Social Security Assistance; and second, it exempts two months' rent of public rental housing (PRH) tenants. However, are these measures adequate? What happens to the "n have-nots"? What happens to those middle and low income earners who are not living in PRH flats? The Secretary has turned a blind eye to these problems and has not formulated a comprehensive strategy to combat inflation.

The Confederation of the Trade Unions (CTU) has formulated a set of comprehensive strategies. I am going to read out our seven demands. First, raise the minimum wage; second, relax the means and assets tests for the transport subsidy so that hardworking people can easily get the subsidy to cope with the present exorbitant transport fares and high inflation; third, legislate for the right to collective bargaining to facilitate negotiation for a better wage, I will further discuss the minimum wage and the right to collective bargaining later; fourth, reinstate rent control because high rental is one of the serious consequences of high inflation and reinstate rent control will help tackle this problem; fifth, offer rental allowance to the 150 000 people on the PRH waiting list who have not been allocated a flat after a long wait; sixth, pay electricity tariffs for the people; seventh, investigate the two major supermarkets to find out why prices have surged. Given that import prices have not been increased substantially, the supermarkets raise prices of their own accord. Of course, this concerns the competition law. However, there is no such law in Hong Kong now. And we do not know when a competition committee will be set up. The whole process may take at least two years. Therefore, can the Government do more and at least carry out investigation to find out why supermarkets can raise prices unscrupulously? These are the seven strategies we have proposed.

Next, I am going to explain the two most important strategies of all, namely the minimum wage and the collective bargaining for pay rise. We all know that the best way to tackle inflation is a pay rise. Wages in Hong Kong have all along been unilaterally decided and even totally manipulated by employers. I believe the Employers' Federation will soon announce that since the economic outlook of Hong Kong next year remains uncertain because of the European debt crisis, it is necessary for employers to be cautious and not to consider a pay rise for employees.

Several days ago, the Institute of Human Resource Management announced that the outlook was not optimistic, and the increase rate of wages next year is expected to be only 4% to 5%. But what is the inflation rate? It is 8%. What is more, no one knows whether the increase rate is 4% to 5%. I believe the Employers' Federation will soon come forward and urge employers to be cautious. The labour relations in Hong Kong have absolutely tilted towards employers and consortia. Workers and wage earners absolutely lack bargaining power. The HSBC announced the termination of service of 1 000 staff with no room for negotiation. Its employees can only keep silent. There is neither

consultation nor any chance of negotiation. Of course, people may say that it is because wage earners in Hong Kong do not join any trade unions. However, why do wage earners not join any unions? It is exactly because we do not have the right to collective bargaining and there is insufficient protection for trade unions. The Secretary is very clear of the situation.

Therefore, if the Secretary fails to put in place the right to collective bargaining and give employees a pay rise, it is practically impossible for people to tackle inflation. I believe the Secretary will say later in his response that collective bargaining should be carried out on a voluntary basis, that is, employers should negotiate with trade unions on a voluntary basis. The Secretary repeats this point every year. He is "going from strength to strength" to continue repeating this point, hence failing to have a new mindset. In the end, wage earners of Hong Kong will have to suffer from high inflation year after year.

The minimum wage is another issue. Once at a meeting of the Panel on Manpower, I asked the Secretary why we could not immediately conduct a review of the minimum wage and request the Minimum Wage Commission to submit a report. It is clearly stipulated in the legislation Of course, the Secretary would say that according to the current decision, a review would be conducted once every two years and a report be submitted every two years. I understand that a review will be conducted once every two years. However, in view of the current high inflation rate, is it possible for the Minimum Wage Commission to conduct a review and submit a report immediately. If the Secretary does not make such a request — let me say it more accurately — if the Chief Executive does not make a request, the Minimum Wage Commission cannot submit a report.

In his reply back then, the Secretary told us that it was impossible to do so because the Census and Statistics Department (C&SD) was unable to sort out the data, which would only be ready in early March at the earliest First, I do not know whether the C&SD has worked with the Secretary on a delaying tactic. In my view, if the C&SD had compiled the statistics for the first time in the past, relevant computer programmes should have been installed. Then, is it necessary to wait until March next year to have the statistical data of the second quarter of this year sorted out? Moreover, even without the statistical data, the data on inflation are more than enough now. Workers are facing a very miserable

situation and they desperately need to have a pay rise. The power to make decisions is in the hands of the Secretary. Donald TSANG has repeated this point many times in the Policy Address. However, whenever people ask him how to resolve the wealth gap, his standard answer is that we have already legislated for a minimum wage. Does it mean that once the legislation is enacted, the problem will be solved forever? If the level of minimum wage is not raised, the minimum wage will soon be totally "eroded" by inflation.

Therefore, can the Secretary raise the level of minimum wage as soon as possible? Even if we ask the Minimum Wage Commission to prepare a report now, the report will not be ready for submission until March or April next year because consultation is required. I hope that the second review will be carried out on 1 May next year or the latest period is before the expiry of the Chief Executive's term of office. However, according to the timetable of the Chief Executive, President, a report will not be submitted until November next year. After the submission of the report and going through the procedures of the Legislative Council, we can only have the hope of an increase in the minimum wage no sooner than 2013. The wait is really too much for wage earners.

As I have stressed earlier, since the Chief Executive and Directors of Bureaux do not have to face the plight of people of the lower strata or the grassroots, they can continue to act perfunctorily. They have acted perfunctorily on the issue of transport subsidy by refusing to conduct any review. When I visit local districts, people tell me that the eligibility requirements for transport subsidy are harsh. They query why the Government imposes such restrictions. They have been working so hard, and the subsidy is just a mere \$600. Yet, an assets test is required, and the whole household is subject to the test. What is more, individual application is not allowed. Why is it so? Therefore, the CTU has all along categorically asked the Government to allow individual application and relax the assets limit. In fact, there is practically no need for an assets test. However, if the Government insists on an assets test, at least the limit should be relaxed, similar to the application for PRH.

President, next, I am going to talk about another great concern of workers and wage earners, and that is legislating for standard working hours. On legislating for standard working hours, when we proposed the stipulation of a minimum wage 12 years ago, we had at the same time proposed the introduction of standard working hours. Wage earners in Hong Kong have again suffered for

more than 10 years. In fact, I should not say so because wage earners in Hong Kong have never enjoyed the benefit of standard working hours except during a short period when factories thrived. At that time, factories were required to offer female workers overtime pay. However, this benefit was restricted to female workers working in factories only. Workers not working in factories were excluded. The legislation was abolished in the end, and now, there is no regulation whatsoever. Overtime work is not paid. As I have always said, overtime work without pay is like employers "eat and fleet". But the Government has continued to let this situation go on.

The Government has pointed out that it is necessary to conduct study to prepare for introducing legislation on standard working hours. However, we have asked the Government many times because I worry about the direction of the Government's study, and the Secretary has stated that he will inform us of the direction of the study. I wish to reiterate that when the Secretary informs us of the direction of study, he will not just mention the difficulties of legislation and the concerns; instead, he should explicitly point out that it is now the right time to enact the legislation in Hong Kong. If we have to wait for employers to initiate such a proposal, there will never be such a day even if we wait for a lifetime. Therefore, we demand the Secretary to state clearly the direction of study, and that legislation will be introduced next year, so as to avoid further delay on this issue.

Lastly, I wish to talk about universal retirement protection. The situation is really agitating; we have really failed the elderly of Hong Kong because they still cannot enjoy any retirement protection. According to Donald TSANG, universal retirement protection is something unachievable because it is not easy to reach a consensus in the community. Secretary, if a consensus is needed to get things done in the community, practically nothing can be done. What is a consensus? A consensus exists when the Government says there is one; a consensus does not exist when the Government says there is none. It is practically impossible for any policies to reach a 100% consensus in the community.

The appointment of the highly unpopular Stephen LAM to be the Chief Secretary for Administration not only lacks a consensus but attracts opposition from the majority of the people. However, the Government has still made the appointment. Then why is the middle class placed in opposition to the elderly

on the issue of universal retirement protection? Has the Government asked the opinion of the middle class? Their parents can likewise receive a sum of money immediately. They will contribute to a "big pool", with both employees and employers each making a 2.5% contribution, together with the Government's investment, a three-party contribution mechanism of employees, employers and the Government will be established. This is a practice adopted in all other places.

The provision of a monthly allowance of \$3,000 to the elderly is a very humble request. In fact, the CTU has requested the Government to provide the elderly with \$2,000 a month as "fruit grant" in the coming five years. After a transition period of five years, universal retirement protection will be implemented. We have presented the Government with the roadmap and a timetable, proposing to implement the plan in five years' time. If the issue is not properly handled but keeps on delaying, there will be less and less young people to support the older generation in future, and the amount of contribution will be insufficient. If the Government implements the plan at that time, it has to put in more funding. If we implement the plan now, there are still many young people who are able to make contributions. So, the matter should be dealt with as soon as possible. The longer we delay, the difficulties to be encountered will be greater. The longer we delay, the bomb will be exploded more easily in future, and the problem will be more difficult to resolve.

In handling the issue concerning universal retirement protection, the Secretary has used the justifications of "lacking of consensus" and "conducting a study now". I have been waiting for the release of the Government's study since 2007 but to no avail. I have requested the Government to provide us with the results of the previous studies but it has refused to do so. Even though I wish to discuss with the Government in a relatively reasonable, rational and knowledgeable manner, I cannot do so because the Government has refused to release the report.

In fact, why is the Secretary so afraid to release the report? I have no idea until now. Then the Secretary has talked vaguely about refining the existing system. How can refinements be made? Can the Mandatory Provident Fund be refined? It is practically impossible for any refinements, because everything has been settled. Will the Government substantially raise the "fruit grant" to \$2,000 as we have suggested? The Government has neither indicated its

intention nor made any promises. Therefore, insofar as elderly poverty is concerned, given the wealth gap in Hong Kong, the elderly is one of the groups who are hardest hit by poverty, but the Government has not solved their problems.

Of course, lastly, I have to point out that the transport concessionary fare of \$2 a trip for the elderly is a good measure. However, some people question why the Government has delayed until now to offer such a concession. In fact, last year we had already requested the Government to negotiate with public organizations for a half-fare concession. However, the Government did not do so back then. After one year's delay, the Government finally takes actions. Consequently, elderly people are sad and dissatisfied for having to wait so long.

Thank you, President.

MR TOMMY CHEUNG (in Cantonese): After listening to Mr LEE Cheuk-yan's speech, I believe it will take three to five hours to debate with him the policies he has proposed. However, today, we are not having a debate on the content of his speech but on the Policy Address. So, I will focus on discussing the Policy Address. However, listening to Mr LEE's speech, I feel sorry for Secretary Matthew CHEUNG. President, though the Secretary has put in place the good measure of minimum wage for the labour sector and Mr LEE Cheuk-yan; Mr LEE Cheuk-yan still gave him a dressing-down today and his criticism against the Secretary was even more severe than mine. Therefore, although I have strong opinions about minimum wage, I will not give the Secretary a dressing-down today.

By the way, he said that the Secretary seldom meets with the grassroots and hence he does not understand their plight. I also find that the Secretary has seldom met with small and medium enterprises (SMEs) as well and so he does not understand their plight. The Secretary's views on minimum wage and standard working hours well illustrate this point.

President, according to the findings of a survey conducted by a human resources company released last week, under the influence of the European debt crisis, the intention of local employers for hiring additional staff in the fourth quarter has dropped sharply from 61% in the previous quarter to 38%. What is more, 10% of banks and financial institutions have intended to cut staff in the

fourth quarter. Financial Secretary John TSANG has also pointed out that the growth of our GDP in the third quarter has slowed down to slightly more than 4%, and there will be a further slowdown in the fourth quarter. The situation next year will be worse. The Census and Statistics Department has also announced earlier that the total exports of our foreign trade have recorded the first drop in 23 months. We can see from these data that the economic outlook is extremely uncertain.

The Liberal Party and I have asked the Chief Executive many times what help can be rendered to SMEs to face the imminent economic chill. He has not given any concrete response. Instead, he said that they would get prepared and closely monitor the situation, and introduce measures when necessary.

The sector finds it most disappointing that the Chief Executive has left some loose ends in his last Policy Address in connection with standard working hours and paid paternity leave, which will create another crisis for the sector. The cost of wages will again be substantially raised and the competitiveness of Hong Kong will be further undermined.

President, the introduction of a minimum wage has already dealt a strong blow to the catering industry. The request of the sector is actually very humble. They just hope that the authorities will not further disrupt the business environment of Hong Kong.

In fact, the problem of wealth disparity in Hong Kong has not been relieved with the introduction of a minimum wage. Instead, inflation has gone from bad to worse. Over the past year, despite the favourable economic situation of Hong Kong, the operation of the catering industry has not been easy at all because the three major operation costs, namely rental, food prices and wages, have surged one after another due to different reasons. After deducting all the costs from the business turnover, many eateries have made no profits at all.

The sector has also found that given the overall boost in market wages, many people would rather work as a watchman than a dish cleaner, the work of which is more tiring and obnoxious. The wages of dish cleaners have also surged to an unreasonable level, which simply do not match with the actual productivity. In the end, there are jobs which no one is willing to take up — the manager has to wash dishes as well.

It is expected that large chain eateries will ultimately turn to automation to find a way out. However, small and medium eateries that lack capital and space can do nothing but minimize the work types. Ultimately, they will find it difficult to compete with large chain eateries due to excessive operation costs and plummeted productivity.

In fact, a number of old-brand and labour-intensive restaurants and Hong Kong-styled cafes had failed to meet the rising costs and eventually closed down. They are replaced by either large fast food chains or small self-serviced eateries. This has exacerbated "the polarization of jobs", "the vanishing of the middle-level posts" and "the withering of the ladder for upward mobility" in the present market, as pointed out by the Chief Executive.

I have to warn the authorities that once the economy of Hong Kong turns bad, more complications arising from minimum wage will surface. If the authorities insist to introduce standard working hours and paternity leave, a heavier burden will be put on SMEs, and the ability of an economic bounce back will be reduced. It is afraid that Hong Kong will follow the footsteps of Europe which fails to recover after a serious setback.

I agree that we must deal with the problem of structural wealth gap arising from economic globalization. However, we have to find the right solution for the problem instead of seeking brief applause of the public and moving towards welfarism. Ultimately, it is the people of Hong Kong who will suffer.

President, I would like to talk about the issues in the fourth session as well because I am afraid I will not be able to attend the meeting. I know that the Secretary is not in attendance now. But I hope that his colleagues, after listening to my speech, will give a response.

To the catering industry, the only good news in the whole Policy Address is the setting up of an International Cuisine College offering over 2 000 places. The sector strongly believes that this will help strengthen Hong Kong's position as the gourmet's paradise and wine centre. I also believe that this College will provide young people with another good option besides the pursuit of post-secondary education, and practitioners in the relevant trades will also be provided with an opportunity to pursue advanced training to converge with international standard.

However, I hope that the College will not charge an exorbitant tuition fee and will make suitable loan arrangements to ensure that young people who want to stay in the catering industry will not be deterred by financial difficulties.

I definitely support the establishment of a youth college and the provision of more progression pathways of studies. However, in recent years, an increasing number of associate degree graduates have met with difficulties in seeking jobs. In fact, the unemployment rate of young people aged between 15 and 19 in Hong Kong has all along stood at a double-digit figure. In the first half of this year, the rate has even moved upwards. Only the latest figure from July to September showed a slight drop, but it still stood at 16.6%. The problem of non-engaged youths has remained a matter of concern.

Many countries around the world also have grave concern about youth employment. In particular, given the introduction of a minimum wage, many enterprises have lost the interest to employ young people who are still green. I hope the authorities will listen to the business sector and adopt the experience of the United Kingdom to set up a lower statutory minimum wage for young people. By doing so, young people who are not interested in studies or with lower competitiveness can find a job and through on-the-job training, they can develop and have a chance to break away from poverty.

Regarding the education industry, I absolutely support the direction of diversification and internationalization. However, since the Chief Executive proposed in the 2009 Policy Address the relaxation of Mainland students studying in non-public local schools for the senior secondary curriculum, specific details for the implementation of this proposal have yet been available, which is really disappointing. I worry that it will follow the footsteps of the development of the six major industries that "starts well but finish poorly".

Lastly, I wish to remind the authorities not to forget parents with children learning in private independent kindergartens. Many of them are the middle class who also bear a considerable heavy burden of life. Their children should also receive the subsidy of education vouchers. This not only realizes the spirit of "money follows the parent" of the education voucher scheme, but also allows teachers working in private independent kindergartens to receive the same training subsidies as those working in non-profit kindergartens. Only in this

way are they fairly treated. I hope that the authorities will give us a proper account before the end of term of this Government.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): The Chief Executive announces his last Policy Address this year and in this parting work, there are quite a lot of general measures in terms of welfare benefits. For example, government payment of public housing rent for two months, "double pay" for recipients of Comprehensive Social Security Assistance (CSSA) and the new Home Ownership Scheme (HOS) policy which was hailed as better than winning the Mark Six Lottery. Hong Kong people, especially the middle class, have special feelings about these measures.

Certainly, there are quite a number of policies in the Policy Address with innovative thinking, such as a concessionary fare of \$2 a trip for the elderly, the enhanced policy of the portability of "fruit grant"; all these policies are desirable. Speaking of desirable policies, a few Honourable colleagues from the social welfare sector have just criticized the Secretary. In my opinion, Secretaries or officials should be encouraged if they have done the right thing. The encouraging words will motivate them to work better; otherwise, those who intend to participate in politics or who are now involved in politics will be frustrated. If they are still being criticized even though they have done something desirable, they will be disappointed; and these criticisms are actually rather unnecessary. I hope Honourable colleagues from the social welfare sector would understand that government officials have to strike a balance in various areas when implementing policies, because the policies cannot sustain in the long run if they are tilted to one side. For this reason, I absolutely do not think that there is any problem in balancing the interests of various parties.

Why are there still so many criticisms in the community when the Chief Executive is generously offering various welfare benefits? Indeed, the Government has the responsibility to introduce short-term or one-off welfare measures to relieve people's urgent needs, but its most arduous task is to handle with courage the deep-rooted and structural problems of our society. Whether or not the public support the Chief Executive or the Government does not depend on the amount of benefits offered. The most important point is whether the

philosophy Government has effective governance, and whether it can create a fair, impartial and just business and living environment favourable for the long-term development of Hong Kong. These are also the core values that Hong Kong people have always upheld and upon which our success has depended.

No one will oppose the introduction of short-term measures in the Policy Address for alleviating people's hardship, but measures like the new HOS policy is perplexing. We do not understand why the Government has, at one time, insisted on not constructing HOS flats, yet it has drastically changed its stance to selling HOS flats. The Government has gone too far and people will inevitably question the Government's governance philosophy.

For more than a decade after the reunification, we have seen that the deep-rooted problems in Hong Kong, such as job mismatch and imbalance of industrial structure, have created difficulties for upward mobility of youths; and the unemployment of the middle aged has caused the problem of worsening wealth disparity in Hong Kong. Certainly, the causes of wealth disparity in Hong Kong are complicated. In addition to the impacts of the international environment, the movement of the industrial production lines northward and the heavy reliance on the financial industry in Hong Kong have also given rise to structural problems. The Government has so far failed to radically redress a serious imbalance in industrial development and it has not proposed proper supporting measures for our population policy; thus, there are a large number of low-technology and low-knowledge workers in Hong Kong, resulting in a widening wealth gap.

To really solve the problems of economic transformation, imbalanced industrial development and job mismatch in Hong Kong, and avoid the continuous influx of low-technology and low-qualification workers in the labour market, the Government definitely needs to analyse the structural changes in our working population and thereby make early plans to develop the industries which are now increasingly narrow in scope, so as to absorb different workers.

Unfortunately, the Government has not seriously tackled the population problems in the past few years, which is definitely the most important factor leading to various governance crises to be settled by the Government. Hong Kong is such a small place, how many residents can it accommodate? How many job opportunities should the Government provide? What types of work

should be provided? How many buildings, hospitals and schools should be built? How many doctors and teachers should be trained? All these are policies connected with the population policy. If the Government has absolutely no idea about the size of our future population, on what basis can it introduce long-term governance policies?

In light of the limited land and resources, the population carrying capacity and direction of development differ from place to place, I hope the Government would be determined to set up a high-level task force and immediately conduct a study on the population carrying capacity, population policy and industrial development of Hong Kong. It should also set an upper limit of our population in the next 10 to 20 years, and, on the basis of the overall development of our population structure, develop industries step by step as well as formulate employment, housing, healthcare and education policies. This is the only way in which we can formulate policies in a comprehensive way and with justifications, so as to truly solve the deep-rooted problems in Hong Kong.

President, I would also like to discuss the retirement arrangements in Hong Kong. Though the Mandatory Provident Fund (MPF) scheme is not perfect and there are still many rooms for modifications, MPF has undoubtedly built a solid foundation for retirement arrangements in Hong Kong. In the future, the Government should consider if there are other types of retirement arrangements apart from MPF, so as to protect those who are not covered under the present system, such as low-income earners, homemakers and people approaching retirement age. In this way, our retirement system can be enhanced.

Lastly, I would like to talk about the Government's ideas about a welfare system. In order to encourage self-reliance of grass-roots workers and enable workers and their next generation to live with dignity, the Government must continue to support the working poor through various measures that encourage employment (such as the minimum wage) and replace the idea of pure welfare with welfare to work. At present, as labour and welfare affairs are under the ambit of the Labour and Welfare Bureau cases requiring financial support due to unemployed or working poverty are handled by staff of the welfare department, and eligible persons can apply for CSSA under the CSSA system. Nevertheless, in the long run, the Government should designate the labour department instead of the welfare department as the specific department to handle cases of working poverty and unemployment. Cases involving the elderly, people with

disabilities and people without working capacity can still be handled by the welfare department.

In Singapore, the government always holds that problems concerning working poverty and unemployment should be handled by labour department instead of welfare department. It stresses the need to deploy resources to increase the wages and skills of workers, instead of simply providing welfare services to them. The government has all along disseminated a clear message to its citizens concerning respect for employment, that is, except the elderly, people with disabilities and people without working capacity, everyone must do some work in order to become eligible for government assistance. This can avoid causing irreparable damage to the work ethics and attitude of the next generation.

I believe Hong Kong people do not only need short-time measures to alleviate their hardship, they also need a courageous government with governance philosophy to identify the root of the problems and boldly lead Hong Kong in solving the deep-rooted problems. The Government should reform from the bottom, keep its promises and act with determination.

I so submit, President.

MS LI FUNG-YING (in Cantonese): President, the Occupation of Wall Street Campaign in the United States has swept through various developed economies in the world, and we have the Occupy Central Campaign in Hong Kong. A few days ago, the world's leading financial management company, Merrill Lynch, published the *Asia-Pacific Wealth Report*, which stated that 101 300 Hong Kong people had more than US\$1 million, and the estimated total value of their wealth was US\$511 billion. These wealthy people accounted for 1.4% of our population, and they partly owned the wealth in Hong Kong. That is the situation of 1% versus 99% in Hong Kong.

Like the United States, our community does not hate the rich and we encourage people to become wealthy from scratch and to get rich with individual effort. However, with the advent of globalization, the means of wealth accumulation have undergone drastic changes. The wealthy businessmen have, by trick and by force, monopolized the social and economic lifelines, and disparity between the rich and the poor has become increasingly serious. A powder keg of social unrest has been formed. As the Chief Executive has stated

in the Policy Address, in a free, open and mature capitalist economy, the wealth gap can hardly be eradicated. Investing in education and fostering social mobility are the best long-term solutions for reducing cross-generational poverty. Does the Chief Executive have the guts to announce his policy address in Wall Street, New York or in St. Paul's Cathedral, London, before the masses who oppose wealth disparity? I trust his arguments are just too weak to convince people who are now participating in the Occupy Central Campaign, and if he is going to announce his policy address in Wall Street or St. Paul's Cathedral, he will suffer from total defeat.

President, I asked the Chief Executive at the Question and Answer Session a few days ago whether he would alleviate disparity in Hong Kong through public policies and financial measures. A government which has always stressed on executive-led has suddenly changed, it is no longer executive-led; instead it becomes neutral and takes no actions. When the "Wizard of Omaha", Warren BUFFETT advocated the levying of tax on rich people, OBAMA, the President of the United States would not act like our Chief Executive, he definitely would not tell BUFFETT that the measure can be implemented provided there is a social consensus; and that actions can be taken if people know about the effects and are willing to accept those effects. Even though there are repeated setbacks in the administration of President OBAMA, he is no doubt a politician. Of course, I am not BUFFETT, but I have suggested time and again that the Government should impose capital gains tax and increase government resources to narrow the wealth gap. However, in view of the Chief Executive's stance, should he, a self-proclaimed politician, be ashamed?

President, Mr WANG Guangya, Director of the Hong Kong and Macao Affairs Office, expressed his views on wealth gap in Hong Kong in July this year. He said, to the effect that, when the cake of economic development has become big, we should pay closer attention to the parties who would share the cake. Those in power and the Government should also be more concerned about that. There are one-off measures in the Policy Address to alleviate the pressure of living of poor families, such as paying two months' rent for public housing tenants; providing an extra one-month allowance to recipients of CSSA, Old Age Allowance and Disability Allowance, and allocating additional resources to food banks. Nonetheless, these measures can in no way be compared to the cake sharing issue raised by Mr WANG.

In the face of criticisms that the Policy Address has not proposed measures for alleviating disparity, the Chief Executive responded by repeating two points: the minimum wage and transport subsidy. The Chief Executive has estimated an average inflation rate of 5.4% this year. Discounted the factor of inflation, the actual hourly rate of the minimum wage is only \$26, which is hardly enough to meet the living expenses. The Work Incentive Transport Subsidy (WITS) Scheme, the application of which is based on household assets, has been implemented for two weeks and the Government has only received approximately 10 000 applications, which reflected that the Scheme has great limitations. Regarding the impact of inflation on the minimum wage, I have suggested to the Government that food coupons would be given to offset the erosion of inflation on the minimum wage. Regarding the Work Incentive Transport Subsidy, I have repeatedly asked the Government to abolish the asset tests for the Scheme. I trust that these suggestions can make up for the deficiencies of the existing system and alleviate wealth disparity.

President, regarding labour policies, the Chief Executive has proposed the provision of paternity leave but I find this proposal unsatisfactory. If the Chief Executive is determined to provide paternity leave as a labour policy, it should undertake to legislate to require all employers in Hong Kong to provide paternity leave to their employees; he should not be evasive or speak of vague words concerning the need to assess carefully the actual circumstances in Hong Kong. The issue of standard working hours cannot be avoided in the course of social development, and the Government and the Legislative Council have already discussed the issue for a long time. Similar to legislating for minimum wage, people with vested interests will, as expected, try by all means to delay and oppose the legislation. I ask the Government to release expeditiously the report on the study of the introduction of standard working hours, and set out a clear legislative timetable.

An ageing population is the long-term challenge of our society. The Chief Executive has turned down the universal retirement protection scheme at the outset. This Council will debate a motion on comprehensively reforming the MPF Scheme next week, and I will express my views on retirement protection in detail then. Concerning the "Guangdong Scheme" mentioned in the Policy Address which allows elderly people to reside in Guangdong, I think it is a very natural measure in the course of Hong Kong-China integration. Yet, there should be supporting measures under the "Guangdong Scheme", for example, the convergence of medical services for the elderly in Hong Kong and Guangdong

and ways to confirm that elderly people are living in the Mainland. The Government should inform us of the relevant measures.

I support the public transport concessions for the elderly and people with disabilities disclosed in the Policy Address. In fact, this proposal reflects the common aspirations of Members of this Council from different parties and groupings throughout the years. At present, in many big cities such as London, Paris, Taipei and Guangzhou, elderly aged 65 or above can enjoy free public transport. I hope the concessionary measures of the Government can follow in the footsteps of these cities as quickly as possible.

President, the world is changing in the 21st century; people in different regions, either in developed or developing countries, are all in the current of the times in striving for democracy and social justice, and Hong Kong cannot stay aloof. As stated in the Policy Address, the core principle of "big market, small government" for administering Hong Kong is being challenged and the governance of Hong Kong is at the crossroads. We can only wait for the new leader of the Special Administrative Region to lead Hong Kong in meeting the challenges.

MR LEUNG YIU-CHUNG (in Cantonese): President, the seven or eight demands just raised by Mr LEE Cheuk-yan are truly related to the interests of grass-roots workers, and can ensure their secured lives, thereby narrowing the wealth gap. I believe these demands are very important but Mr Tommy CHEUNG has just said that he wanted to debate these issues with Mr LEE. If there is going to be a debate, I think not only Mr LEE Cheuk-yan is willing to take part, other trade union representatives and I will also gladly join in, as the truth will be better revealed through debates.

I recall that many years ago when Mr TUNG Chee-hwa was in office, Mr LEE Cheuk-yan, Mr LAU Chin-shek and I told Mr TUNG year after year that we ought to introduce a minimum wage. However, Mr TUNG said at that time that the introduction of a minimum wage would certainly lead to a higher unemployment rate. It has been almost half a year since the legislation on minimum wage came into effect on 1 May and we have a lower but not a higher unemployment rate; and the Secretary keeps saying that we have achieved full employment. I really think there are advantages in debating these issues.

Of course, we will not discuss minimum wage today as we are discussing the Policy Address of the Chief Executive. This is the last Policy Address of the current term of the Chief Executive and it is entitled "From Strength to Strength". The Chief Executive stated that the wealth gap, housing and the ageing population are issues that must be addressed. He has proposed a variety of policies in the Policy Address comprising 216 paragraphs. Nevertheless, we have to look closely to identify policies that tackle the problems of the wealth gap, housing and the ageing population. It is just like looking for a needle in the haystack. Our impression is that there is loud thunder but little rain. In particular, concerning the wealth gap, he has introduced once again the measures proposed by the Financial Secretary, such as paying two months' rent for public housing tenants and providing "double pay" to recipients of Comprehensive Social Security Assistance (CSSA) and Disability Allowance, and so on.

President, if these measures can effectively narrow the wealth gap, we should have seen some results because they have already been adopted a few years ago. It is a pity that these policies can only get momentary applause but they cannot get to the root of problems. So far, we have noted that the Gini Coefficient is still hovering at the high level of 0.533 and the number of poor people remains large. In the second quarter of this year, there are nearly 300 000 low-income families with a monthly income lower than \$6,000.

Unfortunately, the Chief Executive has not proposed new policy objectives to solve the problem; on the contrary, he said that the poverty problem is inherent when capitalism is practised, intending to free himself under this pretext. President, to put it in a slightly vulgar way, this saying is similar to the expression "mothers are women". Does anybody not know that? It only shows that the Chief Executive does not even have the determination to try to solve the problem. How can he ask us to support his policy objectives?

What are the relatively novel ideas to help the socially disadvantaged groups? They include the provision of subsidies to help the elderly who retire in the Mainland, as well as public transport concessions for the elderly and people with disabilities. If we pay more attention, we will find that these novel ideas are in fact the constant demands made by the general public over the years. Yet, the Government has only responded today. I am not sure if the Chief Executive has waited until the last year of his term of office to meet our demands because he wishes people to remember his achievements. The Chief Executive has made

things difficult for us and I wonder if he would feel ashamed as these measures have come too late and many people could not enjoy the benefits. This Policy Address is really disappointing. I remember when the Chief Executive announced his first policy address, he stressed that government policies ought to be people-oriented. How many policies of the Special Administrative Region (SAR) Government under his leadership in the past seven years can actually realize the people-oriented spirit?

Concerning the people-oriented spirit, I must say something about the problems of an ageing population and old age retirement. I think the Policy Address of the Chief Executive has "nil achievement" in this respect. Although the Chief Executive stated that the Government will introduce a "Guangdong Scheme" under which eligible Hong Kong elderly people who choose to reside in Guangdong can receive Old Age Allowance (OAA) in Guangdong without having to come back to Hong Kong, this arrangement has been made too late for the elderly had constantly made this demand in the past. More important still, the OAA only amounts to \$1,035, how can this amount be sufficient to cope with the soaring prices on the Mainland and the appreciation of Renminbi? The Government just gives one candy to the elderly, which can hardly solve the problem of old age retirement.

As many Honourable colleagues have just said, the Government has always emphasized the three pillars of retirement, that is, personal savings, CSSA and the Mandatory Provident Fund (MPF) Scheme. However, these three pillars are fraught with problems and will collapse at any time since they are not strong enough. Why do I say so, President? About savings, we need old age protection, because some people do not have any savings. If we have to save money on our own to solve the retirement problem, this is just like the case of Mr TUNG encouraging us to buy flats. If we had money for home purchase, did we need his encouragement? Another example is that Mr TSANG appealed to people to have three children. If we could support having three children, why did we need to be encouraged by him? Is that superfluous? The purpose of implementing an old age retirement protection system is to help those who are unable to save money. Is it superfluous to say that personal savings is one of the three pillars?

Regarding CSSA, we all know from day one that the purpose of CSSA is to protect people who cannot have a reasonable standard of living. Even though it

has not been officially confirmed, these people are living below the poverty line. CSSA only helps those who are living below the poverty line; CSSA is not a means to tackle the old age retirement problem. The Government has arbitrarily listed CSSA as one of the pillars for old age retirement protection, though the objective of which is to help people living below the poverty line; this is definitely not an appropriate response nor a right policy. These two pillars are therefore untenable.

The third pillar is the MPF Scheme as emphasized by the Government. We know that the MPF Scheme is scarred and loaded with problems, and it cannot take care of the unemployed and family carers doing unpaid work. What can these people do? As I have just said, the Chief Executive's Policy Address has made "nil achievement" on retirement protection. He wanted to further improve the existing MPF scheme but I wonder how he will make improvements. The fundamental spirit of the MPF is that working people have to make contributions and they can receive MPF benefits when they retire. What about those without a job? We know that people without a job still have to work; for example housewives have to work but unfortunately, they are not paid for their work, thus they cannot contribute to the MPF Scheme. What will happen to them when they retire if they have not made contributions? Evidently, the Chief Executive has not mentioned anything about that in his Policy Address and the direction for the way forward has not been stated. How can we feel that he is concerned about the ageing problems of our society?

Furthermore, as we all know, financial organizations have gained a lot of money from those to contribute to the MPF Schemes and this situation is condemned by everyone. Even though the Government claims that it cares, it does not have the will to take actions, and it does not know how to solve the problem of the substantial gains by financial organizations. Worse still, owing to the continued turmoil in financial markets, the MPF has recorded a drop of 12% on average in the third quarter of last year. Each wage earner who contributes to the MPF has almost lost \$18,000. Are we willing to suffer losses? Even though employers also contribute, the money are in fact wages of employees. We are helpless in seeing the continued losses incurred by our contributions, and we can do nothing to cut the loss? I remember that a worker once told me that his MPF account once had \$50,000, but now only some \$10,000 left. He really does not know how he can support himself in old age. I do not make this up, they are real facts. During the election period, we visited

local districts and many grass-roots wage earners told us that it would be better if the MPF was abolished. I agree with them because after all these years, the results were not good and we have suffered losses instead. That being the case, why do we not abolish the MPF and alternatively establish universal retirement protection?

Universal retirement protection can benefit all Hong Kong people, why should we not consider that? As far as I remember, universal retirement protection was discussed long ago during the times of the British rule in Hong Kong; the discussions came to a stop and people dared not discuss the matter after CHEN Zuoer said "getting killed in a car crash". Why do we dare not discuss the matter now? Why do we not reconsider the matter? Mr LEE Cheuk-yan has just said that the Government has conducted study after study, yet it is unwilling to publish the results. In fact, universal retirement protection has been implemented in many countries. For instance, our neighbour, Singapore, has implemented the Central MPF; the situation is quite satisfactory and there are not many criticisms. Why do we not follow the example? Even if we will not implement universal retirement protection, we can learn from the retirement protection systems of many other countries. There is a similar system in the Mainland, why do we not make reference to it? I have discussed the matter with some friends and they said, since the Government could allocate \$40 billion this year for handing out \$6,000 to each person, it might as well stop handing out money in the coming few years and use \$40 billion as seed funds instead. If the Government saves \$40 billion a year for five consecutive years, it will at least have \$200 billion five years later. If it also makes investments within five years, the return may exceed \$200 billion, which can be used as seed funds for universal retirement protection. Employers, employees and the Government will have to make contributions in the sixth year. Is it a good thing that when one retires, he can receive a pension of \$2,000 to \$3,000? How hard is it to implement the scheme? Why does the Government not give a thought to this question? I really hope that the Government would consider the retirement issue because this is one of the factors contributing to the wealth gap, we cannot take this problem lightly.

President, speaking of wealth gap, the Chief Executive keeps emphasizing that with the implementation of minimum wage, the livelihood of low-income earners has improved. The minimum wage is repeatedly mentioned in the Policy Address and it is understandable that the Chief Executive intends to claim

credit because the minimum wage system was really implemented during his term of office. Yet, the minimum wage is not a panacea. As we had commented before the legislation came into effect, minimum wage might not necessarily be able to solve the wealth gap problem; it could just provide protection to low-income earners. This is also the reason why we demanded for the introduction of minimum wage. Actually, the minimum wage may not be able to solve the problem.

It is true that according to some figures, at least tens of thousands of families have higher incomes in the first few months after the introduction of the minimum wage. But, I would like to draw the Secretary's attention to the fact that the family incomes of some people are still at a low level. This is also one of the important causes of the wealth gap. For this reason, I stress that the Government should provide supplements to low-income families to improve their living standards, and make up the deficiencies of the minimum wage. The supplement provided to families with lowest income is similar to the negative tax system at present. These families do not need to pay tax and conversely they need the support of our society. Yet, people are not lazy or refuse to work, they just do not earn enough to meet their living expenses. This is why I hope that supplement can be provided to these people. I really hope that the Government would study the relevant measures in future.

President, many Honourable colleagues have just mentioned that the housing problem is one of the causes of the wealth gap. When we discussed the housing problem, to our regret, the Chief Executive and the Secretary had failed to formulate a long-term housing policy for Hong Kong throughout the years.

I have counted that the word "housing" appeared 16 times in the three policy addresses announced by the Chief Executive from 2006 to 2009. But, nothing has been mentioned about housing in the 2009-2010 Policy Address, which illustrates the extent to which the Chief Executive and the SAR Government are concerned about the housing problem.

With the continuous rise in property prices in the past two years, people have increasing grievances. Yet, the Chief Executive's somewhat "non-existent" housing policy has actually promoted property hegemony, turning Hong Kong people into "property slaves". President, why do I say so? The increase in property prices has gone out of control after he has assumed office. In

December 2005, the average per-square-foot price of 50 major housing estates in Hong Kong was around \$3,350 but it has nearly doubled to \$6,445 in August this year. We can imagine how serious the situation is. The statistics of the Rating and Valuation Department has confirmed these numbers, and it shows that the current price index of private properties is close to the 1997 level. Evidently, the problem of soaring price is very serious, but the Government has not addressed this issue in the past few years.

Even though the Chief Executive, who has a low popularity rating, said last year that popularity was like a cloud and he did not care at all, he still had to face the problem. In order to salvage the prestige of the governing team, he symbolically launched the My Home Purchase Plan (MHPP), premised on the concept of "rent-and-buy". He stated that the Government would provide land to build 5 000 small and medium flats for lease to the middle class. However, the first batch of 1 000 flats under the MHPP will only be available in 2014. As the first batch of flats under the policy will only be available in 2014, the policy cannot solve the exiting problem of shortage of housing units, nor can it respond to the aspirations of middle and lower classes for home ownership. Since the selling prices will eventually be based on market movements, I believe many people will ultimately be disappointed.

Despite this, the Government is enhancing the MHPP this year, just one year after the MHPP has been introduced, and allow participants who have the means to buy their MHPP flats direct. Had the Chief Executive prescribed the wrong medicine last year due to wrong diagnosis?

After Mr WANG Guangya, Director of the Hong Kong and Macao Affairs Office commented that Macao did an excellent job in tackling the housing problem this year, the Chief Executive reluctantly proposed resuming the Home Ownership Scheme. His present act is in contrast to what he said in the past. For many years in the past, the influx of "hot money" into Hong Kong from the Mainland have pushed up property prices which are now beyond the purchasing power of ordinary people. The Panel on Housing of the Legislative Council has repeatedly requested the Government to resume the HOS but the Chief Executive steadfastly refused to make any concessions. He said that the Government should no longer act as a developer and it should not mess up the market. He has even sarcastically advised youths who want to purchase homes not to be too picky. He thinks that they can purchase flats at some remote places for the

prices will be lower. Nonetheless, he has ignored the fact that no matter how hard these post-70 and post-80 people have worked and no matter how eager they wish to buy their first homes, they can hardly become home owners.

I am not sure if the Chief Executive, in proposing the resumption of the HOS this time, really wishes to do so; his attitude reflects his unwillingness to implement this measure. He has added a new provision, that is, owners may sell their flats in future without having to pay premium, and they only have to pay interests. Our impression is that the Government or the Chief Executive still wants to maintain the speculative model in the private market, using public resources as the platform for speculation. What is the purpose? While we are still talking about the shortage of land and the lack of public resources today, what are the advantages of using public resources as the platform for speculation? As we have noticed, some people have left the market after gaining some \$1 million because the Government has constantly emphasized its intention of revitalizing the HOS second-hand market. Some others have also left the market after gaining some \$1 million from the sale of rental public housing. Does the Government want public resources to be used as the platform for speculation?

I must agree that the resumption of the HOS as he proposed has certain advantages and it is pretty right for him to say that prices should be linked with family incomes, because in this way, home buyers can still meet other living expenses after payment of mortgage, and they will not be so financially strained that they have difficulties in maintaining certain standard of living. This point is worth supporting but not fundamental. The most important point is that, we should no longer allow speculation of public resources in the private market. Thus, I emphasize that it should be specified that the Government should buy back the new HOS flats and then sell them to those in need as this is a reasonable approach.

Speaking of housing problem, I must say something about public rental housing (PRH). We all know that there are 150 000 people on the PRH waiting list, over 70 000 of them are singletons, and over 80 000 are members of families with two persons or more. How long do they have to wait? The Government has committed that PRH allocation be possible within three years, and it also indicates that applicants are currently allocated flats within 2.2 years on average. Yet, we must bear in mind that applicants are just allocated flats within 2.2 years, but that does not mean they can readily live in PRH flats. In general, they will

be allocated flats that are not selected by many others for the first time after they have waited for 2.2 years. If they do not select the flats allocated to them for the first time, they have to wait another year for the second allocation; thus, the total waiting time will exceed three years.

The Housing Department published a report today, which shows that 30% of the applicants are allocated flats within more than three years. This is really a slap in the face of Secretary Eva CHENG who often says that the Government can fulfil the three-year commitment. It turns out that 30% of the applicants have waited more than three years for allocation. She should not forget that this is just the time taken for flat allocation, and taking up residency is most important. There is a newspaper report today that some people have even waited for eight years. President, people have waited for eight long years, just like what happened during the colonial times. Yet, the Secretary and the Chief Executive still insist that 15 000 PRH flats will be provided each year.

President, I know that you studied Mathematics, please help me do some calculation: if 15 000 flats are provided each year, and there are 150 000 people/families waiting, how can they be allocated flats within three years? I will not include the additional numbers in the future; even if we cut off at 150 000 people/families, based on the construction of 15 000 flats each year, only 45 000 flats will be provided in three years, how can they meet the needs of 150 000 people/families applying for flats? Is that not a lie? When Secretary Eva CHENG or the Chief Executive expresses similar views again, I earnestly hope that President would rule that they have given the wrong numbers and their calculation is erroneous. Since this formula is incorrect, we cannot get the correct answer. Moreover, 2 000 flats out of 15 000 flats are provided to people with special needs under an *ex gratia* scheme but not to those on the waiting list. On the basis of this number, how can the Government fulfil the commitment of PRH allocation within 2.2 or three years? That is a false number. I hope the Government would provide more PRH flats to solve the problem of a large number of people living in poor conditions.

Many Honourable colleagues have just pointed out that a large number of people are living in cubicles, coffin-sized units, sub-divided units and rooftop units. The Chief Executive is now finding excuses for himself, saying that some houses do not need to be removed and the problem can be addressed slowly. In view of his flip-flopping attitude, we really do not know what he intends to do. He once commented that such accommodations were illegal and inappropriate but

he is now saying that these houses need not be removed and the problem can be handled later. For how long should the delay last? What is he waiting for?

The irony is, Secretary Eva CHENG has also said that the production of these 15 000 flats is not a fixed target, and the number can be increased at any time when necessary. If she can increase the number of flats constructed at any time, why does she not increase the number earlier? Why have these residents been tossed around? Why should we keep over 100 000 residents waiting? Will the Government, Secretary Eva CHENG and the Chief Executive become happy and relieved when they see people waiting continuously? I really do not understand. If she said that there is flexibility and the number can be increased when necessary, why does she not do so? We are really puzzled. No wonder the probable Chief Executive candidates have said that the target will be increased to 30 000 or 35 000 flats, and they keep proposing different numbers. Will Secretary Eva CHENG and Chief Executive, Donald TSANG, be ashamed when they heard these numbers? Other people can also propose large numbers but they still insist constructing 15 000 flats.

This is what the Secretary frequently says to young people, "instead of applying for PRH when you are 18, why do you not work hard to make more money? You may not need to live in PRH in the future, thus you need not apply for PRH allocation so soon." This reflects that the Secretary does not understand the reality and she does not understand why young people have acted this way. Under the present restrictions, overcrowded public housing households are public housing tenants living below 5.5 sq m internal floor area per person. Their problems will not be improved right away and they also need to wait. What can they do? They can only wait. Nevertheless, it is inappropriate and untrue for the Secretary to say that some people have misused resources. I hope that the Government would understand people's feelings better and visit the districts more often to find out more about the actual situation.

As nothing in this Policy Address can solve the hardship of the grassroots, it is naturally difficult for me to support it. Hence, I will not support this Policy Address and I will not vote in support of the Motion of Thanks.

I so submit, President.

DR PAN PEY-CHYOU (in Cantonese): I wish to express my personal views on labour affairs in this session. Chief Executive Donald TSANG has, in his term of office, enacted the legislation on minimum wage and introduced the Work Incentive Transport Subsidy Scheme. These two measures are significant in protecting low-income workers in Hong Kong. I have been living in Hong Kong for quite a long period of time. It can be said that this is the first time I see some specific policy changes aiming to provide protection for low-income workers. I seem to get a glimpse of Fabianism in the Government's governance and a trace of gradual progress in society.

I would focus my discussion today on the work-rest balance of workers. At present, many friends in the labour sector are concerned that workers work too long hours and have insufficient time for rest. The relevant issues include legislating for standard working hours, aligning general holidays with statutory labour holidays, as well as paternity leave.

I would like to talk about standard working hours first. The labour sector has been striving for introducing legislation on standard working hours for a very long time. The main reason is that workers of Hong Kong really work very long hours, which erodes their personal and family lives. Moreover, in the absence of a statutory standard working hours regime, many employers tend to force, one way or another, employees to work overtime without pay, which is a very serious problem nowadays.

After the strong pursuit of the labour sector, the Chief Executive announced last year the study of standard working hours. A report will be completed in the middle of next year to expound on the experiences of other countries in implementing standard working hours. The Census and Statistics Department has also been asked to provide more detailed data regarding the working hours of the workforce. Upon the completion of the report, it will be released for discussion by the Legislative Council, the Labour Advisory Board and the public. The labour sector supports the approach; however, we are very impatient with the long process required. It is because in reality, thousands of wage earners have been suffering from long working hours and insufficient rest. We very much hope that the time required can be shortened as far as possible to allow the community to discuss this issue at an earlier date.

Speaking of excessive working hours, I would like to talk about the current situation of Hong Kong. It is recommended by the International Labour Organization that every wage earner works 40 hours a week, which is deemed to be appropriate. However, what is the current situation of Hong Kong? At present, the median working hours of the entire workforce are 45 hours a week. For male employees, the median working hours reaches 48 hours a week. Based on the above figures, wage earners are considered working overtime by the standard of the International Labour Organization. In terms of individual trades and industries, according to the 2010 data, the ratios of people working less than 44 hours a week are as follows: around 80% in the professional, scientific and technical services industries; 68% in the administrative and supporting services industries; 75.5% in the education and public administration industries (excluding the Civil Service). In other words, the phenomenon of working over 44 hours a week is very common in many trades and industries.

What I have just quoted is the situation of white collar workers. The situation of blue collar workers is much serious. The ratio of working less than 44 hours a week in the property management, security and cleaning industries is only 21.6%; and in the catering industry, the ratio is only 18.5%, meaning less than 20% of people in this industry are working less than 44 hours a week. Regarding the ratio of working over 60 hours a week in these industries, it is 34.2% in the property management, security and cleaning industries, and 36.8% in the catering industry. Just imagine the length of working hours if one has to work 60 hours a week. These wage earners work around the clock. What kind of life are they leading?

Therefore, we think that the labour market has ceased to be effective, consequently, the quality of life of workers has dropped to an unacceptable level. For this reason, we consider that the enactment of legislation can ensure sufficient rest time for workers.

Excessive working hours cause much harm. I would briefly talk about the harm. Physically, chronic stress leads to all kinds of illnesses. Not only one suffers from endocrine disorder, the body's repair mechanism is also affected. Rest enables our body organs to heal. In the case of insufficient rest, the adverse effects will be accumulative. Also, if one does not have insufficient rest, he cannot do exercise. Many jobs nowadays, even blue-collar ones, do not

necessarily demand much aerobic exercise. Hence, if wage earners have rest time, they can do exercise.

As we all know, a lack of exercise causes many illnesses, such as metabolic disorder like diabetes, hypertension, heart disease, and so on. In fact, in some cases, people died of overstress due to excessive working hours and too much pressure at work. Most of these people suffer from heart problems, the heart is weak due to laborious work over an extended period; and without being aware of the problem, they may have a sudden heart attack and died. Besides, psychological health is seriously impacted as well. Many emotional problems such as depression, anxiety, and so on are also caused by too much pressure at work.

If a man does not have sufficient time for rest, how can he attain a balanced development? If he spends all his time working, how can he find time to pursue further studies? How can he find time to develop his hobbies and interests? His life is work-oriented.

Excessive working hours also affect family life. Due to long working long, many parents do not have much time for their children. Out of shame and remorse, many parents compensate their children with material comforts. They satisfy their children's material demands as far as possible, even replacing discipline with indulgence. We are very familiar with this kind of parents; we call them "monster parents". No matter what happens, they try to shield and even please their children, going at great lengths to make them happy. Why are there "monster parents"? It is because their working hours are so long that they do not have time for their children.

When parents do not have time to take care of their children, the children will also be affected. Why? After the parents have gone to work, the children are often left in the care of domestic helpers. When the parents return home from work, it is usually eight or nine o'clock at night and their children are ready to go to bed. Such being the case, it is mainly the domestic helper who accompanies their children throughout the day. These live-in helpers, in order to avoid complains from employers, do most of the things for the children. In the end, children from such families often do not even have the most basic self-management skills. They are the "Hong Kong kids" whom we are very familiar with. This is the background of "Hong Kong kids".

Of course, excessive working hours also affect many other aspects, one of which being the quality of life of wage earners. Therefore, I think the enactment of legislation on standard working hours should brook no delay. I believe if relevant legislation is in place, the endless increase in working hours can be effectively curbed. It is because once standard working hours are introduced, overtime work must be paid. As such, employers will be discouraged from asking workers to keep working overtime. Normally, after the introduction of standard working hours, overtime work is "loaded", meaning that employers have to pay overtime work at a higher rate than normal wages. Hence, employers will not keep on asking employees to work overtime.

If we can have the Government's study report at an earlier date, serious discussion of the enactment of legislation can be started in our community. I hope that a consensus will be forged in the community. I also strongly believe that time is needed for the community to reach a consensus and build up an atmosphere. However, such discussion cannot be started until the Government has provided us with the relevant information. I believe representatives from employers and employees will discuss continuously to seek an option acceptable to both sides.

Regarding the aligning general holidays with labour holidays, to our regret, not a single word on this issue has been mentioned in this Policy Address. In fact, the Employment Ordinance of Hong Kong provides that all workers of Hong Kong are entitled to 12 statutory holidays, which are paid holidays. Employers are obliged to give workers these holidays. At present, under the General Holidays Ordinance, employees of some organizations are entitled to 17 days of holidays a year. In other words, there is a difference of five days between labour holidays and general holidays. The majority of blue collar workers are not entitled to these five days of holidays. Even for some employees who are regarded as doing white collar work, they are not entitled to such holidays. These five days of holidays include three days of Easter holidays, the first weekday after Christmas Day and the Birthday of the Buddha. Actually, the number of holidays that Hong Kong wage earners have is less than those in other places in the world. When compared with the 103 countries and regions in the world, the number of our holidays ranks fourth from the bottom. In addition, the majority of wage earners of Hong Kong work six days a week while many advanced regions and countries have a five-day work week. Therefore, the number of holidays and rest days of Hong Kong wage earners is indeed less than

those in other places. This is one of the reasons why we have strived for aligning these five days of holidays with the statutory labour holidays.

Moreover, there is no such thing as a double track system for holidays in other places of the world. As far as we know, Hong Kong is the only place in the world that implements such a system, dividing wage earners into two groups, with one entitled to general holidays and the other labour holidays. Therefore, this is a very unreasonable system which, in our view, should be revised. We think the justification is very clear. We hope that relevant legislation will be enacted as soon as possible to give these five days of holidays back to wage earners.

Speaking of paternity leave, despite the Chief Executive's refusal to introduce legislation this time, he has undertaken to provide such leave to civil servants. As regards other public or subvented bodies, he has indicated that they can do whatever they like. Such a decision has disappointed us. I think this approach is very mean. On the surface, he has acceded to the demand of the labour sector to give them something. However, he has given them nothing at all because inequality is worse than deficiency. The majority of wage earners are not entitled to paternity leave. I believe the advantages of paternity leave have been raised by many people. In fact, to a family, the most wanted holidays of a man in his lifetime are the period before and after the child delivery of his wife, so that he can personally take care of the mother and baby. This arrangement not only meets the actual needs, but can also practically enhance the sense of cohesion of the family. Moreover, wage earners can work contentedly and have greater sense of belonging to the organization they work for. It can be said the provision of paternity leave has all the merits and without any demerits. However, despite the system is simple and has a relatively small impact on the workforce and employers, and can bring benefits, the Government is still unwilling to promote it. This is really disappointing. Therefore, I hope that the incumbent or the next Government will address this issue and will not disappoint wage earners once again.

I so submit.

MR WONG KWOK-KIN (in Cantonese): President, besides housing, the Chief Executive has also talked at great length in this Policy Address about social

welfare and elderly welfare. Among the various measures, to the Federation of Trade Unions (FTU) and me, the "Guangdong Scheme" is most significant. In fact, we put forward the concept of the "Guangdong Scheme" years ago. We have all along advocated and demanded the Government to remove the limit of absence from Hong Kong for the "fruit grant". I remember when the Chief Executive announced in the policy address last year the lowering of the limit of absence for the Old Age Allowance from 90 days to 60 days, we repeatedly stated clearly that we demanded the total removal of the limit of absence for the "fruit grant", the reason being the inflexibility of the system had turned into a hurdle for elderly people residing in the Mainland.

Over the past decade or so, with the economic development and Guangdong-Hong Kong integration, an increasing number of elderly people have chosen to return to their hometown in the Mainland to spend their twilight years. The three advisory services centres of the FTU at Guangzhou, Dongguan and Shenzhen have received increasing cases of elderly people seeking help over the past years. Many of these elderly people find it difficult to continue to live in the Mainland because they have used up all their savings and their health conditions have gone bad, they thus seek help to return to Hong Kong. Over the past three years, the FTU has helped 350 elderly people residing in the Mainland to return to Hong Kong. Specific figures are as follows: 95 people in 2008; 110 people in 2009; and an increase to 145 people in 2010. These figures have shown a rising trend year-on-year. In the first half of this year, 68 people have received help as at the end of June. The Government has to address this situation seriously.

President, relevant data in the Characteristics of Hong Kong Older Persons Residing in the Mainland of China released in September this year by the Census and Statistics Department have indicated that a total of 115 500 Hong Kong elderly people aged 60 or above are residing in the Mainland as at February this year. This figure is similar to that in the previous relevant survey conducted in 2007. Of these 110 000-plus elderly people, over 70 000 of them are residing in Guangdong Province while only around 40 000 of them are residing outside Guangdong Province. It can be projected on this basis that several tens of thousands people are expected to benefit from the "Guangdong Scheme" under the Social Security Allowance Scheme proposed in the Policy Address this year.

The FTU has conducted a survey in July and August this year through our Mainland advisory services centres on the livelihood of Hong Kong elderly

people residing in the Mainland. A total of 300 elderly people residing in the Mainland aged 60 or above have been interviewed. It has found that 71.4% of them consider the loss of the Hong Kong Government's support the greatest difficulty in residing in the Mainland. Next, 61.5% of them consider the expensive medical bill in the Mainland the greatest difficulty. The survey has also found that 58.4% of them worry about having no proper accommodation upon their return to Hong Kong. This survey has indicated that the Government's support is very important to these Hong Kong elderly people residing in the Mainland because the vast majority of them lack any kind of retirement protection and rely solely on their personal savings. They have moved to reside in the Mainland bringing with them their savings only because the living standard in the Mainland was low back then.

We welcome that the Government has finally accepted FTU's proposal advocated for years. However, we urge the Government to announce details of the "Guangdong Scheme" as soon as possible and implement the Scheme expeditiously. The Secretary is here today. I can then talk about some hearsay I have recently heard. There is a saying that despite the announcement of this Scheme, its implementation may take a very long time, perhaps not even until 2012. I do not know whether this is true or not. Secretary, I hope this is just a rumour. Otherwise, Hong Kong elderly people residing in the Mainland will be very disappointed. We hope that this Scheme can be implemented as quickly as possible within a reasonable time frame, so that these elderly people residing in the Mainland who have waited for a long time can benefit from it at an earlier date. However, I have to point out at the same time that removing the limit of absence for the "fruit grant" cannot solve all the problems faced by these elderly people residing in the Mainland now. At most, it is just the first step. There are still other problems that should be further considered by the Government.

President, the problem involved in the limit of absence for the "fruit grant" is actually our present policy of non-portability of welfare benefits. In paragraph 200 of the Policy Address this year, it is mentioned for the first time the introduction of policies to help elderly people reside in their hometown. At the same time, it is stated that the Government's stance on the portability of welfare benefits is the key factor in determining whether elderly people can ease their mind to retire in their hometown. Over the past few decades, the Government's stance has been very clear that Hong Kong residents can only enjoy Hong Kong's public welfare inside the territory of Hong Kong. However,

following the reunification of Hong Kong and the implementation of "one country, two systems", is it necessary to review this system now? In fact, an increasing number of elderly people have chosen to spend their twilight years in their hometown. I think this is actually fair and reasonable. Quite a number of elderly people worked in Hong Kong when they were young and strong. After working hard for more than half a lifetime, it is only natural for them to wish to return to their hometown to spend their twilight years. What is more, the living environment in the Mainland is sometimes better than that in Hong Kong, for example, more spacious living area, more places for activities, and so on. However, we can also see that prices in the Mainland have been on the rise in recent years. Elderly people who return to their hometown with their personal savings years ago have to face the plight that their savings have been used up and they are now in dire straits. Even though the Government launches the "Guangdong Scheme" now, and elderly people residing in the Mainland can have \$1,035 more each month, they only get \$800-plus after the sum is exchanged into Renminbi. Can this amount of money solve all the problems they are facing now?

President, in one of the cases I dealt with in the past, an elderly man complained about the rising cost of living in the Mainland in recent years, saying that he has to pay RMB 200 to 300 yuan each time for medical consultation. To quote his words, "I really cannot afford to get sick." We can well imagine that as people grow older and older, it is inevitable that they will suffer from all kinds of chronic illnesses. If they are sick, they have to seek medical treatment. Their monthly "fruit grant" can easily be depleted after three to four visits to the doctor. This example actually leads to a more profound and far-reaching question, and this is, under "one country, two systems", is it necessary to revise the policy of non-portability of welfare benefits? Other than the Old Age Allowance, should Hong Kong elderly people residing in the Mainland also get the support of the healthcare and elderly care services of Hong Kong?

President, speaking of retirement protection for the elderly, we certainly will not forget the local retirees — our senior citizens. Several colleagues of the FTU had expressed our views to government officials on different occasions in the past. Our position is that we support universal retirement protection. In fact, as early as the 1990s, the FTU proposed an integrated retirement protection package. However, it is a pity that the Government finally compromised with the business sector and introduced the present Mandatory Provident Fund (MPF)

Scheme. The Scheme has been implemented for a decade. To many contributors, the existing MPF Scheme can hardly serve the purpose of retirement protection. One of the major shortcomings of the MPF, that is also the problem that we have all along been striving for improvement, is that employer contributions in the MPF can be offset against severance and long service payments. Over the past decade or so, an increasing number of employees have been employed on a contract basis. And many of them have been offered contracts of a shorter and shorter term, meaning switching to a new contract every two to three years. As a result, their MPF accounts are offset against long service or severance payments time and again. With such frequent offsets, how much money will be left in their MPF accounts for their twilight years when they retire? Trade unions have repeatedly demanded the Government to pay due attention to this issue. It is a pity that the Government has so far been reluctant to make any improvement in this regard. Therefore, I again urge the Government to seriously consider abolishing the offsetting arrangement of employer contributions in the MPF against severance and long service payments, so that wage earners to save more money to prepare for their retirement life.

President, the Secretary is now in the Chamber. The Government has always stressed that there are now three pillars of retirement protection in Hong Kong, namely personal savings, the MPF Scheme and the Government's comprehensive and welfare assistance. Working poverty is now very common and serious. The monthly income of many grass-roots wage earners simply cannot make ends meet, let alone save for their twilight years. They cannot even cope with their immediate needs. Second, it is the MPF. After frequent offsets and numerous switches of contract, there is not much left in wage earners' MPF accounts when they retire. Therefore, ultimately, they may have to rely totally on social welfare, that is, the comprehensive assistance as stated by the Government. This is a burden to society as a whole, and a situation no one would like to see. The Government should consider as soon as possible the setting up of a mechanism for retirement protection to meet the challenges of the impending ageing society. By the way, though the MPF Scheme has been implemented for a decade, there is still much room for improvement, which includes the frequently discussed issues, such as excessive administrative fees and charges, the "free choice scheme" of the MPF has yet to be put in place, and so on. We hope that the Government will, before implementing universal retirement protection in place, first improve the existing MPF Scheme to avoid the gradual erosion of the hard earned money of wage earners who are now

contributing to the Scheme. President, these are my remarks in this session. Thank you, President.

DR JOSEPH LEE (in Cantonese): President, I wish to talk about elderly issues in this session.

I think this Policy Address has proposed some good measures on ageing at home. Speaking of ageing at home, the mindset of the Government in the past is always the provision of residential care services for the elderly. Therefore, whenever this topic is brought up, the Secretary will explain to us the number of residential care places the Government has bought, the situation of private residential care homes, the access for the elderly to subsidized residential care places, as if these are what ageing at home is all about. However, this Policy Address has seen a great breakthrough in the handling of this concept. At least, it has admitted that ageing at home does not only mean the provision of residential care services for the elderly.

In fact, ageing at home can be classified into four categories. The first category covers the majority of elderly people who can manage on their own in the community. The second category covers elderly people who need certain assistance, such as those with chronic illnesses. They can also stay at their home but need other's help. The third category covers elderly people who need residential care services. The fourth category covers elderly people with special needs, such as those with dementia who need special residential care services so that they can receive elderly care in such residential care homes. The Government has made a clear undertaking this time to invest resources in helping elderly people with chronic illnesses in the community to provide them with assistance when necessary.

The Government has indicated that it will examine the introduction of community care vouchers, which is indeed a breakthrough. However, I hope that upon actual implementation, the community care vouchers will not purely be used for paying expenses of their residential care services. Most importantly, such vouchers must offer genuine help to elderly people in the community with chronic illnesses, such as those having diabetes or heart disease, and even those rehabilitating from minor stroke, who acquire visiting services such as physiotherapy, occupational therapy, care and even nutritionist services. Only in this way can the concept of ageing at home be genuinely realized. As this

Policy Address has made such a breakthrough, I truly hope that the Government will realize this concept in implementing the community care voucher scheme. Also, it will not again encourage elderly people to use residential care services by giving them subsidies, and then regard the work as mission completed. This practice is extremely undesirable. I hope that the Secretary will examine this proposal and draw up some measures to facilitate genuine ageing at home, so that the incumbent Government can, in its remaining term of office, consider such measures and the next Government can actually implement them.

Speaking of ageing at home, I wish to bring up another issue of elderly care. Old age and death are inevitable for all people. Apart from ageing at home, there is also the issue of hospice at home. Perhaps this has yet become popular in Hong Kong. However, there are actually quite a number of elderly people who wish to spend their last days of life at home even though they are ill. At present, no more than 200 healthcare personnel of the Hospital Authority have dedicated to provide visiting hospice care for elderly people across the territory, so that elderly people, who are in their last days of life or suffering from cancer or other illnesses, can receive necessary healthcare services at home. However, in the case of insufficient resources, such services cannot be provided. This is part of ageing at home as well, which concerns hospice care.

Of course, this issue may not be under the purview of the Secretary but is under the purview of the Secretary for Food and Health. However, I hope that the Secretary will take one more step when considering ageing at home to examine whether additional resources can be allocated to help elderly people get hospice care at home, so that they can choose to pass away comfortably at their own place. In fact, such an option has its merits. It can reduce the need for hospital services, and family members do not need to travel to and from hospital for visits because not all elderly people need to stay at hospital when approaching the end of their life. Actually, the people of Hong Kong have started to accept this idea. Therefore, it is hoped that additional resources will be invested in this area in order to change the present situation of only having no more than 200 staff for the provision of this service. As a result, the concept of ageing at home and hospice at home will be better realized.

At this juncture, we cannot but discuss the issue of residential care homes. The reliance upon residential care services to facilitate elderly care in the community is inevitable. Speaking of residential care homes, I believe the Secretary is quite clear that the existing Residential Care Homes (Elderly

Persons) Ordinance is very much outdated. As it is stipulated in the Ordinance that the employment of only one nurse is enough, and an extra nurse is required only when there are 60 elderly residents in the residential care home, many private homes have exploited this loophole, leading to the inferior quality of services provided. In fact, I have urged the Secretary many times to consider taking this opportunity to amend or review the existing Residential Care Homes (Elderly Persons) Ordinance to plug the loopholes, so that elderly people can really enjoy quality services no matter whether they are living in private or subsidized residential care homes.

Regarding the assessment of residential care homes, the Secretary has claimed that there are two sets of criteria have been stipulated, which is commonly known as the residential care home assessment system. However, as there are two sets of criteria, some homes have to abide by them, and some do not have to do so. As a result, the quality of services provided at present is extremely varied. While some private homes do not need to abide by the criteria, some homes with government bought places need to do so, as a result, the quality of services provided to elderly residents are not exactly the same. This situation is very unsatisfactory indeed. The Secretary has also pointed out that people may have the need for residential care services as they grow old. Under the same regulation of the Residential Care Homes (Elderly Persons) Ordinance, some homes are subject to assessment while some are not, resulting in a varied or inferior quality of services provided. This is a situation that we really do not wish to see. It is hoped that the Secretary will take this opportunity to consider whether there is a need to enhance the monitoring of residential care homes, and revise the present practice of stipulating the assessment criterion for private homes on the basis of whether there are any government bought places. Moreover, some residential care homes have exploited the loopholes of the outdated Ordinance to provide inferior services. The authorities should deal with this problem as well.

The issues on elderly services mentioned above are tasks that I hope the Secretary will accomplish in this Policy Address, so that elderly people can lead a contented and healthy life in the community. In this way, the objective of ageing at home can be achieved and the concept of hospice at home can have a chance to be realized. Thank you, President.

MR ALAN LEONG (in Cantonese): President, I wish to express my views on two areas in this session. First, Mr Ronny TONG of our Party has expressed his disappointment just now as the Chief Executive has almost vetoed the introduction of universal retirement protection and stated that it was "impractical" to do so. I totally concur with Mr Ronny TONG's arguments. But I wish to make some clear statements here for record purpose.

During the discussion of this subject in the Sub-committee on Retirement Protection under the Panel on Welfare Services, we have repeatedly asked the Government to submit information of the study conducted by the Central Policy Unit because the non-governmental Alliance for Universal Pension and some actuaries have not talked nonsense but have really made some serious calculations. It is all right for the Government not to accept the results of their calculations, but it has to present its arguments to discuss with us and tell us which information it does not accept and which hypothesis it considers impractical. Has the Government proposed a set of data or logic for our discussion?

President, actually, time is running out. According to the calculations of these actuaries, if universal retirement protection is not implemented in five years' time, that is, within the term of office of the next Chief Executive, we can totally forget it. It is because according to their calculations, with regard to the proportion of the working population to the total population in 2017, or in 30 years' time or when our ageing population peaks in 2030, we cannot afford the amount of money for universal retirement protection. Therefore, this is not an issue that can be dealt with by using stalling tactics. A responsible government, in any case, has to face the issue of elderly care brought by an ageing population.

Many Members have talked about the "Guangdong Scheme" just now. Without universal retirement protection, when our ageing population actually reaches the extent of one in three Hong Kong people aged 65 or above, how can the Government remain indifferent to elderly people with livelihood problems? The Government either launches such a scheme now to start saving, or "hands out money" then. It is just like the "Guangdong Scheme" now. It is actually also a form of "handing out money". How can the Government remain indifferent to these elderly people leading a frugal life in Guangdong? The Government can either hand out money from the Treasury when the situation turns bad, or start a retirement protection scheme now, or at least carry out the relevant study now.

Therefore, I hope the Secretary will understand that the Subcommittee under the Panel on Welfare Services is waiting for the Government to give us data and discuss with us.

President, I wish to spend some time on discussing another issue. After the introduction of a minimum wage, we found the employment support provided to disabled employees extremely unsatisfactory. There are also some very unfair phenomenon. In terms of objective data, at present, there are around 42 000 disabled employees in Hong Kong. However, around six months after the introduction of a minimum wage, only less than 120 out of these 42 000 employees have chosen to undergo the productivity assessment. They have many worries about the assessment, which can be summed up in the following four points: First, low scores in the assessment will in a way lead to a pay cut; second, appeal is not permitted even in the case of disagreement with the results; third, high scores in the assessment will lead to dismissal, fourth, unclear criteria have held them back. Therefore, quite a number of academics have criticized that this system actually exists in name only.

The Civic Party is of the view that the Government has not played a proper leading role. If revisions will only be made when a review is carried out every two years, it seems that the same mistake of belated awareness will be repeated. Secretary CHEUNG seems to have mentioned that the authorities will start collecting data for review in a year's time. Nevertheless, the response is still too slow. If the productivity assessment aims to help disabled employees, the present situation has shown that it cannot achieve this purpose at all. It is hoped that during the early days when minimum wage was implemented, the Government would make greater commitment so that this policy could be more effective.

Thank you, President.

MS MIRIAM LAU (in Cantonese): President, regarding elderly policies and welfare, this Policy Address has indeed proposed some measures. Even though the spring has come a little late, it is hoped that it will bring a sense of warmth to the elderly.

Among the measures mentioned, the newly introduced "Guangdong Scheme" enables eligible elderly people to reside in Guangdong Province for extended period and receive the Old Age Allowance (commonly known as "fruit grant"), without requiring them to return to Hong Kong. This is really a benevolent measure.

In fact, the Liberal Party has criticized the Government many times in the past that requiring elderly people who spend their twilight years in their hometowns to return to Hong Kong regularly each year and stay in the territory for a certain period of time to be eligible for "fruit grant" is uncalled for and would cause hardship to the frail elderly. The Government has now basically responded to our request and headed towards the removal of the limit of absence from Hong Kong. This is a practical approach.

Speaking of "fruit grant", I wish to particularly point out that quite a number of poor elderly people who are not eligible for the Comprehensive Social Security Assistance (CSSA) actually rely on the meager monthly "fruit grant" for their living, and they often find themselves in straitened circumstances. Therefore, we think that it is necessary to reform the system to allow elderly people aged 70 or above who pass a simple means test to receive an additional \$500 of "fruit grant" every month, so as to help needy elders improve their livelihood in their twilight years.

Another elderly care measure the Government has implemented after accepting our suggestion is the "elderly care voucher", named by the Government as the "community care voucher", that realizes the concept of "money follows the elderly". The purpose is to allow elderly people on the waiting list of subsidized residential care places to use these vouchers to go to organizations of their choice to purchase elderly care services they need.

However, this scheme has to wait until 2013 and 2014 for its implementation on a trial basis by phases, which is really a bit late. We think the Government should speed up the progress and tell us details of the scheme as soon as possible. The Liberal Party thinks that only with vouchers amounting to at least \$5,000 a month can elderly people have sufficient money to purchase suitable elderly care services.

President, on transport, we have always demanded public transport concessions for elderly people and eligible people with disabilities. Therefore, the Liberal Party welcomes that this Policy Address finally heeds to sound advice and proposes to offer them \$2 a trip travelling on the MTR, franchised buses and ferries anytime. However, the only flaw in this otherwise perfect proposal is that such concessions do not cover minibuses.

To housing estates and districts having no direct railway links, minibus services are very important. Minibuses also play an important role in providing feeder services to MTR and ferries. If elderly people and people with disabilities cannot enjoy the public transport concessions proposed in the Policy Address because of the lack of minibus concessions, it is very unreasonable indeed.

Therefore, I hope that the authorities will actively communicate with the minibus industry to find a feasible way to include minibuses in the list of operators offering concessionary fares.

Moreover, I do not understand why these concessions can only be implemented after the term of office of the Chief Executive ends in the middle of next year. Why do we have to keep so many elderly people and eligible people with disabilities to such a long wait before they can enjoy these concessions? Can the authorities advance these concessions to an earlier date?

President, actually, there is still much room for improvement in the Government's elderly care services. For instance, we proposed the allocation of adequate resources to implement the Action for Vision for the Aged, so as to solve once and for all the long wait of elderly people for cataract operation in public hospitals; an increase of the amount of the elderly healthcare vouchers to \$1,000 a year; an increased supply of residential care places, and so on. All these proposals should be considered and adopted by the Government.

President, the Chief Executive has announced in advance that the focus of this Policy Address is poverty alleviation. However, in the end, it is a case of loud thunder but small raindrops. The measures proposed are just the same old tune without any new notes. In fact, the Treasury is at a robust financial position now, with the latest fiscal reserves standing at almost \$600 billion, and the Exchange Fund at over \$2,450 billion as at the end of August. Together

with the record revenue of \$70 billion allegedly coming from land sales and land premium, the Government should step up its strength in poverty alleviation. For instance, the Liberal Party hopes that the Government will provide a monthly living supplement up to \$2,500 to working poor families that are living below the poverty line but ineligible for the CSSA. It is hoped that without the labelling effect of the CSSA, actual help will be rendered to these families to improve their livelihood. We are disappointed that the Chief Executive has not given any response to this proposal.

In our view, to eradicate poverty, other than giving the grassroots financial support, the Government should also teach them how to fish, so to speak, to assist them in upward mobility. However, the Government has mainly relied on the courses offered by the Employees Retraining Board to achieve this purpose. If this is an effective way, the problem should have long been resolved instead of remaining unsolved up till today. We think it is necessary for the Government to conduct a comprehensive review of all the programmes that encourage training and further studies to provide more suitable training support to the grassroots, with a view to encouraging further studies in an all-rounded manner. Some incentives can even be offered to encourage people to learn the actual skills needed by different trades and industries.

President, I so submit.

MR IP KWOK-HIM (in Cantonese): President, I will speak on manpower issues on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB).

When we review the promotion of labour affairs in the past year, the biggest breakthrough is the introduction of a minimum wage and the implementation of the Work Incentive Transport Subsidy Scheme. After years of promotion, the minimum wage came into effect on 1 May. Generally speaking, its operation has been stable and smooth. Mass layoff of staff and winding up of businesses, which are the concerns of the commercial sector, have not occurred. The income of grass-roots employees has seen an obvious increase. The latest figures from June to August have shown a 14.4% increase at the bottom level of the income groups and a real growth of 6% after discounting inflation. Obviously, grass-roots workers have directly benefited

from the implementation of the minimum wage, and the problem of working poor has been alleviated. As the Minimum Wage Ordinance has just come into effect, many employees and employers do not fully understand its operation. It is hoped that the Government will actively monitor the enforcement of the Ordinance and continue to explain to the public details of the Ordinance, so as to avoid employers violating the Ordinance inadvertently.

To encourage people stay in employment, the new Transport Subsidy Scheme was rolled out on 1 October. The DAB believes that the Scheme will ease the burden of transport fares on the working class with low-income and limited assets. However, as the implementation of the minimum wage has pushed up the average wages, the number of people eligible for applying the Scheme has dropped considerably. The DAB suggests that the Government should review and revise the thresholds for approval. In particular, the upper income limit of the two-member and three-member families should be relaxed to allow more families to benefit. Moreover, many members of the public have kept complaining to us that as the application for the Scheme is on a household basis, they not only have to calculate their assets, income and monthly working hours to see if they meet the application requirements, they also have to calculate the income and assets of their family members, making the whole process quite complicated. Therefore, the DAB hopes that the Government will simplify the details required to be filled in the application form, as well as the relevant procedures and formalities to facilitate the application of the people in need.

As the community becomes more concerned about labour rights and interests, people have more demands for labour protection. I would like to urge the Government to review as soon as possible the regulation and policy of "418 continuous contract" under the existing Employment Ordinance, in order to protect the rights and interests of part-time and temporary employees. Moreover, the Government has indicated that it will first study the provision of paid paternity leave to civil servants. The DAB also hopes that the Government will expeditiously complete the study, as well as implement and submit the relevant proposal. As this new proposal may affect the operation of small and medium enterprises, in order to balance the interests of the industrial and commercial sectors, we hope that the Government will bring the matter as soon as possible to the Labour Advisory Board for discussion to facilitate a consensus between employers and employees.

President, as the worsening of the Euro zone sovereign debt crisis and the weak economic performance of the United States will lower employers' intention to recruit, the DAB predicts that the unemployment situation will deteriorate in the coming days. The Government should save for a rainy day and get prepared in advance to cope with the future gloomy economic environment. The DAB proposes that the Government should expedite the launch of infrastructure projects such as the MTR Shatin to Central Link and the Hong Kong-Zhuhai-Macao Bridge; boost the recruitment of civil service posts and create more temporary posts; and actively provide convenience and support such as loans and credit guarantees to small and medium enterprises, with a view to stimulating economic development to create employment. Moreover, on the support for youth employment, the DAB supports the Government's extension for one more year of the 3 000 temporary posts created for young people in 2008. This has responded to the consistent request of the DAB to increase work opportunities suitable for young people. At the same time, the Government should also set up additional job centres of the Labour Department in various districts to provide the public with employment support in a more comprehensive manner and allow them to have easier access to employment information.

I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I will call upon three public officers to speak. They may speak up to a total of 45 minutes.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Members for their valuable views expressed in this session on the theme of "Investing for a Caring Society"

On labour and welfare policies, this year's Policy Address has introduced a package of initiatives which carry on the past traditions and open up in the future,

as well as tie in with the medium- to long-term strategic planning in an unconventional and targeted manner. I would describe these policies as "Care and Courage". Later on, I will make a focused response to Members' concerns.

In the labour policy area, I firmly believe that employment is the prerequisite for improving people's livelihood.

The current-term Government has implemented two ground-breaking policy initiatives which are beneficial to in-service grass-roots workers. We have successfully put in place a statutory minimum wage (SMW) to offer income protection to grass-roots people, and have launched the Work Incentive Transport Subsidy Scheme for workers in need. These two measures signify a major breakthrough in the mindset of the SAR Government — it is ready to intervene in the market as appropriate to provide effective support to grass-roots workers provided that the free economy of Hong Kong will not be prejudiced.

The SMW has been put in place for nearly six months, and the process is generally smooth and satisfactory. For wages, the statistics for the period from June to August showed that the earnings for the lowest decile group have increased noticeably by 14.4% year-on-year after the implementation of the minimum wage. There is an increase of 6% in real terms after discounting inflation, which is much higher than the overall average rise of 7.2% in nominal term. This indicates that the implementation of the SMW has positive effects on grass-roots workers.

Furthermore, females have also benefited from the implementation of the SMW. Regarding the labour force participation rate, the statistics for the period from July to September showed that the number of employed female rose by 5.9% compared with the corresponding period in 2010, meaning that 97 000 females were employed. Among them, the number of low-skilled female employees have increased by 41 200 people.

Earlier, a number of Members requested the Government to expeditiously review the SMW level early next year, with a view of an upward revision. In fact, the SMW is a brand-new regime in Hong Kong. The Minimum Wage Commission (the Commission) needs to analyse and assess the actual impact of the initial SMW rate on the social, economic and employment perspectives. Once the statistics on wage distribution is ready in the first quarter of next year

after the implementation of the SMW, the Commission will examine and analyse the wage distribution statistics and other findings in a detailed and careful manner on the basis of an evidence-based approach. In order to assess the rate of the SMW in an independent, objective and fair manner, the Commission will also take into full account of the views of people from all walks of life. In any event, the Commission is required to submit a report on the SMW level to the Chief Executive in Council no later than mid-November 2012 in accordance with the Minimum Wage Ordinance.

The objective of the Work Incentive Transport Subsidy Scheme (the Subsidy Scheme) is to relieve the burden of transport costs for home-workplace commuting for employed persons from low-income families and encourage them to stay in employment. The Subsidy Scheme has just started receiving applications on 3 October. We will expeditiously make available the payment of the past six months, with the highest reaching \$3,600, to the first batch of eligible applicants.

A Member pointed out earlier that, with the implementation of the SMW, the number of beneficiaries of the Subsidy Scheme might be reduced, he thus called on the Government to conduct a review as early as possible, with a view to raising the income ceiling of the applicants. We are also aware of this problem and will closely monitor any changes in the relevant statistics. We will not rule out the possibility of advancing the review where necessary.

At present, Hong Kong's overall employment situation remains stable on the whole with the latest unemployment rate for the period between July and September stands at 3.2%. Total employment has increased seven months in a row and hit a record high of some 3.64 million.

Although Hong Kong can be said to be near full employment, the employment prospect is still full of worries and challenges. Concerns over the Euro-zone sovereign debt crisis and the continuously weak United States economy have intensified, adding that local exports have shown signs of a downward trend, we must therefore, just as Mr IP Kwok-him has said earlier, be vigilant and closely monitor the relevant developments.

For labour rights and protections, I want to stress that we have been unswerving in protecting and promoting labour rights. The greatest

breakthrough of the current-term Government is having successfully resolved a thorny problem which has troubled the labour sector for more than four decades. By criminalizing employers' wilful defaults of Labour Tribunal or Minor Employment Claims Adjudication Board awards, unscrupulous employers are curbed.

Standard working hour is also a major concern of Members. I want to reiterate that the Government is proactively conducting the policy study on standard working hours, which is a highly complex and controversial issue. As employers, employees and various sectors of the community have divergent views on whether Hong Kong should legislate for standard working hours, we must have a good understanding of the implications of legislating for standard working hours on our society and economy, and strike a balance in everything, especially the interests of employers and employees. The research report is expected to complete in mid-2012, and will be submitted to the Labour Advisory Board (LAB) and the Legislative Council Panel on Manpower for Members' discussion once available. It is believed that the report will provide a sound basis for a thorough public discussion.

The Labour and Welfare Bureau is conducting a policy study on paternity leave, and we have scheduled to consult the LAB and the Legislative Council Panel on Manpower about the preliminary findings in the first quarter of 2012. In the process, we will carefully consider the possible impacts on the small-and-medium enterprises and the economy as a whole. In case there is a need to legislate, it is of paramount importance that there must be a consensus in the community and a good understanding of the specific details, for instance, whether an employee is entitled to paternity leave in cases of childbirth outside marriage or outside Hong Kong.

On social welfare, President, this year's Policy Address has placed great emphasis on the provision of support to the elderly and the disadvantaged groups. Apart from the new initiatives, such as the provision of public transport concessionary fare of \$2 a trip for the elderly and people with disabilities, the provision of old age allowance (OAA) under the Guangdong Scheme, and the launching of the Community Care Service Voucher Pilot Scheme, there are many other enhancements measures which improve services both qualitatively and quantitatively and are beneficial to different kinds of people and households. I would not only describe these initiatives as pragmatic, but also forward looking.

In the face of the challenges posed by a rapidly ageing population in the coming two decades, we must be very well-planned. We have therefore adopted a multi-pronged approach with six major strategies: Firstly, to continuously improve the quantity and quality of elderly services; secondly, to tap the potentials of the private sector and raise the quality of its services; thirdly, to introduce the "money-follows-user" model to encourage the provision of diversified services; fourthly, to promote ageing in place; fifthly, to make the best use of Hong Kong/Guangdong regional integration; and last of all, to encourage active and healthy ageing in the community.

The Government's policy of promoting "ageing in place as the core, institutional care as back-up" meets the aspirations of most elderly people. However, the services to support ageing in place are currently inadequate and the market is far from mature. The elderly have limited choices and their carers are under considerable pressure. In this connection, we have decided to break away from traditional funding and service delivery modes by adopting the Elderly Commission's recommendations to introduce a Community Care Service Voucher Pilot Scheme. This is a ground-breaking initiative in providing social welfare subsidies, and we have genuinely looked from a different perspective. The new financial mode of "money-follows-user" has not only provided the elderly with greater flexibility in the choice of services, but has also lured different types of service providers (including social enterprises) to enter the market and foster the necessary environment for ageing in place. In the long run, it may even promote the healthy development of community care services.

Here, I would like to reiterate one point. As we are launching the pilot scheme, we will still continue to improve the existing services, which include increasing and improving both residential and community care services. Our commitment in this regard will not be lessened. I can say that, apart from the existing residential and community care services which are operating in parallel, we will also open new horizons by introducing service vouchers.

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

The public transport concessionary fare scheme of \$2 a trip proposed in the Policy Address, which is considered by many as "a surprise", does not only give

play to the spirit of "care for all", but also encourages the elderly and eligible persons with disabilities to walk into the community, thereby enriching social capital in the long run.

While many Members have given positive comments on the concessionary scheme just now, they also urged the Government to expeditiously implement the scheme. I can assure Members that we are equally eager to have the scheme put in place, so that the elderly and persons with disabilities can enjoy the benefit as early as possible. Nonetheless, we cannot underestimate the complicated preparations required in implementing the scheme, which might take some time. The necessary preparations include liaising with the MTRCL, five franchised bus companies and the ferry operators on the specific administrative and financial arrangements; requesting the operators to continue providing concessionary fares for the elderly and persons with disabilities; amending Schedule 5 of the Disability Discrimination Ordinance, as well as seeking funding approval from the Legislative Council. As the scheme is permanent in nature and incurs a large sum of public money, we must ensure that the operating mechanism and other details of the scheme are viable. Two Policy Bureaux and a department, namely the Labour and Welfare Bureau, the Transport and Housing Bureau and the Transport Department, have joined hands to embark on the preparations and liaised with various public transport operators and the Octopus Cards Limited. We will work at full steam and strive to implement the scheme in the latter half of 2012.

A Member proposed to expand the concessions to cover public light buses, but we consider it rather difficult to expand the scope of the scheme to public light buses at this stage. Given the large number of public light buses operators, which are generally small in scale and have different modes of operation, coupled with the fact that not all public light buses have provided similar concessionary fares, we intend to initially limit the scope of the scheme to cover three major public transport modes, namely the MTR, franchised buses and ferries, so as to avoid any delay in the implementation of the concessionary scheme. When the scheme matures, we will re-consider an expansion of the coverage.

As I am aware that there is sincere demand for various rehabilitation services, we will therefore continue to provide additional places for pre-school, day and residential rehabilitation services, so as to cater for the various needs of the persons with disabilities.

The supply of residential places is particularly hard pressed. We will continue to steadily provide additional subsidized places. There are currently some 11 000 residential places, and 1 046 additional subsidized places for the persons with disabilities were and will be provided in 2010 and 2011. The Government has identified suitable sites for providing for an additional provision of about 1 000 subsidized places in the next five years.

As for the Guangdong Scheme, Members have also given positive comments and I am very grateful about this. The Scheme can be said to be a good example demonstrating that our governance is both reasonable and justified, and has taken heed of people's aspirations. Before finalizing this scheme which facilitates Hong Kong elderly to reside in Guangdong, we have, from the perspective of caring the elderly, balanced various social, economic, legal and financial factors and gone through serious considerations. I must stress that the Scheme is not implemented to encourage the elderly to leave Hong Kong or send them away. Rather, it is our respect to their aspirations by facilitating them by all means. We understand that many Hong Kong elderly people have settled in Guangdong long ago. Though they have met other criteria, it is pretty difficult for them to return to Hong Kong and stay consecutively for one year so as to meet the eligibility criteria of residing in Hong Kong for one full year. In order to show our genuine show care to the elderly, we plan to make a special one-off arrangement for these elderly at the initial stage of the Scheme, so that they can join the Guangdong Scheme without having to return to Hong Kong and reside for one year.

A Member proposed to expand the Scheme to Fujian so that more elderly people can benefit. As the Chief Executive has explained in the recent 2011-2012 Policy Address, we decided to implement the Scheme in Guangdong because of four special considerations. First, currently Hong Kong elderly people settled in the Mainland mostly live in Guangdong. Second, there are especially close ties between Guangdong and Hong Kong in respect of geographical locations, economy, transportation and society. Third, given the policies under the Hong Kong/Guangdong Co-operation Framework and with the completion of a number of major transport infrastructure projects, the two places will become more closely integrated and travel will be more convenient. Lastly, local elderly people who have moved to Guangdong can still maintain close contact with their relatives and friends here and obtain family support easily.

We consider that the Guangdong Province possesses the favourable conditions for the implementation of the Scheme at this stage. It is hoped that, on the basis of the existing policies, we can facilitate Hong Kong elderly people to spend their twilight years in Guangdong. It is believed that the Guangdong Scheme is a practicable approach.

We have embarked on the preparation of the Guangdong Scheme. Since the Scheme is permanent in nature and large in scale, and large sums of public money will be incurred, we must formulate careful and detailed plans to ensure the smooth operation of the Scheme. We plan to put it in place no later than early 2012, and will consult the Legislative Council Panel on Welfare, with a view to expeditiously implementing the Scheme.

During the debate, a number of Members have expressed views on the Government's efforts in poverty alleviation.

Poverty alleviation has all along been a major concern of the Government and much effort has been made in this regard. We have introduced various initiatives in a proactive and pragmatic manner to help the people in need.

At present, over 57% of HKSAR Government's recurrent spending is earmarked for education, welfare, healthcare and public housing. For welfare alone, the relevant recurrent spending has increased by one fold from only \$20 billion when Hong Kong was reunified in 1997 to \$42.2 billion today, an increased of \$22.2 billion or 111%.

We have all along adopted a three-pronged approach to pragmatically promote poverty alleviation by:

- (a) developing the economy so as to provide more job opportunities;
- (b) enhancing the competitiveness of the workforce through education, vocational training and re-training; and
- (c) providing a sustainable safety net for the disadvantaged groups with a genuine need.

The Government has implemented and followed up on each of the 53 recommendations made by the former Commission on Poverty. Among them,

the initiatives to assist the disadvantaged groups, including children and young people, the unemployed and elderly, as well as the district-based poverty-alleviation initiatives, have achieved certain progress.

To cope with the pressure of inflation, the Financial Secretary has announced a package of relief measures this year. Similar proposals are also found in this year's Policy Address.

The Community Care Fund has also provided support for the needy grassroots. There is, for instance, a subsidy for low-income elderly people for hiring household cleaning and escorting services; a subsidy for Comprehensive Social Security Assistance (CSSA) recipients who are living in Tenant Purchase Scheme flats or private housing; a special care subsidy for persons with severe disabilities, and a subsidy for children who are on the waiting list for subvented pre-school rehabilitation services.

On the other hand, the implementation of the SMW and the Subsidy Scheme has also helped to relieve the pressure of the working poor to a certain extent. We will soon submit to the Legislative Council for approval to use the \$100 million earmarked to continue and improve the short-term food assistance service projects, which include providing more food varieties and fresh food. If necessary, we will allocate an additional \$100 million to the service.

On the whole, we will continue to work silently and proactively inject resources for the introduction of new poverty-alleviation initiatives.

Retirement protection is another issue of grave concern to many Members. I wish to highlight that Hong Kong is not absent of a retirement protection system. Instead of relying on one single scheme, our retirement protection system draws reference to the World Bank's multi-pillar model. It consists of three pillars, namely the non-contributory social security system (comprising CSSA, OAA and Disability Allowance), the Mandatory Provident Fund (MPF) system, and voluntary private savings.

As for the so-called universal retirement protection, it does not have a clear definition and is therefore subject to different interpretations. As the Chief Executive has stated in his Policy Address announced recently, Hong Kong has just implemented the SMW, and is studying the voluntary Health Protection Scheme and ways to enhance the MPF schemes. Currently low-income workers

enjoy a certain degree of retirement and basic livelihood protection. It is not easy for the community to reach a consensus on the introduction of fundamental changes to the existing system in the near future. Therefore, we consider it more constructive, more pragmatic and easier to achieve results by enhancing, consolidating and strengthening the existing retirement protection system with a view to maximizing the complementary effect of the three pillars.

I wish to point out that we absolutely do not have the intention of evading the retirement protection issue. The Central Policy Unit (CPU) is continuing with its work in refining its studies, which includes conducting a territory-wide household survey covering 10 000 households on retirement planning and the financial situation of the elderly. It aims to understand the latest economic situation of the elderly in Hong Kong and their retirement plans. Initial results are expected to be available for detailed analysis at the end of 2012 at the earliest. The CPU will also continue to collect public opinion through various channels, including focus groups involving academics, professionals, think tanks and relevant organizations. We will consider the way forward after the CPU has completed its studies.

Deputy President, this year's Policy Address has touched on both labour and welfare issues. This testifies to the sincerity, courage and dedication of the entire Government's governing team to genuinely "do its best for the people". I hope that we can continuously obtain the support and understanding of Members and the general public in the course of policy implementation.

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

UNDER SECRETARY FOR HOME AFFAIRS (in Cantonese): Deputy President and Members, I would like to thank Members for their valuable opinions on the Policy Address given in the session of "Investing for a Caring Society". Let me elaborate our work in respect of the Family Council, social enterprises (SEs), the Community Care Fund (CCF) and support services for ethnic minorities and new arrivals from the Mainland.

In the coming year, the Family Council will continue to mobilize all sectors of the community to jointly promote family core values and foster a family-friendly environment through the "Happy Family Campaign" and "Happy

Family Info Hub". It will also work with the Commission on Youth, the Elderly Commission and the Women's Commission to promote a campaign called "Sharing family responsibilities in love and filial piety" with an aim to promulgate a common message of love and filial piety.

As an advisory body to the Government, the Family Council provides a high-level platform for discussing major issues from the family perspective and proposing family-related policies. Since its establishment in 2007, the Family Council has conducted in-depth discussion on various issues, including the identification of family core values, ways to achieve a pro-family environment, the strengthening of family education and parental education, and so on. In order to prevent social problems, the Family Council commissioned an expert study which has recommended three strategies, including promoting family engagement in community affairs by rolling out various activities, formulating preventive strategies to allow early identification of families in difficulties, and providing support to families in difficulties with community resources. The relevant government departments and stakeholders in the society will work together to put them into practice.

Regarding the development of SEs, the Government is working hard to promote certain new measures, including the SE Award Scheme, "Be a Friend to SE" Campaign, SE Bazaar and SE Training Programmes. Just like other business enterprises, SEs do not have a sound business strategy which guarantees huge profits in the face of competition and challenges. The Social Enterprise Advisory Committee (SEAC) set up in recent years has thoroughly discussed different problems faced by SEs with a view to maximizing their efficiency. Next month, our major task is to carry out a series of systematic activities which are of a larger scale. The overwhelming response from the SEs is encouraging for us. Although we have observed heartening progress in the development of SEs, I believe there is still room for improvement in every aspect. We always welcome Members to give us their valuable opinions.

With regard to the CCF, it has devised 12 assistance programmes for different groups in the society since its establishment. These programmes are expected to benefit more than 300 000 people/households at an estimated full-year expenditure of around \$760 million. Eight of these programmes have been rolled out as at the end of this month. As for the initiative of providing a

one-off allowance of \$6,000 to new arrivals by the CCF, the allowance is expected to be disbursed to eligible applicants starting from November.

We will continue to carry out the work of the CCF effectively so as to demonstrate its concrete accomplishments to the community. The Steering Committee is still examining various programmes to see which of them are suitable for providing support to the underprivileged and low-income families.

As for the support given to ethnic minorities and new arrivals from the Mainland, the Home Affairs Department (HAD) has set up a dedicated team to strengthen and integrate the relevant support services. It will continue to implement a series of measures to facilitate their early integration into the local community. For example, it will make use of the district networks to carry out various district-based integration programmes. Moreover, the HAD has commissioned non-governmental organizations and district organizations to provide services to prospective migrants from the Mainland so as to help them better understand the local environment before they come to live here. By the end of this year, the HAD will launch the Ambassador Scheme to arrange those with similar backgrounds and experiences to reach out to them, and to make referrals to the relevant government departments and organizations for follow-up where necessary. Furthermore, we have planned to open an additional support service centre in Yau Tsim Mong District and two sub-centres in Sham Shui Po and Tung Chung. We will also provide two more radio programmes in Hindi and Thai for ethnic minorities to obtain information and entertainment.

In conclusion, we will provide further support to ethnic minorities and new arrivals from the Mainland on top of the existing basic services.

We hope that Members will support the relevant initiatives set out in the Policy Address.

Thank you.

SECRETARY FOR SECURITY (in Cantonese): Deputy President, the fight against youth drug abuse has been led by the Chief Executive in person since July 2009. It has been escalated to a community campaign level along five strategic

directions, namely community mobilization, community support, drug testing, rehabilitation and law enforcement.

With the concerted efforts of various bureaux and departments, as well as the enthusiastic response of the community in the past two years or so, the community campaign against drug abuse is taking effect. Continuous improvement can be seen in the local drug situation. In the first six months of this year, the number of reported drug abusers dropped by 9% when compared to the same period in last year. There was even a 28% drop in the number of reported young drug abusers under 21 years of age compared to the same period last year.

Despite such achievement, we will continue to combat drug abuse in many ways. First of all, we will organize large-scale territorial-wide promotion campaign to raise public awareness about youth drug abuse and tell young people the harm inflicted by drugs. Meanwhile, we will carry out district-based activities through the 18 District Offices and make use of the "Path Builders" platform to encourage all sectors of the society to support the fight against drug abuse.

We also want to help youngsters troubled by drugs to live a new life by providing them with treatment and rehabilitation services. At present, the Government has used different means to encourage the service providers concerned to adopt a new service approach so as to take care of all the rehabilitation needs of young drug abusers, including those concerning social life, medical care and education.

For residential drug treatment and rehabilitation centres which have not yet complied with the licensing requirements, we will co-ordinate with other relevant departments and make use of the Beat Drugs Fund to provide them with financial and other assistance. We will help them enhance their facilities or identify suitable sites for early relocation.

With respect to school drug testing, the Trial Scheme on School Drug Testing in Tai Po District implemented in the past two school years has come to a smooth conclusion. We have commissioned a research organization to undertake a comprehensive assessment of the design, implementation and effectiveness of the Scheme. The preliminary findings confirm that the Scheme

has achieved the declared dual objectives of strengthening students' resolve to stay away from drugs and providing support for students troubled by drugs. The study also recommends that school drug testing should be further developed in Hong Kong in a voluntary, school-based and student-oriented approach with community participation.

In order to foster a drug-free campus culture, we have rolled out a wide spectrum of initiatives since the beginning of this school year to encourage schools outside Tai Po to join the Healthy School Programme with a drug testing component (HSP(DT)). In the 2011-2012 school year, more than 40 schools have already joined the HSP(DT). It is our goal to have the participation of all secondary schools in Hong Kong.

Although drug consumption is a criminal offence, there is no legal basis in Hong Kong to mandate suspected drug abusers to undergo drug testing. Currently, psychotropic substances are more common among youth drug abusers. The hidden nature of their consumption methods and harmful effects on the body renders immediate detection by parents, teachers and even law-enforcement officers difficult. To enable more effective identification of those endangered by drugs in a bid to enhance early intervention and rehabilitation, we are considering the proposal of the Task Force on Youth Drug Abuse led by the Secretary for Justice, that is, to examine the introduction of legislation to implement drug testing at the community level, empowering law-enforcement officers to require a person reasonably suspected of having consumed dangerous drugs to undergo drug test.

Complex legal, human rights and enforcement issues involved, as well as the relevant downstream services, resource implications, implementation details and so on, have to be carefully considered. We are thoroughly examining the feasibility of the proposal and will engage in discussion with stakeholders on the way forward as soon as possible with a view to setting out a detailed proposal for public consultation.

As for law-making and law-enforcement, the Hong Kong Police Force (HKPF) and the Hong Kong Customs and Excise Department (Customs) will continue to intercept the supply and sources of drugs, target drug traffickers and combat drug trafficking and other illegal activities. In 2010 and the first six months of this year, the HKPF and the Customs seized a total of 1 636 kg,

380 litres and some 267 000 pieces of drugs of a market value of around HK\$1,277.8 million. To curb drug inflows into Hong Kong, our enforcement agencies will continue to maintain a close contact with their Mainland and overseas counterparts in exchanging intelligence, closely monitor the latest trend of drug abuse and drug trafficking, and carry out joint operations to combat cross-border drug abuse and drug trafficking activities.

Deputy President, we believe that combating drug abuse is an ongoing job. Although youth drug abuse is showing signs of alleviation, we will not be complacent. We will continue to put in place comprehensive and sustainable anti-drug policies. We will also join hands with all sectors to promote anti-drug initiatives.

Deputy President, I so submit.

DEPUTY PRESIDENT (in Cantonese): The third debate session ends. We now proceed to the fourth debate session on the theme of "Optimising our Demographic Structure and Attracting Talent". This session covers the following three policy areas: education; health services; and security (immigration policy). Members who wish to speak in this session will please press the "Request to speak" button.

MR CHEUNG MAN-KWONG (in Cantonese): Deputy President, as Chinese Premier WEN Jiabao has pointed out, the SAR Government must resolve some deep-rooted conflicts. The three major conflicts in education are: 15-year free education, small class teaching in secondary and primary schools and more subsidized places in universities.

Parents of infants have been longing eagerly for 15-year free education. Both Macao and Taiwan have surpassed Hong Kong in providing 15-year free education, but Donald TSANG is still indulging in education vouchers by making early childhood education (ECE) more market-oriented. Nonetheless, education vouchers had been introduced for five years, and it was clearly reflected that quality ECE cannot be developed under market mechanism.

Last week, Secretary for Education Michael SUEN admitted that the costs of implementing the Education Voucher Scheme (EVS) and introducing 15-year free education are roughly the same. According to my preliminary estimation, an additional annual injection of \$600 million to \$1 billion, which only accounts for 2% of education spending, will be enough to bring ECE into the scope of subsidization and therefore become an essential element of basic education. The Government can definitely afford it.

Michael SUEN has also launched a study on the proposed 15-year free education, which can be interpreted as a "yellow light". Nonetheless, all studies should have a time limit and the proposal should be expeditiously implemented. Furthermore, we cannot always show the "yellow light" and keep parents and the ECE sector waiting. They will be disappointed.

According to the Education Bureau, the major stumbling blocks of the 15-year free education are the allocation method and the level of subsidy. I have requested the Bureau to squarely consider my transitional proposal. Regarding allocation method, as a transitional proposal, I suggest that parents should be given a free choice and enroll voluntarily as in the case of the Direct Subsidy Scheme. This would minimize the technical difficulties involved. It is not suitable to model on secondary and primary schools for the time being, and allocate school places by central allocation or school nets.

Regarding the level of subsidy on school fees, the Government pointed out that given the great rental difference between kindergartens sitting on Government land and those located in private properties, some kindergartens have charged pretty high school fees. How can the Government set a standard level of subsidy?

As kindergartens only offer three-year education, which is shorter than secondary and primary schools, student mobility is high. As such, the distribution of school premises should have greater flexibility so as to facilitate infants living in the vicinity. If not, kindergartens in those ageing regions may close down in 10 years. Thus, the Government should provide both publicly-owned and leased school premises with the provision of rents and rates. This will help rationalize the distribution of kindergartens by facilitating their relocation in response to changes in population to avoid closing down. If the situation warrants, the Government may also provide more publicly-owned

school premises with high convertibility. In case the population of an area ages, the school premise can be converted into a youth or elderly centre. This saves the premise from being left idle in case the kindergarten closes down.

Under the existing EVS, 95% of non-profit making kindergartens are charging similar school fees. I suggest that the Government should determine the unit cost of kindergarten student by making reference to the maximum limit of school fee subsidy, and provide subsidies according to the number of student intake. However, in determining the operating costs, two important items which have yet to be calculated must also be considered: first, it is the unit subsidy of whole-day or half-day kindergartens, and a reasonable weighted subsidies should be provided to whole-day kindergartens in particular; and second, the cost incurred in directly subsidizing the remuneration of kindergarten teachers in response to an upgrading of their qualifications.

For kindergartens which rent private properties, if the unit subsidy or average rent subsidy fails to cover the rental difference, I suggest that the Government should allow them to follow the practice of secondary schools by charging tong fee. This would enable them to make up for the rental difference. It should also establish a monitoring system to ensure that the levels of rent and tong fee are reasonable and would not exceed the limit.

Deputy President, the purpose of implementing 15-year free education is to enable grass-roots children to receive quality education on an equal footing through the provision of unit subsidy. Disadvantaged students should receive more assistance. For families with financial needs, the Government should provide textbooks and stationery grants, extra-curricular activities grant, as well as uniform and school bus grants. Meanwhile, private kindergartens should be retained to offer choices for parents. Even if ECE is included under subsidized education, the Government should still maintain a certain number of independent private kindergarten which charge reasonable school fees in consideration of their courses, school campus, facilities and teachers' qualifications. Also, it should introduce a tax allowance for affordable parents to claim at will.

Furthermore, the provision of subsidies must be monitored. After the implementation of the EVS, self-evaluation and external evaluation must be conducted to ensure the quality of subsidized kindergartens. The monitoring mechanism to be adopted can be determined basing on the result of the

first-round external evaluation, which will be refined by inspection. This would streamline the administrative work, reduce the amount of paper to be submitted and avoid a substantial increase in teachers' workload, which might reduce the time teachers spend with students. This is tantamount to putting the cart before the horse.

The implementation of 15-year free education is not hindered by any stumbling block, but by a lack of determination. I suggest the Government to immediately establish a consultation platform for kindergarten teachers so that they can participate in the formulation of a transitional plan. The relevant policy will be fine-tuned two years after implementation, to be followed by a comprehensive review five years later. Only by so doing can we make the dream of 15-year free education come true.

In order to change the "yellow light" of 15-year free education to "green light", the Government should not evade from three major problems relating to kindergarten teachers. Otherwise, it will end up like the EVS where public money only draws bitter complaints. First of all, it is the provision of weighted subsidies for whole-day kindergartens. The Government should not continue to provide whole-day kindergartens with half-day vouchers. This is tantamount to forcing the cleverest of housewives to cook a meal without rice. In the end, dual-income families who are not eligible for fee remission will be forced to give up whole-day nursery classes as they cannot afford the school fees. Therefore, it is the unshirkable responsibility of the Government to provide weighted subsidies for whole-day kindergartens.

Secondly, it is the pay scale of kindergarten teachers. Although the Secretary agreed that the pay scale of kindergarten teachers must be standardized, he decided to leave it to the community. And yet, how can the kindergartens operate without government subsidies? By next year, the majority of kindergarten teachers would have completed their studies and obtain the qualifications as required by the Government. Nonetheless, their qualifications will be subject to depreciation soon after they graduate. Further studies do not yield them any return. Worse still, the subsidy for teachers to pursue further studies will be abolished following the implementation of the EVS. As a result, thousands of supply teachers will return to the market and result in an excess supply of kindergarten teachers. Their salaries will decrease rather than increase. At present, the wastage rate of kindergarten teachers working in

whole-day kindergartens is as high as 50%. If the Education Bureau tries to shirk its responsibility and does not draw up a pay scale for kindergarten teachers which commensurate with their qualifications and directly subsidize their salaries, manpower wastage will definitely rise and the quality of ECE will be undermined.

Thirdly, there must be a pay scale for kindergarten teachers before their professional hierarchy can be established. The Government should set up a subsidy or training fund, so that kindergarten teachers can decide for themselves the pace of further studies without having regard to student intake, thereby establishing a healthier professional enhancement system. I support the upgrading of kindergarten teachers, but I do not wish to see kindergarten teachers being forced to upgrade themselves when they are subject to tremendous workload and not protected by a pay scale which commensurate with qualifications. If they are forced to continuously upgrade themselves without receiving any return, the quality of teaching will be undermined as a result of wastage.

Deputy President, the second complaint about education is the introduction of small class teaching in primary schools. The dwindling secondary student population reached the doldrum in 2009. By 2016, the number of Secondary One students will drop drastically by 30% and the voluntary class reduction scheme can run smoothly for only two years. If no other policies are to be introduced, it is expected that 60 secondary schools will close down. The hardest hit will certainly be the disadvantaged schools and the New Senior Secondary (NSS) Academic Structure will also become very volatile. Only small class teaching can help stabilize the schools on the one hand, and upgrade the quality of teaching on the other. I therefore urge those more well-off schools to gradually cut two students in each class and in each form, starting from Secondary One, until the class size reach 25, which is the size for small class teaching.

The authorities used to exaggerate the amount of funding required for operating small class in secondary education, claiming that the cost is \$40 billion. However, the experience of primary schools showed that as a result of a dwindling student population, the overall funding for small class teaching was \$10.7 billion in 2008. Although nearly 70% of primary schools have implemented small class teaching in 2009, the amount of funding had only

increased slightly by \$100 million to \$10.8 billion. In other words, the additional funding required for implementing small class teaching in 70% of primary schools is only \$100 million, which only accounts for 0.9% of primary schools' overall funding. Therefore, it is definitely exaggerating to claim that the implementation of small class teaching in secondary schools needs \$40 billion. On the contrary, we anticipate that by 2017, the accumulated savings of secondary schools due to a decreasing population will exceed \$13.8 billion. If the class size is further reduced to 25, secondary schools will not only have spare capacity, but also have billions of dollars left which can be put to other educational uses.

After some debates on funding, the Education Bureau finally changed his tone and said the Census and Statistics Department projected that secondary student population will rise again in 2016. However, as this involves new immigrant students, the increase is beyond prediction. If we arbitrarily implement small class teaching, more schools will have to be built. After hearing the Government's response, I can only say that "the officials can have whatever they want" and they can always find excuses to oppose small class teaching regardless of the size of student population. After all, they do not have the vision and determination to implement small class teaching. I must stress that, in the face of a fluctuating population, the size of small class can be fine-tuned. If it turns out that the number of students is more than expected, the class size can be revised upward. In any event, small class teaching in secondary school can immediately get started so as to tie in with primary schools. Certainly, the Government is still obliged to promote quality method of small class teaching to enable students to improve their learning.

Deputy President, the new Hong Kong Diploma of Secondary Education (HKDSE) examination will take place for the first time in 2012 and people are all very concerned about the outlets of these NSS graduates. However, again, this year's Policy Address has swept the dreams of tens of thousands of students to enter the universities under the carpet. In the 2008 and 2009 Policy Addresses, the Government had chanted the slogans of developing Hong Kong into an education hub or developing its education industry. Yet, this only showed that the Government has failed to distinguish what is more important as even the education needs of local students have yet to be met.

Nowadays, about 5 000 to 6 000 students who have attained the minimum qualification for university admission were not offered publicly-funded degree places every year. It is estimated that just for the HKDSE examination to be held next year, 23 000 students will attain the minimum qualification for university admission. Thus, the need and pressure arising from students' pursuit of further studies are growing. Donald TSANG has simply increased the number of publicly-funded degree places provided annually from 14 500 to 15 000 in response to the retitling of The Hong Kong Institute of Education (HKIEd) as a university and a shortage of healthcare personnel. As such, there will be tens of thousands of students attaining the minimum qualification for university admission but were not offered any university places. This is the root cause of public resentment, which will turn into a volcano that may erupt at any time.

Donald TSANG will conduct a review of the operation of the non-means-tested loan schemes for post-secondary students this year. However, the review only covers the arrangements for loans. Although the student financial assistance scheme and loans are like lips and teeth, the report submitted by Donald TSANG is silent on this outdated system. In fact, the relevant assistance scheme is full of deficiencies and outdated. The priority task is therefore to expeditiously and comprehensively reform the student financial assistance and loan schemes, and strive to implement improvement measures before Donald TSANG's term of office expires. These include the abolition of loan interest and risk rate during their study. This would enable students to enjoy fair and reasonable support, relieve the financial burden of their families and narrow the wealth disparity among their families.

Deputy President, teachers have been facing mounting pressure since the introduction of education reform. And yet, after the implementation of the NSS Academic Structure in 2009, not only teachers have bitter complaints, even students found it hard to bear. They became busier though the NSS has lengthened the learning period by one year. Not only are students deprived of their holidays, but also their recesses and after-school hours. Different subject teachers have to compete for students to attend make-up classes arranged in those hours. I learnt that some schools have not formed any student associations as Secondary Four and Five students are too busy. Is this the original intention of the NSS? Under School-based Assessment (SBA), the subject requirements are

pretty high and all students must be assessed on five subjects. Students are asked to do homework comparable to university thesis, and the assessment is like sitting for an examination. The pressure of assessment can be found in various aspects of students' living. This runs counter to the original intention of SBA. In the past, the assessment of students' performance on the basis of one single examination had certainly exerted great pressure. Yet, the pressure imposed by the SBA is even greater and long-lasting. Is this the original intention of the NSS?

According to the findings of a survey conducted by the Hong Kong Professional Teachers' Union (HKPTU) for two consecutive years, more than 15% of Liberal Studies teachers are subject to immense pressure and are on the blink of collapse. Some of them have to guide over 100 students to do the SBA, so they can only give guidance to individual students after school hours. As a result, the teachers are fully occupied with phone calls, short messages and guidance round-the-clock. Recently, the Hong Kong Examinations and Assessment Authority (HKEAA) has acceded to HKPTU's request to streamline the SBA. And yet, both teachers and students will still be subject to immense pressure if the HKEAA continues to turn a blind eye to the extensive coverage of the NSS and refuse to narrow down the scope of the Liberal Studies curriculum; increase the teacher-student ratio by injecting more resources; implement small class teaching; reassess the priority of various education reform measures and call the external assessment to a halt.

Deputy President, during the policy debate, we suddenly learnt that Professor TSUI Lap-chee, Vice Chancellor and President of the University of Hong Kong (HKU), has decided not to renew his contract next year. As we all know, the HKU had failed to stop the police from forcefully infringing upon students' right of expression when the HKU celebrated its centennial anniversary on 18 August 2011. During the centenary ceremony, LI Keqiang sat high on stage while businessmen and the powerful and wealthy people sat on the front row. All of them have noble positions. Yet, another Guest of Honour, Lord WILSON, was neglected, whereas students and the alumni only played a supporting role. This reflected that the HKU has become a vanity fair for the rich and powerful. The value of university has been smeared and ruined. While the HKU itself and the Vice-Chancellor are to be blamed, society has already made its judgment.

Vice Chancellor and President of the HKU, TSUI Lap-chee, had apologized time and again in the aftermath and an independent group has been set up to look into the incident. When the relevant investigation is still underway and no one knows what the result is or who is to be blamed, TSUI Lap-chee has decided to leave the stage and will not renew his contract in August 2012. However, his sudden resignation has aroused many doubts. Was he forced to resign, advised to resign or did he resign voluntarily? What was the role played by Dr LEONG Che-hung, the HKU Council Chairman, in this incident: was he an intimate partner who had tried his best to retain TSUI, was he the one behind the scene who had advised TSUI to resign or was he the one who has helped in exerting pressure on TSUI? Is the incident the natural metabolism of TSUI, a genetic mutation of high-level politics, or a reprisal by the Government for the 18 August event, in which our Chinese leader has lost face? Whether this is an independent decision of the HKU or a political intervention by external forces where Dr LEONG only acted as a messenger of the power behind the scene, the fate and autonomy of the HKU are involved. The Legislative Council should look into the incident and help the HKU find justice and truth.

Deputy President, among the 10 requests put forward concerning the Policy Address, HKPTU and I have requested the Government to increase schools' counselling and administrative staff; to show concern about teachers' job stability after the double-cohort year; to request all teachers to obtain a university degree, and to show concern about the phenomenon of so many young teachers doing the same job but receiving different pay. All these requests have not been answered. Contrarily, though the Moral and National Education Curriculum was strongly criticized by the education sector and the community during the public consultation exercise, the Policy Address has given it a positive comment. It seems that the Government is determined to proceed with it. In fact, the national education which the education sector identifies with is to get to know China in a comprehensive and vivid way. We should not only learn the history of China, but also the common values. We do not need any brainwashing national education.

As mentioned in the Policy Address, the Government will study the provision of paid paternity leave for civil servants. Given that the salaries of teachers of subsidized schools are pegged with civil servants and that the Hong Kong Government is the largest employer of subsidized schools, so if civil servants are granted paternity leave to look after their wives and babies, teachers

of subsidized schools should be entitled the same right. We should even go further to legislate to allow all Hong Kong employees to enjoy this right, rather than treating it as a prejudice of civil servants.

Next, I am going to talk about healthcare issues. After the delivery of the Policy Address, HO Hei-wah of the Society for Community Organization said that, among the former Governors of the colonial government or the Chief Executive after the reunification, on one was as apathetic to the poor as Donald TSANG. As evident from the healthcare policy, it is clear that Donald TSANG is money-oriented. He regards healthcare as a profitable business to the neglect of the needs of the poor and the patients. The most obvious example is the provision of obstetric services. Noting that there are some 30 000 Mainland pregnant women (they and their husbands are not Hong Kong residents) giving births in Hong Kong every year, private hospitals have tapped this opportunity to expand. Worse still, with the permission of the Government, private hospitals have attracted healthcare personnel from public hospitals to join them by high remuneration. Under the pressure from healthcare personnel of public hospitals, the Government has set up a quota system by simply reducing the admission quota of public hospitals. Private hospitals, on the other hand, can maintain the same quota and thus make a big fortune from pregnant women. As a result, even the Mainland wives of Hong Kong residents failed to secure a bed from public hospitals but have to rush to the Accidents and Emergency Department. Even local pregnant women do not receive proper care in public hospitals, and have very scary and bad experiences. Apparently, local hospitals have admitted more Mainland pregnant women than they can absorb, but the Government still turned a blind eye to this and said that sufficient beds have been reserved to meet the needs of local pregnant women. Please take a look at the procession of pregnant women a few days ago. We can imagine the size of the procession will grow with times.

Meanwhile, the Government is pressing ahead with the development of the healthcare industry. It has allocated land for the construction of private hospitals at a concessionary price, in an attempt to attract Mainland and overseas patients to use Hong Kong's healthcare services. This will definitely cause manpower wastage in public hospitals. As local patients suffer, private hospitals and doctors reap hefty profits and make a big fortune. Concern groups of healthcare services pointed out that in 2009, the profits of the Hong Kong Baptist Hospital and St. Teresa's Hospital are \$280 million and \$410 million respectively.

The former even has a reserve of over \$2 billion. A professor from the Department of Marketing of The Chinese University of Hong Kong (CUHK) estimated that it has a rate of return of 20%, which is even higher than The Hongkong Electric Company, which has guaranteed returns. As the accounts of hospitals which have even wealthier customer groups are not disclosed, there is no way we can learn their price lists.

Since private hospitals are mostly operated under the name of non-profit-making organizations, the Government will grant land to them at concessionary prices. They may even enjoy tax concessions. Nonetheless, these hospitals never care about the development or needs of the healthcare system, and oppose government policies whenever their interests are threatened. They prefer to serve customers with good financial means, and will remain indifferent even if the health interest of local residents is prejudiced. The Government will grant two sites early next year at concessionary prices for the construction of private hospitals. In view of the lack of healthcare resources, the Government has requested that 70% of these two hospitals' target customers should be Hong Kong residents. However, Hong Kong Private Hospitals Association Dr Alan LAU Kwok-lam responded that this would stifle the development of medical tourism. This reflects that private hospitals only cares about money and will readily increase their fees if the market warrants. It is reported that some operation fees of St. Teresa's Hospital have increased by 60% this year. May I ask which service in Hong Kong can increase its fee by 60%? Following an increase in hospital charges, medical insurance premium also increases year-on-year. Members of the public and employers are therefore seriously affected. And yet, the Government has not imposed enough supervision on fees and charges as well as profits of the private hospitals. Neither does it have any idea of the number of Mainland and overseas patients of private hospitals.

In the face of a lack of healthcare personnel, the Government still exports talents. Under CEPA, Mainland healthcare services have expanded and Hong Kong healthcare personnel is allowed to set up wholly-owned hospitals on the Mainland. According to the paper submitted by the Government, the Hong Kong medical profession can provide diversified healthcare services to address the needs of patients on the Mainland. Recently, a renowned ophthalmologist, Dr LAM Shun Chiu, decided to leave CUHK's Faculty of Medicine and set up an eye hospital on the Mainland. He has planned to set up eye hospitals in

Shanghai and Beijing in the coming three years, and will recruit both Hong Kong and Mainland doctors. If a large number of doctors fled to the Mainland market after the implementation of CEPA, and most of them are top specialists, the shortage problem of healthcare experts in Hong Kong will be further aggravated.

(THE PRESIDENT resumed the Chair)

Since many doctors have left the public hospitals to join the private sector, private doctors are busy taking care of patients from the Mainland and the Hong Kong population is ageing, the demand for healthcare services has become more intense. And yet, there is still no way to tackle the manpower shortage problem of the Hospital Authority (HA). The Government has adopted a stop-gap measure by increasing medical degree places. Nonetheless, it takes at least 12 years to train up a specialist. The Government's distant water is unable to put out the nearby fire. Worse still, the open recruitment of part-time doctors is not satisfactory. It is reported that as at October, only seven private doctors have submitted applications. However, if we improve the remuneration package of part-time doctors, this may attract senior doctors to switch to work part time. Another issue is the low passing rate of overseas doctors attending the Licensing Examinations of the Medical Council of Hong Kong. Even though medical students from the United Kingdom have the highest passing rate, only 14 out of 36 candidates who attended the first part of the Licensing Examinations in Hong Kong passed in 2009. For the clinical examination, only five out of 13 candidates passed. The HA has no choice but to recruit overseas doctors to work in public hospitals without requiring them to take further examination. Of the 160 applicants, only 29 were invited for an interview. Notwithstanding that, the Hong Kong Doctors Union has immediately published a survey report and pointed out that over 90% of doctors opposed the recruitment of overseas doctors without requiring them to take further examination. May I ask who is going to speak out for patients in public hospitals? Is Hong Kong's healthcare policy doctor-oriented or patient-oriented? Is it public sector-oriented or private sector-oriented? Should the Government be kind-hearted or money-oriented?

The most important mission of the entire healthcare system is to take care of the health and life of all Hong Kong residents. We should only develop healthcare industry when we have surplus resources and manpower. However,

the Government has put the cart before the horse. Private hospitals and doctors have become an independent kingdom, and they adopted protectionism to drive away overseas healthcare personnel. On the other hand, CHONG Fung-yuen's case has created a baby boom and an increasing number of well-off Mainland patients, coupled with the draining of healthcare personnel under the CEPA, local patients have become even more miserable. If we treat healthcare services as a business, the patronage of a mere 1% of Mainland "big spenders" will be able to take up all hospital beds available in the private sector. Are we going to provide "sub-divided beds"? Rising fees and charges and the wastage of public healthcare personnel have pushed the public healthcare system to the verge of collapse. If the SAR Government continues to let private hospitals and the medical sector lead the way, two kinds of people will suffer. They are patients who are desperately waiting for public healthcare services, and front-line healthcare personnel working industriously and professionally in public hospitals.

Healthcare is a matter of life and death, so we cannot just sit there with our arms folded. Nor can we be so money-oriented as to bury our conscience. I call upon the Government to desist before it is too late.

PROF PATRICK LAU (in Cantonese): President, I have been an educator for many years. In my opinion, this year's Policy Address has made too little mention of education. Notwithstanding this, the Government has at least stressed the diversified development of education, which is the right way to go and can cater for young people's education needs. As we always say, Hong Kong does not have any natural resources. As a result of the northern migration of industries in Hong Kong, the only way out for young people is the service industry.

Since there is a strong demand for professionals, the topic under discussion in this session is therefore very important. As talent is our most precious capital, we must provide more opportunities for young people to maximize their potentials, and attract and retain talents from different countries and cultures through a diversified education policy.

Both traditional wisdom and latest educational studies admit that early childhood education (ECE) is important to a person's development throughout his life. Many education experts even said that people's learning ability and

curiosity are strongest before the age of six. ECE accounts for more than 90% of our education process and thus has a lasting impact. Therefore, when the Chief Executive consulted me, I also suggested him to immediately introduce 15-year free education and strengthen teacher training, including ECE. Regrettably, the Policy Address is silent on 15-year free education. No wonder the community has reacted so strongly and Mr CHEUNG Man-kwong even proposed an amendment to express his regret.

Fortunately, when the Secretary attended a discussion on the education proposals in the Policy Address at the Panel on Education last week, he stated specifically that the Government would implement 15-year free education once it resolves the problems of rent subsidy and the admission mechanism. Yet, I am dissatisfied with the authorities' failure to draw up a timetable to expedite the implementation process. Do we still have to wait for the new Chief Executive to deliver his political platform? The Government always argues that there is a lack of resources, but honestly speaking, the implementation of 15-year free education only incurs an additional spending of \$600 million to \$1 billion. Given the hefty fiscal reserve, the Hong Kong Government's argument absolutely does not hold water.

Rent subsidy and admission mechanism are only technical problems and should not be difficult to resolve. Why do we not make reference to the Government's approach of providing subsidies to Direct Subsidy Scheme, whereby the unit subsidy for each kindergarten student is calculated on the basis of the average school fee and operating cost, and subsidies are provided according to student intake? As for the admission mechanism, the Government can actually adopt the existing voluntary enrolment scheme. Bear in mind that the birth rate is still pretty low at present, many primary and secondary schools have closed down, leaving behind a lot of vacated school premises. This is very wasteful. The Government should consider allocating these school premises to kindergartens so as to relieve the rental burden borne by school sponsoring bodies.

Student drop-out — the drop-out rate is currently high in the United States — has become a very serious issue. It has been reported that about 2 000 students under the age of 15 dropped out of schools annually in Hong Kong, whereas the number of drop-out case of students over the age of 15 has exceeded 4 000 annually. There is an urgent need for our education system to be more

diversified to provide outlets for these young people through the provision of professional services, and to support the problem students.

I therefore strongly support the establishment of the Chinese Cuisine Training Institute; the provision of additional resources to different youth colleges; the provision of training to construction workers and the gradual extension of the School-based Educational Psychology Service to public secondary and primary schools in Hong Kong. These will provide different outlets for the young people. Nonetheless, I do hope that the authorities would show more concern for primary and junior secondary students. This is because the earlier their learning and psychological problems are resolved, the more independent they will become, thereby facilitating their building of an active life.

President, I strongly welcome the injection of \$5 billion into the Research Endowment Fund as proposed in the Policy Address. Nonetheless, some members of the trade and I consider that, as a long-term strategy, if we can cultivate a sense of belonging to our city among students in secondary education and promote cross-discipline learning for the development of a better academic foundation, we can effectively nurture local talents from bottom up. In fact, architecture is an exemplary embodiment of different disciplines. We can therefore consider including architecture into the curriculum of secondary education in different respects, such as history, liberal studies, arts, science, environment protection, technology, and so on. This would enable students to understand the built environment in living, as well as the relationship between buildings and history, culture and the environment.

Furthermore, various professional associations of my industry have unanimously requested the Government to continue injecting resources to help train up professionals so as to cater for the demand of professionals arising from Hong Kong's future development. The Government should take the initiative to employ more trainees, especially architecture trainees, surveyor trainees, planner trainees and landscape architecture trainees, and provide trainee subsidies to professionals receiving training in private enterprises.

Concerning professionals, in a forum organized by members of the trade on the Policy Address, I said that I welcomed the Chief Executive's proposal to enhance support to the Hong Kong Design Centre, and in particular, to designate 2012 as Hong Kong Design Year. However, we noticed that in the eyes of the

Government and the Chief Executive, "design" has anything to do with architecture, planning and landscape, nor is it related to the creative industry. I wish to reiterate in particular that, if the Government really wants to develop Hong Kong into Asia's creative capital, it must provide sustainable support to our profession on various fronts, for instance, architecture, surveying, planning and landscape. I do not only mean funding support. Venues, publicity and participation are also very important. My industry and I hope that the Chief Executive and the Government will fully support the various activities to be organized next year, including the "Hong Kong and Shenzhen Bi-City Biennale of Urbanism/Architecture" or the "International Architecture Exhibition of Venice Biennale" in the coming Hong Kong Design Year.

President, if possible, I also wish to talk about the health policy. In the 2009 Policy Address, the Government had earmarked four sites in Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau for the development of private hospitals, and invited Expression of Interest from the market. However, according to this year's Policy Address, the Government only planned to put up two sites for tender in the first quarter of 2012. I really do not understand why it takes so long, adding that not all four sites will be put up for tender in one go. I want to remind the authorities that Hong Kong people are facing a serious mismatch between demand and supply of public hospital services. I hope that the Secretary will tell us later why the construction of hospitals cannot be expedited.

Last of all, President, many operators of residential care home for the elderly (RCHEs) are now disturbed by the issue of redevelopment after the relevant standard was raised. I do have a good suggestion for the Government, and that is, it should undertake the redevelopment of the dilapidated RCHEs. The project which I am working on aims at extending those RCHEs of better conditions, so that elderly residents currently living in dilapidated RCHEs can move in. The vacated old RCHEs will then be pulled down for redevelopment. These redeveloped RCHEs are all brand new and will certainly meet the new standard. As a result, more elderly people can benefit. I hope that the Government will consider adopting such an approach more often.

Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, I am going to speak on the health policy as proposed in the Policy Address on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), and provide some further information in respect of the policy on environmental protection.

President, in our recent discussions on healthcare policy, we note that apart from the spate of unfortunate medical incidents, the issue that attracts the greatest concern of the general public is, as some colleagues have mentioned, the procession of thousands of local pregnant women and mothers to oppose the influx of Mainland pregnant women into Hong Kong to give birth. Just the issue of Mainland pregnant women giving birth in Hong Kong is sufficed to reflect the numerous problems found in our healthcare system. In fact, Mainland pregnant women giving birth in Hong Kong is a longstanding problem. Although the Government has launched seven measures in response in April 2011, Mainland pregnant women can still find loopholes and make prior bookings in Hong Kong hospitals for obstetric services through official channels. As a result, the number has not reduced at all. Some Mainland pregnant women have even successfully entered Hong Kong through the control point without undergoing any arrival checking, and then rushed to our Accidents and Emergency Departments (AEDs) for delivery. This is not only dangerous to the pregnant women and babies, but has also imposed an extremely heavy burden on the local healthcare personnel. Let me cite an example. Since the North District Hospital is closest to the border, its AED often handles cases where Mainland pregnant women rushed to give births. Worse still, obstetric services and neonatal intensive care units are only available in the Prince of Wales Hospital in the entire New Territories East Cluster. Hence, Mainland pregnant women giving births in Hong Kong has actually affected the services of the hospital cluster concerned, not to mention the entire healthcare system in Hong Kong.

The DAB has maintained a clear stance on the issue of Mainland pregnant women giving births in Hong Kong. We request the authorities to provide services in accordance with the status of the pregnant women. Local pregnant women should enjoy first priority in delivery services, to be followed by Mainland wives of Hong Kong residents. Non-local parents have the lowest priority. Only this complies with the principles of fairness and reasonableness. As we may aware, healthcare resources in Hong Kong are limited. We cannot

admit Mainland pregnant women without setting any limit. Choices have to be made.

In the face of the influx of Mainland pregnant women giving births in Hong Kong, private hospitals have not lent a helping hand. Contrarily, they have substantially expanded their obstetric services by luring doctors from public hospitals to work in the private sector. Competition for healthcare personnel has further aggravated the lack of manpower in public hospitals. Although this year's Policy Address stated that for the three years starting from 2012, the Government will increase the number of degree places in medicine by 100, nursing by 400 and allied health professions by 146, distant water cannot put out a nearby fire after all.

Noting that the problem has become very serious, the Hospital Authority (HA) has introduced some measures to address the situation, such as recruiting part-time healthcare personnel and overseas doctors. However, these measures have met with great opposition. For instance, in a press conference held earlier, the Hong Kong Doctors Union claimed that the majority of interviewed doctors opposed the recruitment of overseas doctors as this cannot address the problem of manpower shortage. On the other hand, we also noticed that the knock-on effects have been felt in various hospitals. These include long working hours, huge workload, low morale and poor promotion prospect. As these problems cannot be resolved overnight, we hope that the Government will step up training for existing healthcare personnel so as to meet the basic requirements. In the long run, we need to improve the working environment of public hospitals to prevent further wastage of healthcare personnel.

President, according to the Policy Address, the amount of recurrent funding allocated to the HA has increased significantly by 25% from \$29 billion in 2007 to \$36 billion in 2011. An additional \$2.6 billion has been allocated to buy new equipment. Simply looking at the amount, we might think that the services provided by public hospitals have been greatly improved. But is this the case? Let me cite two examples. For instance, in the first half of 2011, the waiting time for a cataract operation in public hospitals is more than two years, whereas that of urological surgery is six and a half years. In other words, if a person starts waiting for a consultation today, he will only see the doctor in March 2018. The extended waiting time for public hospitals' specialist services is not only

attributable to the ageing population, which has undoubtedly generated great demand for particular services, but the most important reason is, as I have said, a lack of healthcare personnel.

Although the Government has actively promoted primary care services in recent years in the hope of diverting patients to the private healthcare system, it seems that the effect is not apparent. The aim of the Shared Care Programme proposed by the Government, for instance, is to provide subsidies to patients with diabetes mellitus and hypertension, and encourage them to turn to private doctors for follow-up consultations. However, as inflation in Hong Kong has worsened, both medicine and consultation fees have increased and the annual subsidy of \$1,400 per patient per year is downright insufficient. Coupled with the fact that those patients are all chronic disease patients who need frequent medical consultations and medication, they finally gave up the relevant subsidies and returned to the public healthcare system for treatment. Thus, the whole programme has failed to achieve its effect. In order to attract higher patronage, I believe the Government needs to slightly revise the implementation details or the amount of subsidy.

President, Dr York CHOW has been dedicated in promoting public-private partnership in healthcare since he took office. Also, a healthcare reform consultation document has been published. As pointed out in the Policy Address, the relevant preparatory and legislative work will only complete in 2013 before the Health Protection Scheme (HPS) can be introduced. This implies that the entire programme will be taken up by the next term government. Regardless of whether Secretary York CHOW will still be in office, I believe healthcare financing must continue to proceed.

On the whole, the DAB supports the general direction of healthcare financing because the HPS does not require people to mandatory take out healthcare insurance. Rather, they can choose a suitable health insurance plan which fits their needs. What is more, the HPS can plug the loophole previously used by insurance companies to refuse to insure high-risk individuals. Yet, we still have another concern. Will patients worry that private hospitals might choose patients in consideration of profits or insurance premium, or ask them to stay overnight and undergo unnecessary check-ups? For ordinary workers and employers, their concern is whether policy replacement under the HPS will cause

confusion or premium will increase in future. Members may recall that the Government has set aside \$50 billion to implement the HPS. It is believed that the use of the funding will be the focus of the HPS, and a determining factor of its success. I hope that the Government will hear more public views before making the final decision, so that healthcare financing, which has been discussed for years, can successfully take a right step forward.

President, another issue which I would like to discuss is the development of Chinese medicine. We notice that it has long been the Government's stance to stress Western medicine to the neglect of Chinese medicine, and this year's Policy Address is even completely silent on the development of Chinese medicine.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has put forth a series of proposals on the development of Chinese medicine, for instance, the establishment of public Chinese medicine clinics in the 18 districts, which aims to provide people with the most basic Chinese medicine service. However, just by some simple reckoning, there are now only 15 Chinese medicine clinics in Hong Kong. Some districts still do not have any. Furthermore, we also hope that when the Government allocates four sites for the construction of private hospitals in future, priority will be given to proposals which include an element of Chinese medicine service. These two proposals are what we hope the Government will work on and promote with the introduction of policy, with a view to assisting the development of Chinese medicine.

Apart from the hardware, we have also suggested time and again that the Government and the HA should improve the remuneration of Chinese medicine practitioners who just joined the profession. As far as we understand, they only earn about \$15,000 per month on average, which is even lower than a registered nurse. The difference is even larger when compared with a Western medicine practitioner who just joined the profession. If this is the case, how can we attract young people to join the Chinese medicine trade? I just want to stress that, the DAB has vigorously promoted Chinese medicine service simply because it longs for a healthcare system which does not only focus on the development of Western medicine, but the development of both Western and Chinese medicines in parallel, so as to provide people with more choices of healthcare services.

President, healthcare service is not only a policy of public concern, but also a major expense of the Treasury. Although the Government has actively promoted healthcare reform and public-private partnership, the most important of all is nonetheless to maintain a high standard of public services to ensure that it serves as people's ultimate safety net.

President, people's health depends much on a sound healthcare system, apart from that, there are other policies which may also have a bearing on public health and healthcare spending. Let me cite an example to illustrate how air quality has a direct bearing on public health. According to a projection by the University of Hong Kong, 1 200 people died from air pollution annually. Another survey also pointed out that air pollution problem has drastically pushed up the number of children with respiratory diseases. If the Government can improve air quality in Hong Kong, we can save more than \$550 million on children healthcare annually.

In fact, we can see that of all environmental issues, air pollution is not only a target of public criticism, but also a major concern of the environmental groups. As told by the business sector, the poor air quality has deterred many overseas investment companies or corporations from setting up offices in Hong Kong. Likewise, overseas talents are reluctant to come to work in Hong Kong. This has undermined Hong Kong's business environment. When attending a meeting held by the Panel on Environmental Affairs last week, Secretary Edward YAU pointed out that air quality has improved. For instance, between 2007 and 2010, emission of sulphur dioxide from power generation has reduced by 71%, whereas respirable suspended particulates registered at roadside air quality monitoring stations last year had also reduced by 20% when compared with 2005. And yet, members of the public still consider it necessary for the Government to exert greater efforts to improve Hong Kong's air quality.

I originally expect that after moving into my new office at the new Legislative Council Complex, I would be able to enjoy the view of the Victoria Harbour. However, after moving in for half a month, I found that it was misty outside most of the time and I can barely see the outlying island ferry piers. It is pretty difficult to oversee the scenic spots on the Kowloon side. Thus, regardless of the figures provided by the Government, members of the public still consider it necessary to continue improving the air quality.

When we discussed the work on air quality, many environmental groups pointed out that the Chief Executive had undertaken to complete the updating of the Air Quality Objectives (AQOs) in 2011. Nonetheless, he changed his line lately and merely remarked that the relevant work would be completed before he leaves office. It seems that the timetable has been pushed back. As Members may aware, the issue on AQOs has been discussed time and again in this Council, but it is very disappointing that no conclusion has been drawn so far. I hold that instead of arguing whether the promised completion date of the updated AQOs is this year or next year, we should conduct focused discussion on how the AQOs should be tightened; how far they should be implemented; what the implementation timetable is; what viable methods and measures can be introduced to expeditiously get the job done.

In this year's Policy Address, the Government has also proposed the improvement of roadside air quality. The DAB supports this proposal because people breathe in emissions from vehicles when they go to work, go to school, go shopping or go to the market every day. They find it hard to stand. The Legislative Council has endorsed the law on idling vehicles with running engines, which will soon come into effect. However, apart from the ban on idling vehicles with running engines, there are still many other alternatives to address roadside air pollution problem. The use of electric vehicles is a very good example. Earlier, I visited a bus company with Mr TAM Yiu-chung and other DAB representatives to learn about its plan of using supercapacitor buses. We consider the plan worth promoting. In fact, some Mainland cities have already started using electric buses.

We remember that in last year's Policy Address, the Government had provided a subsidy of \$33 million for bus companies to purchase hybrid buses for trial run in Hong Kong. This year, the Government will earmark \$180 million for bus companies to purchase 36 pure electric buses. We welcome this proposal because it has taken heed of DAB's previous proposal to encourage bus companies to use more electric buses by providing financial and policy incentives. And yet, the proposal should not remain at a trial stage. Neither is this the responsibility to be shared among the Government, taxpayers and passengers. Bus companies, being the major source of roadside air pollution, should take up the social responsibility by promptly replacing their bus fleet to reduce emissions.

To prevent bus companies from increasing fares on the excuse of switching to hybrid or electric buses, we opine that the transport authorities must properly discharge its role as a gate-keeper. If necessary, they may even impose additional conditions in awarding franchises to require bus companies to use a certain number of electric buses within their operating area, and set specific emission reduction targets.

On the issue of electric buses, when Under Secretary Dr Kitty POON attended an exhibition on Monday, she remarked that there are now 300 charging stations in Hong Kong. The number will further increase to 1 000 next year, among which 500 will be set up in government buildings. However, President, I have recently received a complaint from a member of the public who has wholeheartedly supported environmental protection by buying an electric vehicle. He intended to install a charging facility at his own parking lot, but was rejected by the relevant Management Office and Owners' Corporation. He has bought an electric vehicle, but he cannot use it without having any charging facility.

The relationship between charging station and electric vehicle is like chicken-and-egg. The Government cannot increase the number of charging stations by simply looking at the number of electric vehicles because the distribution of the charging stations is also very important. Setting up charging stations in government buildings alone is not enough. If private developments, shopping malls and private car parks are not installed with charging facilities, the overall development of electric vehicles will be hampered.

President, the last environmental issue that I would like to mention is waste disposal. After the Legislative Council voted down the proposed extension of the Tseung Kwan O Landfill, the Environment Bureau has shifted its attention to the disposal of solid waste. Therefore, in this year's Policy Address, relevant proposals and legislation have been put forward, which would be submitted to the Legislative Council for discussion and scrutiny later on. The proposals include an extension of landfills, the construction of incineration facilities and food waste processing centres, an extension of the levy on plastic shopping bags, implementation of the responsibility scheme for waste electrical and electronic equipment, as well as exploration of options for solid waste charging.

Regarding the package of proposals just mentioned by me, it seems that the Environment Bureau is pretty determined to tackle the problem. However, what concerns us more is how many initiatives can be put in place and how many projects can proceed in the end. After all, the facilities are obnoxious in nature, which will only add to the burden of the general public and the business sector. Therefore, the results may be unsatisfactory despite the immense efforts made.

According to the Policy Address, the solid waste recovery target will be raised to 55% by 2015. We support this viewpoint. Many wastes have recovery and recycle values and therefore it is a great waste if they are disposed. However, while the recovery rate has been raised, the relevant data also tells us that the amount of waste generated daily, be it domestic or commercial, has increased as well. In 2010, the overall waste disposed has increased by 3.7% when compared with 2009. Although satisfactory results have been achieved in the recovery and recycling of waste, waste reduction has been neglected.

President, no matter how brilliant we are in waste recovery, there are definitely a certain amount of wastes to be disposed at landfills. Therefore, when the Legislative Council discussed the extension of the Tseung Kwan O Landfill last year, local residents and Members had raised various concerns, and requested the Government to put in place some improvement measures. Here, we hope that the Government will learn from past experiences and properly consult local residents, the relevant District Councils and local groups, so that public views can be heard when the scheme is actually launched.

President, environmental protection is always easier said than done. We hope that the Government will formulate timetables for the various initiatives in future, and the new Chief Executive will continue to tackle environmental issues, healthcare reform, as well as the healthcare problems that we are now facing in a proactive and serious manner, with a view to genuinely achieving the policy objective of having quality life as proposed in the Policy Address.

Thank you, President.

MR WONG SING-CHI (in Cantonese): President, during the third session debate held earlier, I was having a meeting at the Hong Kong Housing Authority,

and I thus missed the opportunity to express my views on welfare and labour affairs when Secretary Matthew CHEUNG was present at the Chamber. However, I hope the President will allow me to express my views on how the Chief Executive handles labour and welfare issues and have my views put on record.

President, the Chief Executive has delivered the last Policy Address in his term of office. However, he has not talked too much on the poverty problem, nor has he given detailed views about the solution to the problem. People of Hong Kong are indeed worried. We all know that disparity between the rich and the poor is the most pressing deep-rooted conflict we are now facing, hence, I believe this Policy Address will disappoint many people. The Government has only offered petty favours or patch-up amendments; as regards the direction of work in poverty alleviation, or in addressing the disparity between the rich and poor, the Government seems ineffective and weak. I hope the Government will reflect on this. I have put forth an amendment to the Motion of Thanks proposed by Ms Miriam LAU. I express regret at the Chief Executive's rejection of universal retirement protection, as well as his failure to face up to disparity between the rich and poor and make earnest efforts to alleviate poverty, and to help the socially disadvantaged.

I recall that the Chief Executive has stated in his Policy Address that in a free, open and mature capitalist economy, the wealth gap could hardly be eradicated. This remark speaks volume that the Chief Executive has already proclaimed defeat, considering that he cannot do much about the situation. I think if he adopts such an attitude, it only reflects that he lacks the determination to eradicate the disparity between the rich and the poor.

According to an opinion poll conducted by the University of Hong Kong after the release of the Policy Address, only 8% of the respondents considered the various measures proposed by Chief Executive Donald TSANG had significant effect on narrowing the wealth gap, and 76% considered the measures had little effects. As for the effect of various relief measures put forth by the Chief Executive on easing the burden of the grassroots, 56% of the respondents, which is more than half, considered them not too effective; 21% of the respondents considered the measures effective, as the Policy Address has proposed some measures to "hand out candies", as well as some long-term measures, such as

offering elderly people with transport concessionary fare of \$2 a trip and vouchers for home care services. These are good measures and the Democratic Party appreciates such efforts. Regrettably, only two measures are proposed, which are just petty favours.

Hence, we consider that the Policy Address as a whole has failed to provide long-term measures to alleviate poverty. To enable Members to have a better understanding of the poverty problem in Hong Kong, I would like to draw their attention to the following figures.

In 2010, the poverty rate of Hong Kong in the first half year was 18.1%, implying that 1.26 million people were low-income households; the number of people living in poverty and the poverty rate were at record high. When compared with the 1.2 million people living in poverty in 2009, the number of poor people in Hong Kong has soared by 60 000 in six months. Moreover, the number of poor families increased from 420 000 households in 2001 to 470 000 households in 2010, an increase of 13.3% in 10 years. In the first half of 2010, 290 000 elderly persons belonged to poor families, which was 250 000 in 2001, representing an increase of over 15% in 10 years.

These figures are true facts, not fabricated numbers, and are basically accepted by society. When we say that the economic development in Hong Kong is making good progress, where property prices have soared to \$10,000 per square foot, why is it that some people are still living in abject poverty? In the face of the increasingly serious problem of wealth disparity, it is rather disappointing that the Government still fails to put forth long-term measures to eradicate poverty. The Commission on Poverty (CoP) had put forth a number of constructive proposals in alleviating poverty in the past, and we hope that the CoP will be reinstated. The Democratic Party has been striving for the reinstatement. The CoP was dissolved in 2007. However, the problem of disparity between the rich and the poor continued to deteriorate in the past four years, with the significant changes of having new poverty problems. In the reply to a Member's question at the meeting of the Legislative Council last week, the Government said that the Task Force on Poverty (TFP) had already been set up and the current arrangement was considered appropriate. However, as the TFP is only responsible for implementing proposals put forth by the CoP, we have no idea of the party responsible for addressing the new poverty problems and examining the

root of the poverty problems from a macroscopic perspective. How can the right remedy be prescribed then? Hence, I hope the Government will be committed in eradicating poverty, such as setting a poverty line and formulating comprehensive policies to alleviate poverty.

The current Comprehensive Social Security Assistance (CSSA) Scheme fails to provide recipients with adequate protection in life, and we thus urge for a review. Take the rent allowance under the CSSA as an example. The rent allowance provided is \$1,265, and despite the recent rental increase of 20% to 30%, the standard set a few years ago is adopted today. The Government even says that the rent allowance had not been reduced in times of rental decrease. It is mean to say so. It is tantamount to saying that since you had a buffet two weeks ago, it would be no one's fault if you have to stay hungry for the following two weeks. Nobody asks you to have a buffet and eat so much, hence it is not my concern if you have to go without food for a few days. I think this is very unsympathetic to say such words.

Hence, I urge the Government to conduct a review as soon as possible, which should include the increase of rent allowance and the shortening of the adjustment cycle. In particular, when inflation is so rampant in recent days, if we still have to wait six months, a year or even longer for a regular review, the CSSA payments in general will be lagging far behind inflation. Since the poor are more hard hit by inflation than the middle-class or the well-off, we hope the Government will review the CSSA payment as soon as possible.

In the Policy Address, the Government has only proposed providing a larger variety of foods and fresh foods to support food banks. However, this cannot address the problem of undernutrition of the grassroots. According to a survey conducted by a voluntary organization on poor families, it is indicated that the average daily food expenditure for children aged six to 12 and working adults in achieving a nutritionally balanced diet is \$47.5 and \$66.6 respectively. According to a report of the "Survey on the Impact of Soaring Food Prices on Poor Families in Hong Kong", recently conducted by the Oxfam, the average daily food expenditure of poor families per capita is only \$30. Hence, a child and a working adult will need an extra \$17.5 and \$36.6 to have a nutritionally balanced diet.

It is evident that the problem of undernutrition of poor families is very serious. Short term food assistance schemes, that is, food banks, or group purchases at relatively lower prices, are only stopgap measures which can hardly address the problem of many families failing to get nutritious food due to the drastic increases in food prices. I think the problem should be solved by prescribing the right remedy and the authorities should make extra efforts in this respect.

Apart from the disparity between the rich and the poor, I would like to talk about retirement protection today. The Government often says that the retirement protection system is composed of three pillars, namely the non-contributory social security system (comprising CSSA, Old Age Allowance and Disability Allowance), the Mandatory Provident Fund (MPF) system and voluntary private savings. Members have expressed a lot of views on this issue. Mr LEE Cheuk-yan and the grassroots in general consider that the three pillars are in fact short piles. Actually, the World Bank is already talking about five pillars. Under these circumstances, we consider it unacceptable that the Government refuses to review even one of the three pillars, that is, the CSSA. We request for a review of the CSSA system, one of the three pillars which has a short-piling problem.

Another issue is the retirement life of women and the elderly, how are they going to maintain their living upon retirement? In particular, many housewives have low income, little saving or even without any income at all, even though many of them have reached the retirement age, they cannot retire but have to continue working and they do not have any retirement protection. According to our rough estimate, some 700 000 housewives in the territory fall into this category. If unfortunately, their providers, either their children or husband, have left them, these housewives can only apply for CSSA. Hence, in order to safeguard these housewives, who have been staying at home to support other family members going out to work, why can't we show more respect to them and provide them with more protection? As such, it is essential to provide universal retirement protection, which not only safeguards the elderly who have retired, but also offers protection in kind to women upon retirement or senior housewives.

I disagree with the views of the Chief Executive as stated in the Policy Address. Let me quote the words of the Policy Address or the remarks made by

the Chief Executive when he delivered the Policy Address. He said, "It is impractical to adopt a resource reallocation approach to deal with retirement protection" (End of quote) The Government has rejected the proposal of setting up a universal retirement protection scheme on different occasions, stating that a consensus in society can hardly be reached on this type of system. Honestly, there are many issues which the Government has insisted on implementing without any consensus in society. A simple example is the case of "Uncle SUEN" Regarding the issues on the Incorporated Management Committee at schools, has a consensus been reached? School sponsoring bodies from Catholic Churches, the Methodist Church and many others have voiced their opposition, implying that no consensus has been forged, but the Government insists on implementing the policy, right? The Government has even resorted to taking the case to court to implement the policy. Why then should the introduction of a universal retirement protection scheme secure the consensus of society? This ludicrous remark from the Chief Executive can be likened to throwing a stone at one's feet. Without universal retirement protection, the existing retirement arrangement is fraught with problems as people's retirement life is not safeguarded. In the eyes of the Chief Executive, is the consensus of society really more important than the well-being of the elderly? I hope the Chief Executive will give us an explanation as soon as possible, or the next Chief Executive should do so.

As mentioned by the Chief Executive in the Policy Address, our population is rapidly ageing, we thus urge the Government to put in extra efforts in elderly care services, so that the elderly do not have to worry about their livelihoods. As the problem of ageing population worsens in recent years, demands for places in government subsidized or private residential care homes or nursing homes for the elderly have always exceeded supply. I would like to share the following figures with Members. As at the end of February, there are 20 355 persons applying for care-and-attention homes for the elderly, and the average waiting time for a place in a subvented or contract residential care home is 34 months, and nine months for a place in private homes for the elderly participating in the Enhanced Bought Place Scheme. As for nursing homes, the number of applicants is 6 388, and the average waiting time is 40 months, hence many elderly people could not get a place before passing away. Regarding the community care vouchers proposed by the Government this time, we think it is a good measure, yet it will be more desirable to provide residential care vouchers,

so that the elderly do not necessarily have to choose government subsidized elderly homes. If residential care vouchers can be used in private elderly homes, these homes will have the incentives to improve their services to enhance competitiveness, and the problem of long waiting time for residential care homes can be alleviated.

Moreover, the Social Welfare Department (SWD) now provides two types of community care services for the elderly, that is, Day Care Centres for the elderly which offer care and nursing service, rehabilitation service and social activities, and Integrated Home Care Services to provide home care and nursing services. If the Government intends to implement ageing at home, the provision of community care services is very important. The Democratic Party considers that the Government must step up its service in this respect. We are happy to learn that the Government has undertaken to increase the place for community care service in this Policy Address. I commend this measure. The Government has made efforts to respond to the specific aspirations of the public, but this is inadequate, I think it will be more desirable if the Government can reinforce these services further.

While the Government has indicated that residential care places will be increased, it fails to disclose details of the plan and the number of places to be increased. I hope the Government will honour its commitment and respond proactively to the serious problem of long waiting time. The Democratic Party hopes that the Government will set specific targets, say confining the waiting time for residential care place for the elderly to 30 months, as in the case of the three-year allocation pledge made by the Housing Authority on the allocation of public rental housing flats. Will the Government make similar pledges? The waiting time for a residential care place for the elderly can be set at 10 months, 12 months or 14 months. The Government should set such a target in order to have a clearer position and make greater commitment in providing residential care places.

At present, elderly CSSA recipients who choose to retire in Guangdong Province and Fujian Province may apply for assistance under the Portable Comprehensive Social Security Assistance Scheme. Eligible applicants living in the two provinces may have their CSSA payment transmitted to the Mainland via their bank accounts in Hong Kong, so that they can collect the payment there.

In addition to this, we propose that the Government should lift the restrictions on "fruit grant", so that elderly people retiring in Guangdong Province and Fujian Province can collect their "fruit grant" on the Mainland. The Government has responded and is preparing for the implementation of this measure, which we think is desirable. With the implementation of these measures, people will feel that the Government has responded to the aspirations of the public. However, these measures can only benefit the elderly people residing in places outside Hong Kong, can the Government make better arrangement and provide better care to those elderly people who are now residing in Hong Kong?

All along, the Democratic Party has been urging the Government to alleviate the financial burden of families with persons with disabilities and provide them with home carer's allowance. Regrettably, the Government only increases the allowance to \$250, while we hope that the allowance will be \$1,000 to \$1,500. In other words, the Government is only willing to give \$250. The Government tends to hold back a little each time, not a little in this case, but a lot. This Government is really ridiculous, it tends to tell you that your views are heard, but the measures proposed totally fail to meet the objectives. Under such circumstances, even if the measure itself is good, the Government will still be subject to criticism in the end. What is the point of doing so then?

President, I would also like to talk about labour issues. Although the Directors of Bureaux now present in this Chamber are not responsible for these issues, who knows whether they will be transferred to the Labour and Welfare Bureau in the next-term Government? I suppose you may have the chance to be transferred to the Labour and Welfare Bureau in the next term, so I hope you will listen to our views. Even if the incumbent Government fails to respond to these views, I hope the next Chief Executive will respond to us upon assumption of office.

I recalled that at the debate on the policy address at the Legislative Council in 2009, I pointed out that the Government had only used 177 Chinese characters, including punctuation, on labour and welfare issues. In 2010, the Government had made improvements in addressing the labour policies, but its performance was still far from satisfactory. This year, the Government has eventually accepted the views of the public in certain policies, but it thinks that certain policies it has set the timetable for certain policies. However, on the

whole, these policies are still inadequate, there is still a lot of room for improvement.

Below are the views of the Democratic Party. First, the Democratic Party has been striving for standard working hours of 44 hours a week and compensation for overtime work, so that Hong Kong people may lead a desirable life with a balanced distribution of time for work, rest and activities, achieving an equilibrium in various aspects. The Legislative Council should not be cited as an example. We have meetings all day long, and more often than not, we cannot keep company with our families. However, I hope that other workers will have the time to take care of their families. A year has passed, presumably the Chief Executive can dodge no more, he thus announced that a policy review will be conducted on standard working hours, and the study will be completed by the middle of next year. Not long after the completion of the study, the term of the incumbent Chief Executive will expire, and the issue will be handed over to the next Chief Executive and the Directors of Bureau in this Chamber (you may be the next Secretary for Labour and Welfare), I am not sure if that is the case.

Actually, the stipulation of standard working hours is already a global trend. As early as 1930, the International Labour Organization enacted the international convention on working hours, which was supported by many member states. At present, many countries and regions, including regions in the vicinity of Hong Kong, have signed the convention and committed to its implementation. Hence, we consider that the SAR Government should speed up the legislation work and conduct studies on standard working hours. It should brook no delay. We urge the Government to report the progress of the studies at regular intervals and announce the final results promptly in the middle of next year, so as to brief wage earners in the territory of the progress.

Another measure that caught me between tears and laughter is the Work Incentive Transport Subsidy (WITS) Scheme. I wonder what the Scheme would become. Why do I say so? I will raise a question to the Secretary for Labour and Welfare at next Council meeting. The WITS Scheme is now open for application. We know that when the registration for the \$6,000 cash hand-out started, hundreds of thousands of people had registered in the first month, so I wonder how many people will apply for the WITS Scheme this time. According to the Government, 400 000 people are earning less than \$6,500, implying that

there may be 400 000 applications in individual capacity. How many of them will eventually submit the application? I do not know. I recall that in the previous case concerning the Transport Support Scheme covering four remote districts, tens of thousands of applications had been received, which was not a small number. I do not know how many people will apply for the WITS Scheme this time, but we will know next week. I hope that Secretary Matthew CHEUNG will provide the figures to Members, yet I think there will not be many applications.

Regarding the WITS Scheme, many people think that their "family financial status" is subject to examination again; they have to disclose all the information of the family members. The parents may not mind telling the Government how much money they have for the sake of their children. However, this may not be the case among siblings. If anyone is reluctant to disclose such information, it may spark off a heated argument, and the money involved is just several thousand dollars for each one. The procedures stipulated under the Scheme have caused great inconvenience to the applicants. Besides, since family income is used as the basis for calculation, which is capped at a level on the low side, many people who are supposed to be eligible for the subsidy will eventually be ineligible.

Hence, the Democratic Party urges the Government to review the Scheme immediately — an immediate review is required, not a review to be conducted six months or a year later — for the response in application is obvious. The Government should review the details of the Scheme, which includes streamlining and improving the application procedures. There should be no more checks on "family financial status"; no more intimidating remarks that applicants supplying incorrect information will be arrested, and so on. The Government should reassess and announce the latest number of beneficiaries of the Scheme rather than conducting the review one year of its implementation. At the same time, the eligibility of the WITS Scheme should be relaxed, the dual-application approach that have been discussed for a long time should be adopted, and the means test baseline for income and household assets should be relaxed, with a view to providing subsidies to low-income grass-roots employees and achieving the target of boosting employment. Moreover, the amount of monthly subsidy for a person should be reviewed — I believe transport operators

are considering a fare increase shortly, indeed the fares of certain transport have already been raised — so as to provide substantial assistance to improve the life of the public. In addition, we urge the authorities to include the Job Search Allowance of the former Transport Support Scheme in the WITS Scheme, where the criteria for applying the Job Search Allowance should not be tightened and the maximum reimbursement amount should not be reduced.

The Democratic Party also urges the Government to introduce statutory paternity leave to all men in the territory, so that husbands are entitled to paid leave when their wives give birth. I know that the Hong Kong Federation of Trade Unions will soon come forward to stage opposition and demonstration. If my memory has not failed me, I had put forth this proposal a number of times at the Legislative Council 10 years ago. After a 10-year wait, the Government eventually responds to our request. I am sorry about that, for it is a long overdue obligation of the Government. A husband may have come across the situation where his wife gives birth in the middle of the night he may have to work next morning after waking up in the middle of night to feed the baby.

Let me tell you, my son only weighed 3 pounds when he was born. Back then, I had to feed him every two hours with two ounces of milk, and so I know a lot about feeding babies. I was luckier then, for I was a District Council member and had a part-time job, and so I could wake up in the middle of the night to feed my son every two hours. My memory about such scenes is still vivid and I enjoy those days. My son is now 20 years old and he is presently in the United States. Yet, I still enjoy If a father can have some days of holiday to carry his son and feed him, I believe he will enjoy the joyful family time.

Regrettably, the Government now decides to try out the provision of paternity leave for civil servants only. Indeed, I hope that all men in Hong Kong will be given the chance when their wives give birth I hope that they can have the experience of feeding their children, which I consider a joyful experience. However, if a father is not entitled to paternity leave and has to go to work early next morning, he may miss the joyful experience, and this may even hamper family life and family relationship. Hence, I hope that legislation on the provision of paternity leave will be enacted earlier, so that all men will be entitled

such leave. It is true that the Government has made some progress in this respect, yet we hope it will take a further step forward.

The Democratic Party hopes that the Government will be sincere in listening to views expressed, and responding and facing squarely its inadequacies in governance, but not just paying lip services whenever we put forth various proposals. It has been seven years since Chief Executive Donald TSANG took office. He probably wants to make his stepping down more honourable by staging a "lavish funeral service", offering petty favours to the public in a perfunctory manner, hoping that the public will be less severe in criticism. If this is what he thinks, I would rather he do nothing. It is just like your boss asked you to do some work long ago, but you just write a few lines before the deadline and say you have done your job. Should this be the case? I think it should not. The Chief Executive says that he will get his job done, and I hope he can convey the impression to the public that he has got the job done in actuality.

However, over the past seven years, he has failed to convince his boss that he has got the job done. I may be regarded as his boss, for I am a member of the Election Committee and I have cast my vote, though I will not tell whether I had voted for him. As a boss, I am still not convinced that the Chief Executive, who has been working for me for the past seven years, has got his job done. Hence, I hope that the next Chief Executive will not only aim at getting his job done, but will work for the interest of Hong Kong as a whole and enhance the well-being of Hong Kong, and pursue the long-term target of bringing better life to the people of Hong Kong, so that Hong Kong people will know that the Chief Executive is working for the people, as well as for the future and long-term development of Hong Kong.

Certainly, I see no hope of achieving this target with the small coterie election. For in the small coterie election, many members of the Election Committee are representing certain interest groups, hence I am worried about the constitutional system — other Members may talk about this in the following debate session — eventually, the candidate may promise to offer more benefits to certain interest groups in order to secure the votes from their members. Since members of the public are not entitled to vote, eventually the same story will repeat. Donald TSANG is a case in point, for over the seven years, he just

listens to the views expressed, and by the end of his term of office, he simply introduces a few measures, give a brief account and claims that he has done his job. This is not in the interest of the people of Hong Kong. Hence, the Democratic Party urges the Government to step up its efforts in governance. More so, we urge the Government to implement dual universal suffrage as soon as possible, so that the public will be the *bona fide* boss of the Chief Executive, and that they may request the Chief Executive to do his best at all times to bring more benefits to Hong Kong.

President, Chief Executive Donald TSANG has been in office for seven years. I have been in the Legislative Council for four years no, only three years, I have returned to this Council for only three years I might have seen him for one year, but I am not sure I did not have the chance to see him assuming the office of the Chief Executive. However, when I was not a Member of the Legislative Council, my comrades and I in the Democratic Party had all along been paying attention to his work. In our view, he has merely finished a small part of his long overdue homework in a hasty manner, but for work concerning the long term development of Hong Kong, he has left many issues unaddressed. I hope the next Chief Executive will not continue with the bad practice, but will properly handle all the unaddressed issues, enabling Hong Kong people to lead a better life.

Thank you, President.

MS CYD HO (in Cantonese): President, the objectives of education are to broaden one's horizons, increase one's knowledge and skills, and fully develop and explore one's potential. People with different potentials can, through quality education, will be brought to full play to provide a source of diversified talents to society, where new ideologies and innovative ideas will be developed, and society will be better equipped to meet future challenges. Education is a means to exhibit and pass on important and fundamental social values, so as to nurture our future citizens with free and independent thinking, care about communities and concerns about the world.

From the perspective of human rights, each and every individual should have the opportunity to bring their strengths to full play, so as to establish the

value of life. From the perspective of society, education enables individuals to fulfil their responsibilities in sustaining the development of society, exploring new knowledge, as well as building and promoting the advancement in civilization. However, the SAR Government has turned education into a commercial commodity. First, the authorities evade inputting resources, and hence encourage the development of private schools. Second, the authorities invest money on people who can pay back, hence special education is being neglected. Third, the authorities consider that every loan should earn good interest and be repaid, thus risk factor is included in student loan.

Against this background, when we persuaded the Chief Executive to implement certain measures in the past, we did not try to convince him with values such as care and justice; instead, with a calculator in hand, we tried to win his support with the profits generated. For instance, we pointed out that the student exchange programmes would be more cost-effective as the process of identifying sites and professors, and conducting assessments would be slow. We advocated that the provision of special education to keep the low and moderately mentally handicapped in schools for a few more years were more cost-effective than providing care service to them in the future. With Donald's perception of pursuing economic development, there came the Donald's mode of commoditization of education.

In Hong Kong, children have to spend 15 years in school, which takes up one fifth of their life. However, more than half of the secondary school leavers lack the language proficiency to express themselves and fail to live independently, let alone establishing the attitude of conducting oneself in society. The younger generation does not know how they should behave and position themselves in society, they are lost and perplexed. This is actually the result of the dwindling of social and human values. Education is regarded as the means of manpower planning for various sectors by the Government, and the elimination approach is adopted to identify elites. No support is offered to students to help them identify the purpose and meaning of life. The only concern of the Government is immediate economic benefits. If we truly want to achieve the objectives of education, we must get started with fundamental values. When one single standard is used to assess the performance of students, even if the spoon-feeding approach is adopted to produce a group of graduates good at languages, mathematics and science subjects, this group of elites may only

perform well at examinations, but they may not necessarily adopt a proactive attitude in life; they may not have creative ideas due to the prolonged exposure to the passive learning of hard facts. Under a result-oriented education system, students resist school life and lack confidence, they thus try to evade or become rebellious.

Education in Hong Kong is now facing problems in two perspectives. First, it is the uneven distribution of resources. Since the Government fails to invest adequate resources in education, children from poor families are not provided with adequate opportunities, so if their studies are affected by psychological or physical factors or due to insufficient family support, or if they are occasionally lagging behind, they can hardly catch up. Yet this problem can be solved by money, but the Government is unwilling to allocate funding to address the problem. For instance, the authorities should extend the 12-year free education to 15 years, increase the number of subsidized university places, support schools to provide textbooks, enhance the student loan scheme, provide subsidies to students for arts and sports lessons, implement small class teaching in primary and secondary schools, increase the number of school social workers stationed in primary and secondary schools, reinforce training for teachers in special education, increase the quota for supporting students with learning disabilities at schools, increase places for special education under the 3-3-4 new senior secondary academic structure, increase the number of places for repeat classes, assess the learning needs of all children at pre-school and junior primary level and provide immediate and suitable support, and increase the funding for studies in universities. Money is the solution to all these problems, yet the Government is unwilling to spend the money. On the other hand, given the many problems in the bureaucratic system, recipients of subsidies are subject to the rigid monitoring of the bureaucratic system. The rigid monitoring system in funding allocation has very often affects the flexibility required for teaching students in accordance with their aptitude.

Education is an essential task of imparting knowledge from one person to another. We should, in consideration of the ability and progress of individual students, teach in a patient and gradual manner. Social and current affairs should be used as teaching materials to help students apply their knowledge in their daily life, rather than sticking to the same textbook for 10 years. Certainly, due to the rigid system of resource allocation adopted by the authorities, the

ability and needs of students are being ignored, and consideration has not been given to the need to conduct class activities to tie in with the content of the subjects. As a result, whole-class teaching is not allowed when it is required, and small class teaching cannot be carried out due to the shortage of resources. Resources that can be saved have been wasted, while resources needed are not provided, making it difficult for schools to fully utilize their teachers and manpower. As for curriculum planning, quantity overrides quality, focusing merely on the amount of knowledge imparted, and the need to stimulate self-driven learning has been ignored, hence, leaving no room for teachers to mentor individual students. Subsidized primary and secondary schools are fettered by the bureaucratic system, which is a typical example of commoditization in our instant culture where quantity overrides quality.

In 2002, the Direct Subsidy Scheme (DSS) was introduced, under which the amount of subsidies is calculated according to the number of students instead of the number of classes in a school, and the supervision of the Government is reduced substantially to offer flexibility to schools in designing learning activities and making teachers planning. Under the system, DSS schools enjoy autonomy in deploying their own resources and can appropriately increase school fees to increase its income. The achievements made by DSS schools are well recognized by parents. Seeing that parents are willing to pay higher school fees, the Government fails to exercise close supervision; as a result, the schools increase school fees, and do not comply with the requirement to provide grants to poor students. Consequently, DSS schools turn into elite schools, where grass-roots students are deprived of the opportunity to enjoy the process of diversified learning and further widen the gap of the starting points between children from poor families with those from rich families. Donald TSANG's Government takes it further by stating openly that education should be industrialized. Sites are allocated to international schools to attract overseas talents, yet it overlooks the fact that half of the places of these international schools have already been taken up by Hong Kong students. The authorities also plan to set up private universities next year, and cap the number of subsidized university places at 15 000, which means that about 6 000 students qualified for university education will have to complete tertiary education at their own costs. On the pretext of industrialization of education, the Government shifts the responsibility of education to families and individuals, depriving

children of grass-roots families of the equal opportunities to receive tertiary education.

Now, I am quite worried about the allocation of the Queen's Hill site to private universities. Since the screening process will be handled by existing bureaucratic officials who lack social and human values, they will likely adopt the return-oriented approach and allocate the site to a university operating on commercial principles.

The various education problems resulted from scarcity in resource can indeed be solved by increment of funding. However, the education system now heads in a profit-oriented direction, leading students into callous competition right from kindergarten. This is a deep-rooted problem, which calls for the change in the overall policies of society as well as the admission requirements of universities. Only with such changes can we stop the competitive culture established in primary and secondary schools, kindergartens and even playgroups targeting at toddlers.

In Hong Kong, the social protection offered is inadequate, grass-roots workers are being exploited, and the high land price policy has turned 50% of the population into property slaves. Worrying that their children will have to endure the same sufferings, parents resort to every means to equip their children as early as they enter kindergarten, ensuring that they are the winner in all competitions. To cope with the expectations of parents and the admission system of universities, schools make extra effort to "push" students for better performance. Social services initially aim at allowing students to learn about the difficulties faced by the disadvantaged are now distorted to become extra-curriculum activities carrying marks for attendance. There is no room for young people to pursue their dreams. If the Government continues with these endless "pushes" and maintains its competition-prompting policies, the implementation of small class teaching will likely be turned into an intensified act of pulling up seedlings to help them grow. By the same token, extra-curricular activities which aim at developing team spirit among students will become an extended class for students to gain marks. Despite the additional resource invested, it will only lead to more complicated competitions that further stifle the interest of learning.

An ideal education system should seek to achieve the following objectives. For educators, they should be able to focus on teaching work, apart from getting job security, they also have opportunities for self-enhancement so as to meet the changes in society. For students, they should be able to learn according to their ability, preferences and strengths. They should be given equal opportunities to receive education without discrimination on grounds of family background, sex, age, race, place of birth, ability and health. For school sponsoring bodies, they should be given adequate room to implement their vision in school education, so that they will be accountable to the public on the one hand and maintain independence and autonomy on the other. For researchers, the education system should offer an environment with academic freedom for them to bring their strengths to full play. They should be provided with adequate resource support either in the studies of fundamental theories or practical application. Moreover, the right of participation of every entity in the education system should be respected, so that the pursuing of freedom, democracy and human rights will be planted in the education system.

But since Donald TSANG adopts the "big market, small government" mindset in formulating education policies, the education system in Hong Kong will only deviate farther apart from the above objectives. This will sow the seed of misfortune in our education system and inflict permanent harm.

President, I do not have the slightest hope on Donald TSANG's performance in education in his remaining term of eight months, but I have to state the proper direction of development in education for record purpose.

MS STARRY LEE (in Cantonese): When Chief Executive Donald TSANG stood for the election of the term of the Third Chief Executive in 2007, he undertook that substantial investment would be made on education to promote social mobility to enable the grassroots to move up the social ladder, for he considered that this was the effective approach for addressing intergenerational poverty. I understand that education is not the only factor promoting upward social mobility, the enhancement of socio-economic structure is also required. However, members of society hope that in enhancing education, people can attain better knowledge, thereby enabling them to have a higher competitive edge in the labour market. The Government is obliged to fulfil this responsibility.

President, I will first talk about the 15-year free education. So far, the two probable Chief Executive candidates have indicated their support for 15-year free education on various occasions. Certain newspaper has even disclosed that the Government is all ready to implement 15-year free education. The provision of 15-year free education is the most direct way to benefit grass-roots families. In times of high inflation rate and low wage increase, the provision of 15-year free education by the Government will alleviate the burden of families in meeting kindergarten tuition fees. This proposal warrants support and should be implemented as soon as possible.

Regarding the particulars in implementing 15-year free education, the most important concern is how to ensure the provision of quality early childhood education. Quality teachers are the prerequisite and guarantee for quality education. However, in reality, the salaries of kindergarten teachers are now on the low side. The education authorities have encouraged kindergarten teachers to enhance their professionalism through further education, but in the absence of a salary scale for kindergarten teachers and professional career prospect, kindergarten teachers are not guaranteed to get a pay rise or to be promoted after getting the professional qualifications. Given the uncertainties in career prospect, how will quality teachers be attracted to join the sector and how will quality kindergarten teachers stay in the sector? Hence, once again, we urge the education authorities of the Government, in implementing 15-year free education, it should establish a comprehensive career ladder and formulate reasonable remuneration arrangements for kindergarten teachers, for it is the only way to attract good kindergarten teachers to teach wholeheartedly.

To cope with the knowledge-based economy and to increase the opportunities for upward mobility for young people, the Government must increase the number of subsidized university places, and it should not turn a blind eye to the polarization of subsidized tertiary education.

When I joined the Legislative Council, the first motion I put forth was about increasing subsidized undergraduate places in universities, which is the general aspiration of society. Last week, at the Secretary for Education's briefing on the new initiatives introduced in the Policy Address at the Panel on Education, the Secretary stated clearly that by 2015, one third of young people of

the right age would have the opportunities to study undergraduate courses. Actually, the target of providing 14 500 subsidized university places has been implemented for many years, which will only be increased to 15 000 in 2012-2013. The number of places provided and the progress are extremely undesirable. In terms of the integrated power and maturity of the economy of Hong Kong, the progress of enabling one third of young people at the right age to study in university in 2015 is too slow. Particularly when Hong Kong is a knowledge-based society, the enhancement of academic qualification of young people is necessary and essential in maintaining the competitiveness of Hong Kong.

What is the approach adopted by the Government in increasing the opportunities for tertiary education for young people? The Government resorts to the increase in self-financed university places to meet the demand of society. However, in increasing self-financed university places, the Government must bear in mind that it should ensure the quality of these self-financed places. In fact, officials have made it clear repeatedly that the authorities understand the importance of ensuring the quality of self-financed courses. Yet actions speak louder than words. As for the existing problem of polarization in subsidy in tertiary education, the quality of government-subsidized courses is incomparable to self-financed courses in terms of the resource invested. I believe the quality of courses is in direct proportion to the resource invested by the Government in some measure.

The existing polarization in subsidy poses a great obstacle to the enhancement of the quality of self-financing courses. For a student of a degree course subsidized by the University Grants Committee (UGC), the average unit cost for four years is \$1 million. As for self-financing courses, their funding comes mainly from tuition fees, and the costs of these degree courses are around \$200,000 to \$280,000. The figures speak volume about the situation.

President, in the latest Policy Address, the Government states that it will make the following new commitment for self-financed courses. First, self-financed institutions may apply for loan from the Government for the building of student residence. The Government will inject an additional funding of \$3 billion to the Research Endowment Fund for application by self-financing

tertiary institutions on a competitive basis for research. Moreover, institutions offering associate degree courses may apply for the exchange student programme.

President, the Secretary gave an unequivocal response at the Panel on Education that the Government would not consider the humble request of expanding the Matching Grant Scheme to support self-financed institutions to build their campuses as proposed by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). If the Bureau does not admit and respond to the concern on the quality of courses resulted from the polarization in subsidy, how can it convince Members that self-financed tertiary courses are of good quality?

President, I would then talk about the strengthening of the support for special education. To achieve the target of identifying the best and attending to the basics in education, the most pressing need in attending to the basics is to provide early support to students with special education needs. In this Policy Address, the Government proposes supporting students with special education needs by extending the School-based Education Psychology Service, which now covers 55% of schools, to cover all secondary and primary schools in the public sector by 2016.

In this connection, the DAB considers the practice incomprehensive. We urge the authorities to extend the support services for students with special education needs to pre-primary education, for the attributes of students with special education needs can be identified as early as in the kindergarten. Actually, the principle of "early detection and early intervention" has been a consensus in society. If services are provided to pre-school for early diagnosis and early intervention, it will be helpful to them, for the problem can be treated before they enter primary schools so that they will not have to deal with their own problems when they enter primary schools, which may affect their adaptation to the learning life in primary schools.

According to the survey conducted by the DAB, 70% of kindergartens have admitted pre-school children with various types of special education needs. Hence, again, I urge the Government to lower the minimum age of service to three years old and set up a professional service team composing of educational

psychologists, speech therapists and experts for early childhood education, and so on, to support kindergartens in handling children in need.

Now, I will talk about the difficulties faced by middle to low income families under the New Senior Secondary (NSS) academic structure. In the past few years, various measures under the education reform have been implemented in succession. Under the NSS curriculum, it is stressed that students should possess other learning experience. During the three years senior secondary education, students have to participate in not less than 405 hours of activities on external learning experience. The additional expenses incurred by these activities will undoubtedly increase the financial burden of middle to low income families. In view of this, the DAB proposes to the Government to introduce tax allowance for student expenses, so that taxpayers may apply for tax deduction on the expenses incurred by their children in school-based extracurricular activities, textbooks, stationery and school bus. As for grass-roots families, we propose setting up an extracurricular activity allowance for students from grass-roots families, ensuring that these children may participate in all kinds of experiential learning activities without any worry.

Expenses on textbooks pose a heavy burden on middle to low income families. As early as 2008, the Government had set up a team to follow up the issue on textbooks, with a view to formulating a long-term approach to alleviate the financial burden of parents and facilitate learning. The use of electronic textbooks and learning resources has been one of the directions of the study. However, after a few years, there is no apparent trend of downward adjustment in textbook prices, parents still have to pay huge expenses on textbooks, and electronic textbooks are still not very popular. Hence, the DAB urges the authorities to make proactive efforts in examining and preparing for the publication of low-price standardized textbooks, starting with Mathematics and language subjects. I believe that with the introduction of competition, parents will have more choices, and it is hope that the market will make adjustment and hence providing room for price reduction in textbooks.

I will then go to the subject of ethnic minorities students. Their inadequate proficiency in Chinese has exposed them to marginalization in learning and job seeking. There is 0.59% percentage of ethnic minorities students being able to further their studies in tertiary institutions, this percentage

is lower than that of the overall population of Hong Kong. Obviously, if we turn a blind eye to the problem, their chance to move up the social mobility ladder will be close to zero.

As for certain young adults of ethnic minorities, since they may have left secondary schools too early and have not received any vocational training, they can hardly find employment. In this Policy Address, the Chief Executive proposes the setting up of the Youth College to offer career-oriented programmes to young people of ethnic minorities so as to enhance their employment and training opportunities. This is the right direction, yet another concern which the Government often considers is the way to help the ethnic minorities improve their Chinese. I hope that the Government will conduct a comprehensive review on the report issued by the Equal Opportunity Commission earlier and explain to the Legislative Council the details about the way forward of the Bureau.

President, I would then talk about the issue of Liberal Studies. Students are extremely concerned about the marking scheme of Liberal Studies under the Hong Kong Diploma of Secondary Education (HKDSE), for they will only have the chance to enter universities if they attained a Level 2 result. It is learnt that Liberal Studies will adopt the "dual marking system", under which each examination paper will be marked by two markers. Take a 20-mark question in the Liberal Studies paper as an example. If the first marker gives 17 marks and the second marker gives 14 marks, due to the discrepancy of three marks, the examination paper will be passed on to the third marker for assessment. Since the marking of the third marker will have a decisive bearing on the total marks of the examination paper, students worry that it may be unfair to base on the marks of the third marker alone. I have promised students and parents concerning about this issue that I will follow up the issue at the Panel on Education during this term, hoping the Government will perfect the marking system as soon as possible.

Regarding the introduction of the subject Moral and National Education, which aims at reinforcing the national education for students, there are divergent views in society. In June this year, I pointed out at a motion debate on Moral and National Education held in the Legislative Council that the Hong Kong Government's proposal to make Moral and National Education a compulsory subject almost 14 years after the reunification can be regarded as too slow in

coming. The implementation of moral and national education is a due responsibility, and more importantly, necessary for the development of Hong Kong.

The Mainland is in the golden period of 10-year development, there are great prospects and rooms for development, and a large number of talents are needed. If young people want to seize the development opportunities in the Mainland, they have to reinforce their understanding of the policies, economy, history, culture and people's livelihood of the State. As such, I believe any delay in the reinforcement of education work in this respect will only seriously impede the development of young people. Hence, the DAB considers it necessary to introduce the subject on moral and national education in schools to further consolidate national education, so as to enable students to learn about the State in a systematic manner, enhance their knowledge about the State, and foster the sense of belonging and responsibility to the State. However, I hope that the Government will listen to the worries expressed by the education sector on the implementation of the subject on moral and national education, which involves the substantial increase in workload and additional hours of instruction arising from the implementation of the new curriculum. I also hope that the Government will consolidate the relevant courses and step up the overall matching support.

President, next I would like to come to the increasing workload faced by teachers under the NCC academic system. According to a survey conducted by an education organization, 48% of teachers interviewed consider that they are facing great and extremely great pressure, and 54% of them need to work 60 hours a week. Last year, the Government promised in the Policy Agenda that it would "launch a pilot exercise in some public sector schools to strengthen schools' internal administration management and further reduce teachers' administrative work." However, a year has passed, no action has been taken to honour its promise, and teachers are still undertaking a large amount of administrative work. The DAB urges the authorities to implement the measure of "one Executive Officer for one school" as soon as possible to alleviate the administrative workload of teachers in primary and secondary schools.

President, the present Policy Address is the last governance blueprint of Donald TSANG during his term of office. I understand that many of the

aspirations put forth can only be realized by the next Chief Executive, including the increase of subsidy, reduction of class size of secondary schools, provision of full subsidy to pre-primary education, promotion of national education, reinforcement of support for special education, and the alleviation of the work pressure of teachers in primary and secondary schools. The DAB will continue to strive for the implementation of the above measures by the SAR Government, including the new Chief Executive.

President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, education is the cornerstone of a country, for only life can influence life. In this Policy Address, not much has been mentioned on two areas, namely the rights of the middle class and education.

I often have this idea in mind: Is the Government intending to do a favour to the probable Chief Executive candidates by deliberately leaving some issues unaddressed, so that they may make promises on those issues in their election platform. I have been supporting the implementation of 15-year free education since I joined the Legislative Council. I have stated repeatedly at the Panel on Education that from the perspective of education, the education sector in particular, early childhood education is of utmost importance to the learning process of children. Let us look at the situation overseas. In Switzerland or other European countries, teachers with good qualifications are placed in early childhood education, irrespective whether it is free education or not. In the case of Hong Kong, only free early childhood education will truly alleviate the problem of disparity between the rich and the poor and that of intergenerational poverty, because all children can start at the same point fairly. Children in a disadvantaged position, whose potentials may not be as high as the average children, as well as gifted children can receive early subsidy under the comprehensive education system with 15-year free education, so that their strengths can be brought into full play.

Hence, I think it is very important to allocate resources to train teachers who engage in early childhood education. In some countries, even professors are employed to enlighten children with special needs. We may not be able to

achieve this standard in terms of the qualifications of teachers, yet something can be done in resource allocation. Over the years, this issue has been overlooked in Hong Kong, hence early childhood education has been provided by the private sector, just like business deals. As such, during the discussion of the implementation of the education voucher scheme, I had voiced opposition. In my view, early childhood education is part of the whole system. The Government should provide 15-year free education to ensure the provision of a relatively fair starting point for all children, which will be helpful to parents. Additional resources should be invested for enhancing teachers' qualification, so as to attract more people intending to develop their career in the education sector in examining ways to enlighten and nurture children at the starting point, so that these children will not be lagged behind.

The second issue is about associate degrees. Recently, more young people in Hong Kong become cynical. This should be attributed to the imperfect support provided for associate degree graduates since its introduction, for they fail to attain high positions on the one hand and are unwilling to take up junior positions. Worse still, they can neither enter university nor engage in industries requiring professional skills immediately, for they have been studying academic subjects all along. In the Policy Address this year, it is proposed that an international cuisine college will be set up. The Government also mentions attracting talents to join the construction industry. I think this is good, particularly in view of the shortage of skilled workers in the construction industry, where young people can hardly be attracted to join the industry. I think Hong Kong also possesses the condition to establish an international cuisine college, so we should consider implementing a "three track approach".

At present, the 3-3-4 academic structure and the Hong Kong Diploma Secondary Education (HKDSE) system have posed a great impact on secondary schools. I have watched a lot of information received by secondary school students on the Internet, some of which has been made into television drama, stating that it is the end of world when the HKDSE examination is round the corner. The HKDSE examination has a great impact on both junior and senior secondary school students, for they do not quite understand the meaning behind the change but the fact that the entire system has now changed. The introduction of the compulsory subject Liberal Studies is the change directly affecting them to the greatest extent. First, it is about the supportive measure.

Have the authorities deliberated how teachers' qualification, structure and the formulation of curriculum will be incorporated into the overall system in future? At university level, how secondary school students can put into practice the knowledge they have learnt?

Sometimes, it is not because we want to backtrack, but certain diploma courses offered in the past focusing on techniques and practicability, such as industry-related courses, did enable graduates to get a job right after they left school. We have many paralegal staff, that is "legal assistants", who may have been recruited before they graduate, and they may not necessarily have completed an undergraduate course. There are many other subjects falling into this category, such as beauty treatment, construction industry, gourmet cuisine and hair styling. I had once been a judge in a competition, and I learnt that an outstanding entrepreneur started her career from a business related to nail. The entrepreneur used to be a nail stylist. Later, she started studying about nails and learnt nail correction, and she eventually became a very outstanding entrepreneur.

Actually, there is a chance of success in every industry. We must convey this right concept to students, so that they understand that academic subjects may not suit them best. In fact, I think the development in Hong Kong may be similar to that in Europe. In Europe, workers in the plastering, carpentry and painting trades are given due respect. Since a few people join those trades, they are highly respected by society and making good income. As a result, grassroots are willing to join those industries. In Europe, the agricultural industries are very systematic, though Chinese used to think that one should never choose farming as their career. However, in other countries, the industry can open up new development for the industry, such as agricultural physics. What incentive can the Government provides to enable young people not quite suitable for academic subjects to identify courses matching their ability swiftly, so that they can be trained and join the trades to put their learning into practice? In my view, regarding the development of associate degrees, apart from considering the adequacy of university places, the authorities should try to match their needs in this respect?

On the other hand, upon the introduction of the education on liberal studies some time ago, I had mentioned that the concept of liberal studies education was definitely good. In my view, development in education on liberal studies is far

from adequate, for the subject on liberal studies can indeed include moral education, and naturally, certain part of national education. However, they are now divided into two separate subjects, where the subject on Liberal Studies was first introduced as an independent subject a few years ago. Yet, I think the education on liberal studies is neither fish nor fowl now. Students have even been turned into the "I-know-nothing" prototypes due to the discrepancies in teaching and teachers qualification.

Some teachers, who have received formal education on political studies, will treat secondary school students like university students. They will often bring up abstract political topics and discuss politics with their students, yet this practice may introduce students to political thinking at a premature stage. To another extreme, some teachers are performing perfunctorily. I have been told by some secondary school students that if a certain teacher is not suitable for teaching other subjects at school, that teacher will be assigned to teach the subject Liberal Studies. This is worrying. No one knows whether these teachers have any passion about the education on liberal studies. Hence, there may be scenarios of teachers cracking dirty jokes to entertain students in the liking for meaningless jokes. Those teachers may not be suitable for teaching the subject in a formal classroom setting. At the same time, I hope the Government will not say that the outcome will be known a few years later when the guinea pigs leave school, for I consider one year is already too long in such circumstance. Hence, if remedy can be made, we should make every effort to minimize the damage, not even one guinea pig should be sacrificed.

Finally, I would like to say a few words to parents of middle-class families. I hope the Government will establish a system in providing education allowance for children for middle-class families, for more often than not, middle-class families with enormous expenditure do not enjoy any benefit. If we encourage people to give birth and educate children, I hope that the authorities will introduce policies supporting middle-class families in future.

President, I will stop here today. Thank you.

MR VINCENT FANG (in Cantonese): President, in this session, we are to discuss issues relating to education, health services and security. However,

before discussing issues in these areas, I think we must first discuss the population policy, for without a comprehensive set of population policies, the Government can in no way estimate the number of children requiring schooling in three or five years time, nor can it estimate the amount of resource required for the provision of medical care services and the construction of columbarium niches 10 years later; it will also be unable to decide whether Hong Kong should continue to be open to foreign domestic helpers.

In the past 10 years or even before that, Hong Kong had been confronted with problems in education, medical care services, caring for the elderly and burial arrangement of the dead, and so on. In fact, the extremely unclear population policy in Hong Kong had given rise to the unique and bizarre phenomena of an oversupply of primary school teachers, an acute shortage of doctors and healthcare workers, and not having sufficient places for the deceased to rest in peace.

By the same token, due to the unclear population policy, the Government fails to estimate the number of Mainland pregnant women coming to give birth in Hong Kong, leaving no hospital beds for local pregnant women. This has become the laughing stock of the world. Despite the agreed co-ordinated arrangement reached among the Secretary for Food and Health, the Hospital Authority (HA) and all private hospitals in the territory, I believe that healthcare service will remain adequate even with the injection of additional resources into the public healthcare system if the population policy remains unchanged.

Another issue resulted from the unclear population policy is obviously the right of abode of foreign domestic helpers, which falls within the purview of the Secretary for Security.

These are evident that the work plan of the Government as a whole, as well as the allocation of the government budget, is dominated by the population policy. Hence, in my view, the population policy should come before governance plan and form the guiding principle of the Policy Address. The Chief Executive in every term should analyse the population profile of Hong Kong before drawing up the Policy Address. Since this Policy Address is the final policy address of Mr TSANG, the future population policy of Hong Kong will not be his concern, and thus I will not discuss this issue in the policy debate

today. I have already proposed a non-binding motion debate on "Reviewing the Population Policy of Hong Kong" at the Legislative Council. I hope that Members from various political parties and groupings will express their views by then. More so, I hope that persons intending to run in the next Chief Executive Election will listen to the views expressed at the Legislative Council.

In respect of this Policy Address, I would like to talk about in particular the input of the Government on public healthcare services. I have left the HA for many years, but all these years, I am still the Chairman of the Hospital Governing Committee of Kwai Chung Hospital and Princess Margaret Hospital. I always consider the quality of public healthcare service in Hong Kong outstanding, which is well-recognized in the international community. However, in recent years, medical incidents have occurred in succession. We have had repeated discussion about this problem at the Legislative Council, which is mainly attributed to the shortage of manpower. The acute shortage in medical practitioners and nurses has caused healthcare workers to work overtime or undertake several duties at the same time. Even the toughest person cannot endure this under such circumstances. We have put forth a number of suggestions. In addition to the proposal of increasing undergraduate places and training places, as put forth by the two medical practitioners and colleagues from the medical sector, we propose enhancing the promotion opportunities for medical practitioners and nurses in the public sector as a counter measure to the head-hunting spree launched by the private medical sector due to their surge in business. Regrettably, the HA responds to these proposals at a snail's pace.

At present, a number of public hospitals are under construction or expansion, as mentioned in the Policy Address, which include the Tin Shui Wai Hospital under planning, the North Lantau Hospital to be completed next year, the expansion of Tseung Kwan O Hospital to be completed in 2013 and the pediatric medical centre at Kai Tak to be completed in 2016. Moreover, expansion will soon be carried out at the United Christian Hospital, Yan Chai Hospital and Caritas Hospital. Furthermore, the Kwai Chung Hospital will be redeveloped, which I personally hope that it will be realized as soon as possible, so as to cater for the demand for psychiatric services.

Last week, the Secretary announced that two sites for private hospitals would be provided. Has the Bureau estimated the number of medical

practitioners and healthcare workers required upon the completion of the series of works? By then, how many medical practitioners and nurses will we be short of? According to the projection of the HA, by 2026, the number of patients in public hospitals will increase by 35%, but the increase in manpower for medical practitioners will only be 28%, which can in no way catch up with the increase in patients.

In the Policy Address, it is pointed out that for the three years starting from 2012, \$200 million will be allocated to increase the number of first year first degree places in medicine, nursing and allied health professions. This should be the most generous proposal put forth by Mr TSANG since he took office. However, when we do the calculation, we will find out that it is only an increase of 286 places, which can in no way satisfy the existing demand.

Though the Government has increased the recurrent funding for the HA and provided an additional funding of \$2.6 billion, the additional funding is designated for buying and upgrading equipment, I wonder whether there will be adequate manpower to operate the newly procured equipment by then.

Hence, I strongly support the approach of increasing additional healthcare workers by means of population policy. This tactic is widely used in Western countries, particularly for the import of nurses.

Yet, the news in the past few days really made me a bit angry. The Hong Kong Doctors Union (HKDU) said that 91% of its members disagreed that recruitment of overseas doctors would be a solution to the shortage of doctors in public hospitals. The Chairman of the HA, Anthony WU, said earlier that if the decision for hiring overseas doctors was vetoed by the Medical Council of Hong Kong (MCHK), the HA would ask the Government and the Legislative Council to intervene, and that if necessary, the power to assess the licensing of medical practitioners would be put under the Department of Health. However, the Allied Concern Group on the Standard of Medical Services in Hong Kong comprising medical practitioners in the public and private sector in the territory criticized that such remark has violated the Basic Law. The Hong Kong Medical Association has already submitted a letter signed jointly by 777 medical practitioners to the MCHK to stage their opposition to the recruitment of overseas medical practitioners, being exempted from the local licensing examination, to practice

with limited registration in Hong Kong, and request the Chief Executive to dismiss Anthony WU.

I hope we can all handle this issue with a calm and sober mind and put aside our prejudices, for if there is a shortage of medical practitioners, the quality of healthcare service in Hong Kong can hardly be maintained at a satisfactory level.

Though I come from the business sector, I admit that the private and public healthcare sectors are two different systems, where there is no conflict. The private healthcare sector should not expect patients will turn to the private sector for service when the public healthcare sector is overloaded, for this will in indeed lead to "a shortage of medical practitioners" and "the lowering of the quality of healthcare services", as reported in newspapers. The situation at the urology department of the Prince of Wales Hospital is a case in point, where the waiting time for a new case is two and half years. The case in the urology department of Tuen Mun Hospital is even more ridiculous, for the appointment date has already been arranged to 2016.

The Liberal Party and I always support the formulation of a reasonable and comprehensive financing scheme for healthcare services to alleviate the increasing pressure imposed by the ageing population on the public healthcare system, for it is necessary to provide the grassroots with the required quality healthcare services in the public sector. Secretary, though I disagree with you on various issues about the industries, for you have never been in the business sector and do not understand the difficulties faced by the sector, I have to say that, Secretary, you are a good and experienced doctor, and I strongly support you in terms of healthcare policies. I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): The title of this session is "Optimising Our Demographic Structure And Attracting Talents". Certainly, it is righteous to set a good example to others. Today, we are here to monitor whether the Government has done so. The storm started by Donald TSANG at the Questions and Answers Session at the Legislative Council is a matter of political ethics.

The Chief Executive wants to attract talents, however, is the Government striving to attract talents? Is it handing out award and punishment justly? President, you had been a teacher, you had been in a high position of being a school principal; and you had led students to attend the memorial assembly of the 4 June incident. You should know that school education is about setting examples by one's actions. Yet, the Government, despite proclaiming the need to attract talents, acted the other way round by promoting the official with the lowest popularity rating in its cabinet, which had prompted the protests of thousands of people and they stormed the Government Secretariat — I took the lead to storm the Government Secretariat. Is this the Government's way to attract talents? What is it talking about? It should set a good example, right? Donald TSANG knows nothing about attracting talents.

What kind of talents has he attracted? I would like to talk about the two Directors of Bureaux now in this Chamber. One of them is Secretary Dr York CHOW. He is not promoted by Chief Executive Donald TSANG but by the former Chief Executive TUNG Chee-hwa during the implementation of the Accountability System of Principal Officials. Secretary Dr York CHOW is still in office now. I do not know whether he is now idly doing nothing, for Chief Executive Donald TSANG attaches great importance to affinity differentiation. Mr TUNG had made a mistake at the beginning, and he also said that he wanted to attract talents. Back then, Secretary Dr York CHOW had to be responsible for three policy areas. I did query at the time at the Legislative Council how a person could undertake three policy areas. The philosophy of appointment adopted by Mr TUNG was to make one person desperately busy, while another person sitting around idly. Stephen LAM was the one sitting around idly. How could he adopt such a philosophy in appointment?

Now, the number of policy areas which Secretary Dr York CHOW is responsible for has been reduced from three to two, namely areas relating to food and health. Members, we know there are all kinds of medical incidents, the shortage of medical practitioners and the lack of places for pregnant women to give birth, and so on. The system is fraught with problems. When Anthony WU made a fair remark about the situation, he was intimidated by medical practitioners and the Medical Council of Hong Kong (MCHK). Secretary Dr York CHOW had attended the numerous meetings of the Legislative Council to pursue the anti-smoking task, and this important mission had after all been

completed by now. However, has there been any division of labour? Have priorities been set? The mission is successfully completed now. However, the situation is miserable. He has notched up his personal success at the expense of thousands of other issues, causing problems in every area. Today, he is criticized not by me but by the pro-government camp. However, despite giving those criticisms, they do not draw the conclusion according to the logic of their remarks.

"Pandering to the wicked act of the ruler is an act of great iniquity, condoning the wicked act of the ruler is an act of small iniquity." The pro-government camp which has been criticizing the Government today is an apt reflection of "pandering to the wicked act of the ruler". As for the government officials, they are "condoning the wicked act of the ruler" for they are being used by the Government to do the wicked act. It is definitely an act of great iniquity to "pander the wicked act of the ruler". Though the pro-government camp has been blaming the Government every day, they have never cast a vote in opposition to the Government, nor have they ever pointed out unequivocally that they will no longer support the Government if the Government fails to reform.

Members will know what I mean to say by looking at the post title of Secretary Dr York CHOW. He failed to handle food safety issues properly, and consequently people of Hong Kong are worried about food hazards. How will there be an official like this? His performance in handling health and medical care services is unsatisfactory too. He has been focusing solely on the anti-smoking campaign. The campaign is carried out solely to boost the prestige of the Government. Since smokers are in the minority — I am not defending their interest — the Government will certainly be successful in implementing this policy. The Government chooses to implement this policy of achievement and makes all-out effort to combat smoking instead of addressing other issues. How can this be regarded as attracting talents? How can we teach students? How can we teach students to listen to the Government? People say I set a bad example to children. Kids, when you answer the questions in the HKCEE examination, you will answer those you know immediately, and you will not act like them, will you?

The second official is Michael SUEN, who is also in the Chamber now. He is the archetypal puppet. In the former dynasty, during the rule of the British Hong Kong Government led by Chris PATTEN, he was requested to implement the political reform. At that time, he put forth well-articulated arguments to justify the reform and made all-out efforts to support his former master, the only act he had not taken was to sacrifice his life for his master. However, upon the change of the ruling regime, he was instructed to "abolish the two Municipal Councils", and he executed the order in the same manner and abolished the two Municipal Councils. We all know what the situation is now. Since I took part in the District Council election, I visited local districts to take questions from the public and I have been exhausted in responding to their queries. They said, "Mr LEUNG, the Government can do nothing." I said, "It is definitely the case, for in the past, the two former Municipal Councils, returned by election with independent administrative and financial powers, were specifically responsible for recreational and hygienic issues, and their operation was financed by rates payment, but the two former Municipal Councils had been sent to the 'guillotine' by TUNG Chee-hwa for execution."

Back then at the Legislative Council, Michael SUEN made a filibuster — I wonder where all the Members of the pro-government camp have gone, are they gambling on horse racing or doing other things, I really do not know. The President did not rule that he was in contempt for the legislature; whereas for me, I am not allowed to say one irrelevant sentence, while he was allowed to say tones of nonsense — he kept extending his speech till the pro-government camp could return and vote for the dissolution of the two former Municipal Councils. How can he compensate the people of Hong Kong today? He knew clearly that the arrangement was anti-democracy, but he helped the wicked to implement such draconian measures. However, he is at most "condoning the wicked act of the ruler", and those who "pander to the wicked act of the ruler" were the worst of all.

What have those "pandering to the wicked act of the ruler" done? They voted to support the Government's proposal on that day. Michael SUEN would not have been sunk so low if those people had voted against the proposal. However, people in the Chamber were bent on "pandering to the wicked act of the ruler." Now, he is given another task to promote a new policy, for he is the most senior official in the team. When it comes to attracting talents, as I am now talking about, the two officials I mentioned earlier are blatant examples.

Michael SUEN always goes back on his words. When the former Government requested him to pursue democracy, he pursued democracy. When the new Government asked him to adopt dictatorship, he did so. He is truly the archetype of puppets. Since he had been so smart and daring in launching a filibuster, there was no reason that he should not be assigned a more important mission. He was then assigned to take up the housing policy.

Recently, Members "pandering to the wicked act of the ruler" have been calling for the resumption of the construction of Home Ownership Scheme (HOS) flats, stating that Donald TSANG will be killed if he does not listen to them. They fight among themselves to claim credits. Yesterday, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) said that 80% to 90% of the content of the policies were proposed by them. If so, should they also be responsible for the low popularity rating of the Government? All the people in Hong Kong know that Michael SUEN was responsible for implementing the "nine measures" previously. I cannot tell if this was an act of "condoning the wicked act of the ruler" or "pandering the wicked act of the ruler", or that he was actually involved in it. Yet I think he was not involved, for the Government was only using him as a shield.

Michael SUEN had introduced nine measures to salvage the property market, which included reduction in the number of public housing flats constructed, cessation of the HOS. Again, he was regarded as a talent in this respect. Today, the city as a whole is affected by the surge in property prices and rental. The situation has deteriorated further, for not only "caged homes", but "coffin-like compartments" have emerged. The Comprehensive Social Security Assistance (CSSA) payments are insufficient for recipients to rent even a bedspace. The "credit" should go to them again. It is again because the Government has attracted a talent like Michael SUEN. This is not the end of the story. He has been really a shrewd politician in the government. After making a mess in housing, he was transferred. There is a saying that "a new toilet will smell good for the first three days", yet he managed to be transferred before the "toilet stinks". Now, the toilet stinks, but he has already been transferred to another position, to be responsible for education. When he was responsible for housing affairs, he had put forth various measures, including the public rental housing (PRH) rent adjustment mechanism. In the past, it was very difficult to increase the rent of PRH flats according to the Housing Ordinance, for the rent of

PRH flats must be capped at 10% of the median rent-to-income ratio. If the rent exceeds that ratio, a rent reduction must be imposed. He then thought of the idea of "freezing the rent"? What does "freezing the rent" mean? It means stop reviewing the rent. When no review is done, the authorities do not need to state its position, in other words, it can dodge the problem. Should the appointment of this type of official be regarded as attracting talents? What a pity that Donald TSANG has attracted this group of talents? He had blatantly deceived PRH tenants by introducing such arrangement before his transfer.

Alright, I will now come to talk about education, for this area is under his purview now. What masterpiece has he made in education? Dr Priscilla LEUNG has put forth a lot of suggestions in a loud and clear manner earlier, has he ever considered those suggestions? Dr Priscilla LEUNG is obviously a member of the pro-government camp, who would "pander to the wicked act of the ruler". After she has raised the criticism, she just left and did not bother whether the Government will or will not take any actions.

Yet, he dares to say that he will make all-out efforts to serve despite his illness. I really have to ask: What does attracting talents mean? These new talents attracted by the Government are transferred to other Bureaux after doing something bad. Certainly, these two officials do not have to be angry, for Donald TSANG is the culprit, for the matter under discussion is population policy. Population policy is a product of Donald TSANG. Back then, Uncle TUNG did not like him and treated him like an odd-job worker, so he was assigned this task. At that time, he encouraged every couple to have three children. President, have you asked your daughter to have three children? Never ever do so. The children will never be able to afford the mortgage instalment for home purchase. The monthly tuition fee of international schools exceeds \$10,000, and those who cannot afford will have to be "deprived citizens". This was the population policy put forth by Donald TSANG. Does he dare to mention this now? He is blowing his trumpet shamelessly. He has made a mess in population policy. Today, Mr Vincent FANG has made a series of criticism, and nine out of 10 are related to Donald TSANG. However, certain Members who "pander the wicked act of the ruler" only rebuke Donald TSANG behind his back. As I came into the Legislative Council just now, I heard them scolding TUNG Chee-hwa behind his back at the Ante-chamber. The situation is just the same. These people are flattering opportunists. For me, I will

rebuke him face to face. Whenever I see TUNG Chee-hwa, no matter on open or private occasions, I scold him, which is witnessed by all Members from the pro-government camp. This is small-coterie politics. People are not awarded according to their contributions but are promoted to the liking of their boss.

How can Donald TSANG brief the public on the population policy he proposed? I really want him to answer me. He needs not be afraid, for I have already thrown eggs at him and I only owe him a piece of bacon. If he has the breadth of mind, why should he be afraid of doing so? If he attends the debate today, I will ask him whether he will give an explanation. Members can see the inadequacy of our bureaucratic system.

In discussing population policy, education is an indispensable factor. I have asked Secretary Michael SUEN the same question numerous times. Last time, when I reprimanded him with seemingly foul language, I asked him why our expenditure on education accounted for such a small percentage in GDP. He said that according to the total expenditure of the Budget, the percentage of expenditure on education in Hong Kong was comparable to the percentage overseas. At that time, I asked him and all the others — today only several officials are present, but on that day, a lot of government officials as well as their assistants were present — I did ask them this question, "Honourable officials, which of your children are studying in local secondary schools?" I recalled that no one had put up their hands. No, there might be one or two hands, but not from government officials, they were from their assistants. Perhaps the officials did not bother to put their hands up, am I right? My question is straightforward. Actually, the education policy in Hong Kong is a complete failure, affecting early childhood education to university education. We may draw a comparison with Singapore in terms of expenditure on education. In the case of university education, we are only spending one dollar while Singapore is spending two. Do officials feel ashamed about this? In this solemn Chamber, for the sake of establishing the prestige of the Government, TUNG Chee-hwa said that Hong Kong should follow Singapore by enabling 60% of persons of the right age to study in universities. He said that this target must be achieved, yet only 18% of them are now studying in subsidized universities. What about the remaining 42%? As mentioned by Dr Priscilla LEUNG, they have to first take the associate degree courses or study in vocational training schools before they are

eligible to admission to universities, and the process is tiring and full of difficulties.

What gibberish is the ruling authority talking? Why does it want to keep the enormous sum of money? What does it want to do with the \$1,200 billion? What population policy are you referring to? What is the definition of education? It takes 10 years to grow trees but it takes a hundred to educate a man. Be smart! What have you done? Alright, you have changed the three-year university education to the four-year mode and introduced education on liberal studies, am I right? Stop all these measures. When you have developed a brain tumor, it is useless to just treat the Athlete's foot. It ends up in failure even in education. I have to ask them, based on what logic do they think it is acceptable the expenditure on education takes up a low percentage of our GDP? The answer is simple: They do not want to levy tax. Without levying taxes, the percentage will naturally be low. More so, you are keeping the \$1,200 billion as your private personal savings.

Finally, I will talk about medical care services. The authorities have set aside \$50 billion as funds for supporting the Health Protection Scheme. Two years have lapsed, what have been done with the \$50 billion? The elderly are only provided with tooth removal service but not denture-fixing and scaling services. You will grow old, will you? Why do the authorities not use that sum of money? Why does it have to put aside the \$50 billion? Why tell us that you will not give us the \$50 billion if we do not accept your proposal? Are you blackmailing us, like the kidnapper CHEUNG Tze-keung? What kind of persons are you? How can you take no actions to help the dying? Here, in this Chamber, I have rebuked Secretary Matthew CHEUNG with seemingly foul words. I said that there were only 1 000-odd residential care places for the elderly each year, so the elderly could hardly get a place. I asked him how the situation could be improved. He only stated that it was a "long-established" arrangement, which is "行之有效" in Chinese. Does he know the meaning of this Chinese idiom? Will he please go back to school and study more. It means "time-honoured and effective". What kind of population policy is this? The elderly are left unattended, either dying or falling ill, but the authorities refuse to use the \$50 billion to render help. When he is requested to set up the universal retirement protection scheme, which is only talking about the \$50 billion, he gives a lecture on the three pillars. Let us look at one of the

pillars, the Mandatory Provident Fund (MPF) Scheme. Will he ask his subordinates how much loss has been incurred? As for personal saving, we have been under their governance for more than a decade, who will be able to have savings? Concerning the CSSA, the authorities refuse to abolish the "bad son statement", so to speak. Had we not thrown bananas at him, the elderly might still have to ask their children to sign the "bad son statement" to be eligible for the application of the "fruit grant". The DAB is shameless to say that What kind of policy are they talking about? What kind of population policy is this? They have done nothing in areas from inadequate hospital places for newborns to the death of the elderly. Why do they have to keep the \$1,200 billion? Does the money belong to them? In our view, \$50 billion will be adequate for reforming the MPF system. Today, in a debate held at one district, the DAB criticized us for having "no proposal". How dare they give such a remark? Why will there be a political party like this? We have stated our views, but they do nothing though they have \$50 billion. There is a rich man who has \$1.2 million, and his father asks him to give him \$5,000 for taking out life insurance and medical insurance, so that he does not have to bother his son anymore. Do you think the rich man will give the money to his father? He definitely will. Why should he keep the \$1.2 million? Yet, the authorities say that President, examples of these are non-exhaustive, am I right?

Another issue is about foreign domestic helpers, since Members have mentioned this issue, I have to say something as well. The Basic Law was enacted by the Basic Law Drafting Committee appointed by the Communist Party of China, the present legislation was enacted by the Provisional Legislative Council, and the highest judge is appointed by the Government. It is under your designed system that you lose the lawsuit, why shift the blame to others? Someone asked me: "Long Hair, do you agree that foreign domestic helpers should be given the right of abode?" I said that at least the authorities should not discriminate against them, for the issue should be attributed to the loopholes in the ordinance enacted by those in the Provisional Legislative Council who "pandered to the wicked act of the ruler", where no remedies have been made over a decade or so. Donald TSANG said that changes had been made, for the Executive Order issued by him was law. The Interception of Communications and Surveillance Ordinance is a case in point. When I applied for judicial review on the ordinance, he immediately put forth the amendments. Will they make the change? They rely only on the support of those rubber stamps to

secure enough votes, am I right? Who are they going to lay the blame on? Is it the Civic Party or me? Do you think you can discriminate against other people? Do you dare to discriminate against foreigners?

President, I am wandering off the subject. I will say no more. However, I have to tell you all, concerning what you have done and what I have said today, you may refute if you dare, and if you prove that I am wrong, I will give you words of praise. I still have time to speak.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9 am tomorrow.

Suspended accordingly at four minutes past Nine o'clock.