

# **OFFICIAL RECORD OF PROCEEDINGS**

**Thursday, 29 October 2009**

**The Council continued to meet at Nine o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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 LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

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

THE HONOURABLE CHAN HAK-KAN

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

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

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

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

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

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

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

**MEMBERS ABSENT:**

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

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

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

DR THE HONOURABLE LEUNG KA-LAU

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE HENRY TANG YING-YEN, G.B.M., G.B.S., J.P.  
THE CHIEF SECRETARY FOR ADMINISTRATION

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

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

THE HONOURABLE STEPHEN LAM SUI-LUNG, G.B.S., J.P.  
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE AMBROSE LEE SIU-KWONG, G.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, J.P.  
SECRETARY FOR HOME AFFAIRS

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

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

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

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

THE HONOURABLE MRS RITA LAU NG WAI-LAN, J.P.  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

MR GREGORY SO KAM-LEUNG, J.P.  
UNDER SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

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

## **CLERKS IN ATTENDANCE:**

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS VIVIAN KAM NG LAI-MAN, 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 of the Motion of Thanks. Does any Member wish to speak?

## **MEMBERS' MOTIONS**

### **MOTION OF THANKS**

#### **Continuation of debate on motion which was moved on 28 October 2009**

**MR ALAN LEONG** (in Cantonese): President, good morning. One of the foci of our discussion in this session is of course economic development. What do good economic conditions refer to? President, it is not simply about elevating the Gross Domestic Product. The most important thing is to enable members of the public to lead a better life and upgrade their standard of living. However, a review of this policy address has revealed a complete absence of far-sighted views in this regard. Even the six industries, highlighted therein, are distant water that cannot put out a nearby fire, and they are hollow and devoid of any substance. For these reasons, this policy address has inevitably left a very bad impression on the public.

President, people's livelihood is a good indicator of the economic situation. In Hong Kong, high land price is the most critical factor affecting people's livelihood. The public may not be aware or able to feel that our daily living is actually under the impact of the high land-price policy. In order to make mortgage repayments, we may have to sacrifice the time for sleeping, listening to music, bringing our creativity into play or getting together with our family members. In fact, this policy affects every aspect of the living of the Hong Kong public.

The effective implementation of the high land-price policy will enable sufficient revenue to be channelled to the public coffers and other taxes to be reduced, so taxpayers are actually paying an indirect tax instead of direct tax. This can be a possible situation and the existence of this high land-price policy can on this count be justified. However, when making an observation of the development in recent years, President, Members may only notice that property developers have been able to reap colossal profits, but not much revenue has been generated for the public coffers. Figures indicate that over the past 20 months,

property developers have not triggered any land for auction, apart from two tiny lots.

Another point is about flats with "inflated" saleable area. President, I recently supported an organization known as Green Sense in conducting a study on flats with "inflated" saleable area. The findings of the study are pretty shocking. Having reviewed the sales brochures, the Buildings Department's Monthly Digests and plans of the new housing estates completed in 2001 and thereafter, we found that insofar as the 302 property development projects are concerned, the gross floor area exemption granted for such facilities as environmentally-friendly balconies, utility platforms, precast segments or extended lift lobbies, stands at 10 million sq ft and that means the "inflation rate" is almost 5% on average. The exempted gross floor area could actually be translated into \$53.5 billion at the market price back then. In other words, the public coffers suffered a revenue loss of \$53.5 billion.

Recently, President, we have certainly noted that the 44th floor of a residential building was designated as the 88th floor. We have urged the Government over all these years to legislate on regulating the method of calculating the saleable area of flats. If a flat to be purchased measures 1 300 sq ft, how can it be 1 300 sq ft in name only and measures 750 sq ft in actuality? There has been no progress at all in this regard. Perhaps the Government has also sensed something inappropriate as well since the implementation of this high land-price policy has resulted in such a situation, so it has rallied the property developers and reprimanded them. However, it is suggested that the Government's move only amounts to verbal coercion. Nevertheless, President, in the long run, if our Government is far-sighted, it may really have to consider whether or not it is now time to conduct a review, given the failure of the high land-price policy to operate according to its original intention and its great impact on members of the public in lowering their standard of living. I certainly understand that conducting a review of the high land-price policy is not a simple task. The Government has to consider which industrial structure can make up for the loss of revenue suffered by the public coffers in the absence of this policy. Or, regarding those members of the public who own properties, the Government has to think about how it can achieve a soft landing for the value of their properties. Although a host of problems definitely remains to be solved, the situation is definitely unlike that painted by the Chief Executive, who said that it was not difficult to achieve home ownership because flats for

first-time home buyers were readily available. Such a remark represents a deviation from public sentiments and sounds a bit mean.

President, apart from reviewing the high land-price policy in the long run, the nearby fire certainly must be extinguished. According to my analysis, the current prices of flats have gone beyond the affordability of the Hong Kong public basically for two reasons. The first reason relates to land supply and the second pertains to the fundamental failure of developers to exercise self-discipline. They want to reap even the last cent of profit. Regarding land supply, the Government can actually make some efforts. If the Chief Executive can conduct a land sales exercise in the near future, I believe it will be helpful to his popularity. As for whether the Government will conduct land sales exercises on a regular or irregular basis, I personally support the establishment of a system for land sales rather than having only the Application List system in place, so that developers, particularly those of a small or medium scale, can gain entry to the playing field for development.

As regards the failure of developers to exercise self-discipline, this Council has actually followed up this issue for a long period of time. However, I wonder why we have refused to enact laws to regulate this situation, thereby resolving the problem of "shrunk flats" or cases in which the panoramic sea view of a flat purchased by a member of the public now is replaced by the view of the washroom of someone's flat after five years. Of course, the public, having a better idea, will give a fair judgment on the reasons for the Government's delay in legislating on this. Nevertheless, when it comes to attending to the most pressing needs, I certainly believe that apart from land sales, it is also imperative to ensure by way of legislation that members of the public making investment with the savings of their entire life can get a fair deal, so that they will not suffer any loss in terms of property prices because of developers' verbal coercion and the so-called intended prices.

President, another issue is resuming the construction of Home Ownership Scheme (HOS) flats. From the present figure alone we can see that some 82 000 families eligible for purchasing HOS flats are waiting. In fact, they are eligible for so doing. That said, President, there are only 4 000 surplus HOS flats. Assuming that all these flats are sold, there still remains 78 000 families that are neither eligible for public rental housing (PRH) nor capable of purchasing private housing flats. So, what can they do? I really have to call upon the Government to seriously consider the construction of HOS flats.



When reading a newspaper today, I noticed an original suggestion made therein. It says if the Government wishes to pre-empt the competition for profits between HOS flats and flats developed by private developers, the Government can stipulate that buyers of the former are not entitled to the profits generated by the appreciation of their flats in the future. For example, when a member of the public, having resided in his HOS flat for a long period of time, has saved sufficient money to purchase a flat in the private market, he is required to sell his HOS flat to the Housing Department at the original price. This suggestion is certainly worthy of examination. However, President, in any event, if the Government just sits back, remains unmoved and takes no action, this is not an option.

Finally, I wish to speak on the problems relating to The Link in the remaining time. President, in fact, since the listing of The Link REIT, severe damages have indeed been caused to the living of tenants in PRH flats and small shop tenants originally running their businesses in public housing shopping arcades. The Government has always remarked that The Link REIT is a listed company adopting a private and commercial mode of operation and for that reason, intervention is undesirable. President, this remark is actually erroneous because section 4 of the Housing Ordinance stipulates clearly that the duty of the Housing Authority and the Housing Department is to ensure the provision of facilities to tenants of PRH flats.

If The Link continues to adopt this mode of operation and drive away all the doctors practising in public housing estates, coupled with the fact that local residents who used to eat a bowl of porridge costing \$15 have to patronize fast-food chains and spend \$26 on a meal now, all these instances taken together may actually land the Government in contravention of section 4 of the Housing Ordinance. Therefore, I take this opportunity to call upon the authorities not to turn a blind eye to the problems relating to The Link. The best approach is to establish a permanent mechanism for regular communication with The Link, thereby avoiding the possibility of the authorities being adjudged to be in contravention of the law someday.

President, I so submit.

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

**MR PAUL CHAN** (in Cantonese): Good morning, Honourable colleagues. President, after the Chief Executive had delivered his policy address, I said during a press conference that the policy address lacked both vision and depth and it failed to demonstrate a philosophy of governing Hong Kong in a concise manner. With respect to the new challenges facing Hong Kong, the policy address does not have a good grasp and analysis of the change in the role played by Hong Kong as a result of rapid economic development on the Mainland. The policy address evades the challenges brought about by the internal administration of Hong Kong and it does not show a concern about the disparity between the rich and the poor in Hong Kong society. However, with respect to the relevant parts, I will talk about them in the sessions later on.

This morning, I will focus on a number of issues related to the economy. Many Honourable colleagues have mentioned property prices and it goes without saying that Members are very concerned about the issue. After the delivery of the policy address, many people from our sector do not show a keen interest in the discussions on the policy address, and that applies especially to the young people. But once mention is made of property prices, my e-mail box is full of e-mails from them. Many young people have a lot to say about property prices and the effect of property prices on their life. They are professionals, but after working in the field for some years and very hard, they cannot find a suitable first home to buy. That is why they are very disappointed. Recently, there have been discussions on the construction of HOS flats and in this regard, I think we must act with prudence and we should not commit ourselves in this matter because of some fleeting scenarios we may see and come to the conclusion that the production of HOS flats should resume and start to talk about the number of HOS flats that should be produced. Just where does land of the Housing Authority (HA) come from? It comes from the Government and if the HA uses the land allocated to it by the Government and build HOS flats, this may affect the production of PRH flats. It will also extend the waiting time for those applicants on the Waiting List for PRH. If land is used to produce HOS flats, will this affect the production of PRH flats? Would this cause any adverse impact on the housing problem of the grassroots which should be solved? This is something we should ponder seriously over.

On the other hand, if the Government sets aside more land for the HA to build HOS flats, it would mean competition for the use of precious land resources. And so we must really act with prudence. There are many people

who save up very hard in order to buy a flat and in many such cases, they are only able to buy flats with a very small area. Initially, the market for HOS flats may not be substantial, but we should not overlook the supply of small- and medium-size flats on those members of the public who have bought a flat in the private sector market. We are very worried about the effects of a high land-price policy, and we should pay attention to and deal with it. But on the other hand, we must be very careful, for if we fail to handle the matter properly, adverse impacts will be produced on the property market. This will not only affect the life of Hong Kong people — for many of them have put the bulk of their lifetime savings in a flat — and it will also affect other aspects of our society. So we must be very careful about it.

I think that in this regard, the Government should make consideration afresh. I hope that the Financial Secretary can give us more information in his budget on how this problem should be handled. In some foreign countries such as the United States and Britain, they would give some financial assistance to those eligible first-time home buyers. In Hong Kong, we used to have the Home Starter Loan Scheme. We also give a tax deduction on part of the mortgage loan interest for owner-occupied properties. But in the United States, there is no time limit on mortgage loan interest deduction. I therefore think that the Government should conduct a review of the situation in a down to earth manner. It should also carry out some sound studies and come up with good ideas to dispel our worries in this regard.

President, the second point I wish to make relates to the six industries and the four traditional pillar industries mentioned in the policy address. Among the four traditional pillar industries, the financial services industry is the most talked about industry because of competition from Shanghai. The policy address also says that this is not a zero-sum game because there can be some synergy, partnership and collaboration with Shanghai, and there has been much discussed in the community. However, I think that the policy address has only mentioned a zero-sum game, without giving a detailed analysis and elaborating on how we can benefit in actual terms under such circumstances or how a bigger pie, so to speak, can be baked. The policy address has been silent on all this. Views expressed in the discussions in the community are that we should develop our bond market, strive to become an offshore Renminbi clearing centre and develop offshore Renminbi business. We should urge the stock exchange to introduce more new products and put in more efforts on product innovation. But is all this

enough? Hong Kong people know very well that given the size of our economy and relying on Hong Kong alone, there can be no hope for us to become an international financial centre. The latest figures show that there are some 400 Mainland companies listed in Hong Kong and the market value of these companies takes up 60% of the market value of all companies listed in the Stock Exchange of Hong Kong. In terms of transaction volume, more than 70% of the daily turnover is attributable to Mainland companies. So in this respect, when there are changes in Mainland policies, put it bluntly, this could spell disaster for us. Apart from adjusting our economic and business tactics, I think that we have also to overcome a big hurdle in politics. I hope very much that when the Financial Secretary responds later, he can talk more on that and so give citizens a better and fuller understanding of the problem, such that confidence can be instilled in them.

With respect to the six industries, I said sometime ago that it is not enough if we just rely on some complementary efforts in land policy, such as revitalizing the industrial buildings. This is far from being enough. I think the Government is duty-bound to give a detailed account on the outlook and blueprint of the development of these six industries, as well as some specific steps related to that.

Take the testing and certification industry as an example. If we are only talking about testing and certification, their added value may not be very high. Things like entry barrier will have to be set up and the cost of founding this industry should not be very high. Then what are our competitive edges? What are things which neighbouring places like Guangdong and Shenzhen, or other places are unable to do while Hong Kong can? I believe our greatest advantage is the trust of other people in our products. This is their confidence in us. If certain products are certified in Hong Kong and product quality is proved to be good after testing, then other people will trust it. Therefore, I think that when we try to develop the testing and certification industry, we should aim at that. If we can think along that line, the scope of development will not be stretched too far. Though we have a certain foundation in that industry, we have to focus on certain segments of it.

When developing the testing and certification industry, we may have an edge in Chinese medicine. Because it is an area in which foreigners are totally ignorant and in which the quality of some products from the Mainland is such that

no one would trust them or dare to trust them. With respect to food safety, I do not think I need to go into the details. This is an area which we would frown upon whenever mention is made of it. This also explains why mainlanders come here to buy infant formulas and diapers. I think if we are to develop the testing and certification industry, we have to focus on certain trades. Moreover, we should not confine our efforts to testing and certification but, rather, we should set the standards. With the reputation Hong Kong now enjoys, if standards are set, products sent here by the manufacturers for testing would have to be tested according to our standards. After the testing, the product concerned will be given a certificate and that will enable it to be sold in the international market. This is because people would believe in the quality of that product. I think there is little discussion of that in the policy address from that angle. I hope the newly established Testing and Certification Council would pay attention to that and I hope that there can be more thoughts and discussions on the outlook, blueprint and strategies of that industry before the related measures are rolled out. This would prevent wasted efforts in promotion when the target is not clear.

President, there is another point I wish to make and it is also related to the six industries. I read a financial commentary made by a bank lately. It was brief and it mentioned the policy address. The gist of it is that it is not enough to rely only on the provision of land to develop new industries. It may not work to rely only on the private sector market because the private sector market may not have enough confidence in a new industry. It may not want to invest in it if it thinks that the risk is too high. If the private sector does not want to make investments, I would very much hope that the Government can make some vigorous efforts of guidance. The article cited a couple of examples well-known to Hong Kong people. We should sit back and think carefully about what lessons we can learn or experience we can gain from them. So if people do not have much confidence in new industries as these and think that the risk of starting a business is high, then the Government should offer help and guidance or even inject some public resources for that purpose.

Twenty years ago Taiwan wanted to develop the electronics industry and build a science park in Hsin Chu. I think Members are well-acquainted with that. This applies especially to officials in charge of finance and economic affairs. Why can Taiwan become the Silicon Valley of the East? Why is the science park in Taiwan so successful? Some of the electronics companies from Taiwan are world leaders in the production of certain electronic products. Their

importance is such that when an earthquake struck Taiwan a few years ago, the share prices of certain electronics companies in the United States also felt the trauma for fear of a disruption of supply. The Taiwanese Government has put in not only land but also much manpower and capital. It is important to note that the input of these resources does not yield results in two or three years. We can see that the case of the Hsin Chu science park in Taiwan shows that it is the result of sustained efforts made over time in an orderly and disciplined manner, hence accounting for its success.

In the report, reference is also made to our neighbour, Singapore, and that is related to the environmental industries and innovation and technology. The report says that the Hong Kong Government injects \$5 billion into the Innovation and Technology Fund. But the Research and Development Trust Fund of Singapore also has a funding of \$5 billion, but in Singaporean dollars. Apart from this fund, there is also the sum of \$7.5 in Singaporean dollars for the national technology blueprint. In 2000, Singapore decided to make biomedicine its strategic industry and allocated \$1.2 billion in Singaporean dollars to setting up a specific development fund and building a biomedicine park to attract international pharmaceutical companies and talents. When Singapore launched that industry in 2000, the industry's contribution to the country's GDP was almost zero. But the value of that industry reached \$19 billion in Singaporean dollars last year while creating some 12 000 jobs.

Actually, I have cited the examples just now in the hope that when the Government develops some new industries ..... Of course, as people of Hong Kong, we feel that it is a good thing if the Government can first devise plans and make analyses in the course of developing our economy, and then, after gaining a fuller understanding of the industries with clear advantages, promote the same. I hope that the Government can consider things in greater depth and detail and make things more specific. When charting the course of Hong Kong's overall development, the Government should paint a clearer picture of the outlook. Lastly, I would like to add that even if the economy may fare well, it does not mean that all Hong Kong people will stand to benefit. So while efforts are made to promote economic development, it is also the duty of the Government to seriously address the problem of the disparity between the rich and the poor.

Thank you, President.

**MR ANDREW CHENG** (in Cantonese): President, I will speak on transport issues on behalf of the Democratic Party. However, before I speak on them, I wish to make several points on a number of issues covered in today's session, such as housing affairs, information and broadcasting affairs and in particular, the problem of lifts.

President, starting from the debate yesterday, there has been special mention of the Government's land policy and housing policy. With respect to this, we think that so many years have passed since the reunification and especially after the emergence of the problem with housing target of 85 000 units, the housing policy of the Government seems to be under the magic spell of this number of 85 000 and it may even be said to be a curse. Whenever the number of 85 000 is mentioned, everyone would get scared and pray that no more meddling should be made with housing policies. For if not, land prices would fall and it is crucial for the economy of Hong Kong that the property market would remain stable.

President, I will not stress the point of how our Chief Executive is returned, because I do not want to waste time on talking about the powers of the Chief Executive, the number of consortia and developers in the Election Committee and how these work to make the Chief Executive uphold the interests of these people when he is to weigh between public interest and the interests of the business sector, especially those of the giant consortia and developers. I do not wish to mention these now because once I talk about them, Members will think that the democratic camp will start talking about universal suffrage and it might as well talk more about people's livelihood. Fine, I will talk about people's livelihood.

President, at this very stage, there is a strong public demand for the production of HOS flats. But the policy address has not decisively dealt with this issue. I think the Chief Executive or the Government is in a state of the so-called "一朝被蛇咬" (once bitten), "十年驚怕繩" (twice shy). So when mention is made of the figure 85 000, he dare not make any move. President, actually I only recall the first part of that saying, that is, "一朝被蛇咬" (once bitten). So this morning I asked a teacher of Chinese language about the second part of the saying and it turned out that it should be: "十年怕井繩", meaning fearing even the sight of a length of rope in a well.

Now the people of Hong Kong and the modern people will not get water from a well. But just think, wells are a source of water. When people of ancient times saw a rope in the well, they would be very afraid and think that they might have seen a snake. I think the people of Hong Kong now have similar conflicts in their mind. Some people from the middle class are holding some ..... they may be living in flats of their own. They think, "Now the Government is talking about 85 000 again". But when they think about the possibility that their children may not be able to buy a flat after graduation from university, they are saying that the Government should do something. Because of such a conflict, the Chief Executive and the Government should do something bold and decisive and see how our Application List system and high land-price policy can help our university graduates buy an affordable HOS flat. I think that it is not that difficult to strike a balance between these considerations.

So I hope that the Chief Executive can be bold and decisive. When property prices are running out of control, he must never think that luxury flats will not affect the prices of small- and medium-sized flats in the remote areas of the New Territories. This is because when people from the middle class or above want to sell their flats and buy another one, they are aiming at those luxury flats at the Mid-levels. But now they cannot afford such flats and so they will go farther away from the town centre to the New Territories and buy those low-rise luxury properties. So in this way, the prices of low-rise luxury properties in the New Territories will naturally influence the prices of low- and medium-priced flats in the New Territories. This is a question of demand and supply in land development and housing policy in the simplest terms. Therefore, it is not correct for the Chief Executive to say when he came to the Legislative Council last time that luxury flats would not affect small and medium-sized flats.

President, I wish to talk about the topics of freedom of the press and information technology. This is because over the last few days, we were saying that the Chief Executive was agitated. He was agitated because he thought that there was something wrong with the media and they were sowing discord without proof. I do not want to see that the Chief Executive, as the head of the SAR, can find himself so easily in a position to confront the media in a hostile manner. As we all know, often times the media are both a subject of love and hatred for those in politics. They love the media because a government depends on the media to publicize its policies. They are unhappy with the media because the media



always pursue things to the utmost and as a result, even trivial things would land a government in a most difficult and embarrassing situation.

However, as the saying goes, those who eat salted fish should be prepared to withstand the resultant thirst. Those in politics, especially those with powers like the Chief Executive, Directors of Bureaux and public officers — President, these of course include Members who get the votes — should all bear the thirst after eating the salted fish, so to speak. They should know the rules of the game. Of course, we hope that the media will have evidence to substantiate their reports, but when the media are regarded as the voice of the people and they act on behalf of the people to oversee those in power and see if they have done anything wrong, nothing can be done about it. This is also a rule to observe.

Hence I hope that when the Chief Executive is agitated, this will not affect in any way the freedom of the press which is already losing its lustre. In the Question and Answer Session I had asked the Chief Executive, "If 'one country, two systems' is to highlight the fact that there is freedom of the press in the SAR Government, then we should defend and respect the freedoms of the press and information in an upright manner and neither should we be haughty or servile about them."

President, about lifts, although the Secretary for Development is unable to attend the meeting for the moment, the spate of incidents involving lifts that took place from October 2008 to early 2009 has made us really feel very worried. First, we know that after the Electrical and Mechanical Services Department (EMSD) and the Development Bureau had learnt about these incidents, they put forward many improvement measures, saying that more inspections would be conducted and the records of disciplinary action would be made public, and so on. But after The Ombudsman has submitted a report on that, I got very worried. It is because after an investigation by The Ombudsman, we find that the measures launched by the Development Bureau and the EMSD are not sufficient. Those measures lack clarity about the maintenance standards and time with respect to the inspection of lifts and the submission of safety certificates. There is no keeping of records on important information and statistical data. In the absence of statistics and information, how can we expect people to learn from the mistakes and lessons in history?

Second, when the EMSD follows up overdue cases, at times a reminder notice would be issued more than seven weeks afterwards. This exceeds the

statutory time limit by more than 40%. Third, about delays in the submission of safety certificates, it is not clear who should be responsible for taking action to check and pursue and no time limit is set for it. Fourth, when consideration is given to disciplinary action, warning letters may be mistakenly sent out or even not sent out at all when the engineer in question fails to report to his superiors the results of a second inspection and it may be due to system failures of the computer. All these are measures which the Development Bureau and the relevant department said they would adopt when their officials came to this Council and gave an explanation. But The Ombudsman states that these measures have not been put into practice.

President, we are worried that this is a situation of bureaucrats losing their control of things. Specifically, this is a situation of technocrats losing their control of things. With respect to these problems, the follow-up work on paper is beautifully written and said, but the work being done makes us see that the crux of the problems is not addressed. So I hope the Government will realize that the problem of safety of lifts must never be overlooked because all the people of Hong Kong take lifts every day. Hence the safety problem cannot be overlooked.

President, with respect to transport, there are a few points I wish to discuss with the Secretary. The first is of course the issue of safety of professional drivers. President, the problem of population ageing is seen also in this Council and it appears in every trade. Drivers by profession also experience this problem. But the problem of ageing among professional drivers makes us feel worried. If they do not have a habit of undergoing physical check-ups or if they are prevented by the lack of time owing to their work to undergo physical check-ups or if they do not want to do that in order to save money, their behaviour or their driving behaviour will affect road safety. From November last year to now, there have been 13 traffic accidents involving sudden attacks of diseases when professional drivers are driving. Half of these cases involved taxi drivers. Since July, there have been five cases of taxi drivers falling unconscious when working. Of these, three cases were fatal. In 28 October, that is, yesterday, there was an accident in which a minibus driver suddenly died at work. The cause of death is suspected to be some disease. In view of this, I urge the Secretary to legislate to require professional drivers to submit a physical check-up report to the Transport Department when they apply for licence renewal or to require them to submit such a report issued by a recognized body after a certain period of time, say, three years or five years. The measure is good for

both the drivers themselves and other people. I trust this is helpful to the health of any wage earner, especially professional drivers, and even to road safety.

President, now I will talk about safety when driving in reverse gear. President, we may notice that news coverage in Hong Kong is rather strange. A few years ago, on the news about driving in reverse gear, there was a sudden breaking of such kind of news during the time from 2006 to 2008, especially in 2006 when accidents caused by driving in reverse gear took place a number of times in the span of a couple of weeks or so. And some people were knocked down and killed. I have said here many times, and people sitting here with a driving licence would also know that it is more dangerous when driving in reverse gear than in forward gear. This is because we often think that there is no pedestrian at the back and those who walk past at the back would have no idea that the car can be so fast when it is running in reverse gear. So when the driver is driving in reverse gear, the pedestrians will be knocked down and this often causes death. The elderly are slow in movement and when they are knocked down by cars running in reverse gear, they may lose their lives. President, as a member responsible for transport affairs, I once moved a private Member's Bill in 2006 on driving in reverse gear. But as Members all know, it is now extremely difficult to propose a private Member's Bill. I have to gain the written consent of the Chief Executive before this can be proposed. So I have waited and waited, in the hope that the Secretary could introduce a law on driving in reverse gear and that there would not be any more delay. We do not want to see accidents happen one after another. So with respect to the issue of driving in reverse gear, I hope in the next couple of years, or even before the end of this term, a law on driving in reverse gear can be passed in order to ensure that all parties are safe.

President, I will now turn to the question of platform screen doors. This is an issue which makes this Council feel most indignant. If Members have kept an interest in the news, they should know that five or six years ago, if someone fell onto the tracks next to the platform, regardless of the cause was suicide or being pushed by other people, the news report would take up at least a quarter of a page in the newspaper or even half of a page. The headlines would be on the fact that another accident had happened. President, but recently, you may have overlooked such news because there are far too many news stories around, such as the KAM Nai-wai affair, the compact fluorescent lamp incident, or Donald TSANG's brother buying ..... Such news stories have overshadowed another type of news stories which I think is heartbreaking. President, we have looked

up the information, and found that over the past one and a half years, there were 30 accidents of people falling onto the railway tracks and 13 people were killed. President, this is only a matter of one and a half years and more than 10 people were wounded. If my memory is correct, there has been one such case every week over the past two weeks. One is in Sha Tin and the other is Fan Ling. One is about an elderly person and the other is about a middle-aged man in his fifties. They fell onto the tracks and got killed.

I therefore think that the Secretary cannot afford to wait anymore. This is because a total of 13 people were killed during a period of one and a half years, that is, 18 months. Just imagine, we are all humans and life is precious and we can just not say that the East Rail, the Ma On Shan Spur Line and eight MTR stations are not fitted with platform screen doors because of technical issues, problems with the automatic gap fillers, the bends in the platforms, and so on. President, I do not want to say more on this because of the limited time I have. I have said many times, and I hope the Secretary can understand that the East Rail must not be allowed to put up all kinds of technical reasons to delay the installation of platform screen doors. It must not delay anymore and draw up a timetable at the soonest.

President, the last issue I would like to talk about is the streaming of the cross-harbour tunnels. I think that this problem is a big headache to the Secretary, too. I know it very well, but the situation in the cross-harbour tunnels is such that we cannot afford to wait anymore. There is not much social cost for this. Hong Kong people lead a life in a brisk pace and a lot of their time is lost due to traffic congestion in the cross-harbour tunnels. Time is money. We have raised many suggestions before and we think that possible solutions are buying back the tunnels, extending the franchise, using shares to replace tax, and so on. Discussions on these proposals should be conducted in this Council as soon as possible. The biggest question now is that if the following options are adopted, that is, using shares to replace tax, extending the franchise and reducing the tolls payable at the Western Harbour Crossing and the Eastern Harbour Crossing, would this lead to an increase of tunnel tolls charged by the Cross Harbour Tunnel in Hung Hom? The question can be discussed. When it is said that if the tolls of the Cross Harbour Tunnel in Hung Hom are raised by one or two dollars, in exchange for a reduction of the tunnel tolls in the Western Harbour Crossing and the Eastern Harbour Crossing by five to six dollars or even more and that the traffic flows in the three tunnels would be made more even, I would think that this idea can be discussed. The only thing is that the

Government should put forward some proposals. So President, I hope the Secretary can act on this issue. I can see the Secretary wearing a smile on her face. She has confidence in that. I hope that we can have some proposals by the end of this year. In respect of issues like driving in reverse gear, the platforms or the uneven traffic flows in the tunnels and this last issue has been studied for many years, I think we should not delay anymore.

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 not, then this is the end of the part on speeches made by Members in the first session of the debate. Now public officers will speak. As set out on the Agenda, a total of six public officers originally wanted to speak in this session, but this morning we were informed by the Government that the Secretary for Development was not feeling well and she was unable to attend the meeting. We offer our best wishes to the Secretary. I believe she is not feeling well today is not because she had listened to a whole day's debate by Members yesterday. We hope the Secretary will get well soon and she can be in the fittest form to fight. *(Laughter)* The contents of the response that should have been made by the Secretary for Development will be included in the following speech by the Financial Secretary. As five public officers will speak, the total time for their speeches is limited to 75 minutes. I now call upon the Financial Secretary to speak.

**FINANCIAL SECRETARY** (in Cantonese): President, good morning, ladies and gentlemen.

The Chief Executive points out in the policy address that in face of challenges posed by globalization, we must go in the direction of a high value-added knowledge-based economy, maintain our leading edges and create more quality job opportunities. To put in concerted efforts for the development of our industries is the fundamental direction and approach we should take. As the Financial Secretary, I would exert my full efforts in economic and financial

management matters in order to put into practice the policy objectives proposed by the Chief Executive so that Hong Kong can steer out of the doldrums of a global financial turmoil and embark on the path towards sustainable economic development.

Ever since the outbreak of the financial tsunami last September, the global economy has witnessed the most drastic contraction in more than 60 years. The repercussions are felt in every corner of the world, and with the adoption of expansionary monetary and fiscal policies worldwide, market confidence and order begin to be restored. Global economy has shown signs of recovery recently. The economies of Europe and America have begun to go from a decline to gradually picking up. What is even more encouraging is that the momentum of growth on the Mainland is further accelerating and this gives an anchoring effect on the Asian economy. In fact, compared to Europe and America, economic activities in Asia have taken the lead to recover and are improving continuously of late.

Hong Kong benefits from this improvement in external conditions, when added to measures adopted by the Government to counter the financial tsunami which are beginning to take effect, the economy of Hong Kong has rebounded in the second quarter and basically it has remained stable in recent months. Although there was still a sharp drop in exports in July and August, the decline was arrested in September. This shows that despite the beginning of a recovery in the external environment, there are still a lot of uncertainties and demand of imports from Europe and America is still weak.

Fortunately, there has been further improvement on the domestic front. Recent retail figures show that with the dawning of hope in the economy, consumer confidence is picking up. Public sector construction activities have speeded up substantially with government efforts in promotion. Many companies, having revised their gloomy forecast of business outlooks, have recently been adopting an attitude of cautious optimism. They are beginning to hire more staff and so the employment situation has seen some improvement.

After weathering the storms which lasted for more than a year, the most important thing for the people of Hong Kong is to stay in employment. We have always paid great attention to that. Therefore, we have done a lot in respect of preserving employment over the past year. Since the second quarter, the job market has stabilized, and the unemployment rate in the third quarter has dropped

slightly to 5.3%, the first ever drop since the middle of last year. The situation is encouraging.

I have much confidence in the local economy resuming positive growth next year. However, there are always unknowns in the external environment and the recovery process might be erratic. This is because the global financial crisis has not completely gone behind us. We must guard against the risk of our economy sliding backwards. So at this moment, the top priority of the Government is to boost public confidence and foster favourable conditions for the steady recovery of our economy. Our efforts will not slacken unless and until there is sufficient proof that our economy has further stabilized and that there is marked improvement in our unemployment rate.

With respect to inflation, now that our economy is in deflation, there is not much chance for a drastic rise in inflation rate. I reckon that the increase in basic consumer prices would continue to stay on the low side for some time in the future. However, as the economy picks up, should liquidity across the world stay at a high level, the risk of inflation getting steeper in the medium to long range would increase. We will certainly keep a close watch on the situation and be mindful of the risk of a sharp rise in inflation.

The property market saw a downward adjustment before the onset of the financial tsunami and it fell sharply once after September 2008. The property market plummeted by 17% in such a short span as six months. With the recovery of the Asian economy, plus the abundant liquidity at the international level, the property market became robust during the last few months and property prices rose as a result. The level of property prices in September as compared to that in mid-2008 was 2% higher on average. The prices of some luxury properties have risen past the peak in 1997. The prices of small- to medium-sized flats are still about 25% below the peak in 1997. During the past few months, close to 90% of the transactions is focused on small- to medium-sized flats, that is, flats smaller than 70 sq m, and most of them are owner-occupied. The affordability of the public is basically sound. In the example of buying a flat with a usable floor area of 45 sq m, according to figures of the second quarter, the mortgage repayments for a loan with a tenure of 20 years would take up about 34% of the mean household income of families living in private-sector residential flats. This is far lower than 93% during the peak in 1997, and it is better than the average of 53% over the past 20 years.

I understand that the rise in property prices of luxury flats recently has made the public worry that this steep rise in the prices of luxury flats would lead to a rise in the prices of small- and medium-sized flats. There is also public concern for the supply of residential flats, the difficulties in home ownership and the possibilities of a bubble, and so on. Those members of the public who have yet to own a home are worried by a continual rise in property prices, making flats beyond their affordability. In view of this, the Chief Executive points out in the policy address that we would keep a close watch on the market changes over the next few months and when necessary, the arrangements in land supply would be optimized to address the situation. And we will talk with the Urban Renewal Authority and the MTR Corporation Limited (MTRCL) to speed up the launch of readily available residential lands in the market.

It is the dream of many people in Hong Kong to own a home and this is also the most important investment in their life. Of the 1.23 million households living in private buildings, 860 000 or 70% own their properties. This is higher than 64% two decades ago. From this it can be seen that high volatility in the property market and steep rises or falls in property prices would affect not only the people but also the overall economy and social stability of Hong Kong.

As for the adequacy of liquidity in the banking system, the work of the Hong Kong Monetary Authority (HKMA) is to ensure that in its regulation of banks system, the latter are adopting a prudent attitude in lending money, including mortgage loans and that they have taken effective measures in risk management. The HKMA issued guidelines to the banks last Friday to slash the percentage of mortgage loans made out against property price from 70% to 60% and this is applicable to properties with a price of \$20 million or above.

I would like to stress that our policy objective is to maintain healthy development of the property market. In order to achieve this objective we have launched many measures. However, to avoid unnecessary fluctuations in the property market as a result of our policies, especially when the economic situation now is still not certain, we will exercise great care in taking forward measures to stabilize the property market.

To maintain the steady development of the property market, land supply is only one of the methods the Government may use and the Application List is not the only source of land supply. Apart from the Application List, developers may



also acquire land for development through other channels. They may take part in the development projects of the MTRCL or the Urban Renewal Authority (URA), apply to the Lands Department (LandsD) for change of use of the land they own or forge a deal on exchange of land. Or they may buy land in the private sector market, and so on. After the Chief Executive has delivered the policy address, the MTRCL and the URA have indicated that they would try their best to take complementary actions and speed up the launch of readily available residential land in the market. It is estimated that about 10 000 units can be supplied after the projects are completed.

With respect to medium range supply, we have taken reference of the applications for private residential development approved by the Town Planning Board (TPB) and applications for lease modification presently being processed. Applications approved by the TPB can provide some 30 000 private-sector residential flats. The progress of these development projects and their launching time will be determined by the market. At present, more than 40 applications for lease modification and applications for exchange of land are being handled by the LandsD. If these are approved, it is estimated that another 22 000 residential units will be provided. However, Members must note that the process of negotiating for regrant premium and the launching time will be determined by the decisions of developers made in the light of the market. We will strive to take complementary actions in all the procedures.

The LandsD has in recent years introduced improved measures. This together with the dialogue forged between the Government and the industry can hopefully narrow the differences in valuation between the developers and the Government, hence work in lease modification and exchange of land can proceed at a faster pace.

With respect to potential supply, for the supply of land for private residential development expected in the future, not including applications already approved by the TPB mentioned previously and land in the West Kowloon Cultural District, the total area is about 270 hectares and it is estimated that about 90 000 units can be provided. This figure only shows the known and possibly the maximum land supply for private residential development. As for the actual supply, it will have to depend on actual market needs, the agreements reached on regrant premium or the progress in land exchanges, as well as factors like site formation, and so on.

In the long run, the Government sets its eyes on two New Development Areas, that is, the North East New Territories New Development Area which encompasses Kwu Tung North, Fan Ling North and Ping Che/Ta Kwu Leng, as well as the Hung Shui Kiu New Development Area in North West New Territories, plus the low-density rural areas including the Closed Area at the border. They will provide land for residential development.

Last Tuesday, the Secretary for Development, the Secretary for Transport and Housing and I met with members of the Real Estate Developers Association to express government concern for the recent property market and to exchange views with them on the latest developments of the property market. The Secretary for Development will continue to listen to views from sectors across the community as well as the industry on improving the supply of land. Although land supply is only one of the ways to maintain steady development in the property market, there exists a close relationship between land and the property market. Any decision to alter the existing land supply system will cause far-reaching effects on the market. Therefore, we must be very careful and think thoroughly about it. We must also take into account the interests of the public and the community in this course.

In addition, in order to ensure the healthy development of the property market, we must increase market transparency in order to ensure that prospective buyers will be given the correct information. Developers should not mislead the market and distort public views of the market. With respect to the sales practice of first-hand residential properties and confusion in the information regarding transaction prices, this is a cause of concern to me. I have been keeping a close watch on the situation. I hope developers can provide accurate information while maintaining self-discipline. On market transparency, the Secretary for Transport and Housing will talk more on that later.

I wish to point out that should there be an absence of transparency in the market, causing unfairness to appear and the real estate market to become unstable, the Government will take corresponding actions on the premise of maintaining stability in the macro economic situation and protecting the people's living and consumer rights.

As we all know, the real estate market is a sensitive and complicated issue and it is affected by factors like economic conditions, capital flows, interest rate movements, market sentiments and expectations, and so on. In this regard,

when central banks all over the world adopt a monetary policy which can be described as quantified lax, there are abundant movements in the market. Hence prices of shares and properties are pushed higher. This brings substantial risks to economies of the world. When the exit mechanism is activated, liquidity in the banking systems across the world will be withdrawn and should that happen, we should watch out for reactions in the capital markets, including the stock and property markets, as well as any unusual fluctuations that may appear.

I therefore wish to remind all small investors and all market participants that the present low-interest environment will not last forever. So when people make investment decisions, they should be careful about the risks and they should never go beyond their means.

The Chief Executive also put forward a package of measures in the policy address to release the potential of over 1 000 old industrial buildings. The aim is to encourage the redevelopment or conversion of qualified industrial buildings so that valuable land resources can be used more effectively and provide useful support for high value-added economic activities, including the six industries identified by the Task Force on Economic Challenges as have clear advantages. After these buildings are revitalized or redeveloped, there will be new economic activities or job opportunities. This will definitely be of great help to Hong Kong in the wake of the financial tsunami. In addition, there is great potential for industrial buildings to be converted into venues that suit all kinds of purposes. It is believed that apart from economic activities, many other kinds of activities can be provided to suit various needs in the local communities.

With respect to the vetting and approval criteria under this scheme, consideration will be given to the age of the industrial building in question and the existing planned uses in the district. These are open and objective criteria and all owners of these buildings can act on commercial considerations and decide whether to apply for joining this scheme or not. It can therefore be said that this scheme is open, fair and impartial.

Now I would like to mention in particular the fact that presently industrial buildings are used for both industrial and commercial purposes, hence the question of fire hazard comes in. This is a concern to many people and it has prevented many such buildings from being converted into commercial venues attracting a high patronage. The problem has existed for many years and despite various measures introduced by the Government over the years, the result has not

been satisfactory. We should therefore adopt more progressive and effective solutions to encourage owners to redevelop or convert whole buildings so that the precious land resources can be effectively and safely tapped for higher value-added uses. I hope Members will show their support for these measures, and I also hope that Members can encourage the trades concerned and other people in the districts concerned to seize this opportunity and work together to revitalize and transform these industrial buildings which are currently not put to their best use. This will in turn give additional momentum to our economy and provide more space to meet the various needs in society. In the end, the people's quality of life will be improved.

The Government spares no effort in "stabilizing the financial system, supporting enterprises and preserving employment" to counter the impact of the financial tsunami. Since 2008, we have launched various relief and stimulus measures valued at around \$87.6 billion, or 5.2% of the local GDP. The amount does not include the increase in infrastructure investments made by the Government and the additional commitment of more than \$100 billion made by the Government under various credit guarantee schemes for SMEs and the related bad debt estimates for these schemes. These measures are gradually taking their effect. Our economy is recovering and the job market is improving. Some of these measures will continue to play a positive role in helping the economy to recover.

We will adhere to this strategy until the economy has recovered and become robust again. In this regard, our key objective is to see a marked improvement in unemployment. In order to restore growth in employment, it is necessary to adopt unusual measures in unusual times as these. But we must know that these unusual measures should not and cannot last for a long time, or else they will impose lasting pressure on government finance and lead to undesirable effects in market operation.

I will monitor the economic situation closely and when preparing for next year's budget, I will take into full account the need for a sound economic recovery and the long-term financial health of the Government. This will ensure that we can face any volatility in the global economy and promote the development of our economy in the long term.

Various countries are now making preparations for the exit strategy. We will make adjustments to our unusual measures when necessary. With respect to

corporate support measures, the Special Credit Guarantee Scheme launched last year has now approved more than 22 000 applications, with a total loan amount of more than \$53.2 billion. These corporations concerned employ more than 250 000 staff. It can therefore be said that these measures have effectively reduced the pressure experienced by corporations in financing and liquidity, so by supporting enterprises the positive effect of preserving employment is also achieved.

The application period for the Special Credit Guarantee Scheme is due to expire by the end of this December. We are well aware of the desire of the trades to extend the Scheme and help more corporations to capitalize on the beginning of economic recovery to forge ahead steadily. We have considered the fact that recovery in the external economic environment is not complete and volatility is still expected for the next few months to come, so we have decided to extend the application period for the Scheme by six months to the end of June 2010.

With respect to financial measures, the 100% deposit guarantee scheme will be in force until the end of 2010. Both the HKMA and I will continue to keep a close watch on the deposit guarantee policies in other places, maintain dialogue with them and make co-ordinated efforts as appropriate to put in place suitable exit strategies to ensure that the economic and banking systems will not be affected. We are presently conducting a review of the 100% deposit guarantee scheme and will introduce legislative proposals within this Legislative Session to introduce improvement measures and enhance the protection of depositors.

We have always attached great importance to infrastructure investment in a bid to lay solid foundations for future development. This can propel economic development while create jobs and upgrade our long-term competitiveness. The public works projects we plan to submit to the Legislative Council for deliberation during this Legislative Session will have a total value of more than \$100 billion, which is comparable to the amount in the last Legislative Session. I have already pointed out in this year's budget that with various major infrastructural projects going in full swing, it is expected that infrastructure expenditure will remain at a rather high level in the next few years. The average annual expenditure is expected to be \$50 billion and this is a 150% increase over the public works projects with a contract value of \$19.8 billion that commenced in the year 2008-2009.

The employment situation of the construction industry has seen continuous improvement over the past five months. The overall jobless rate of the construction industry has fallen from the peak of 12.7% in the wake of the financial tsunami to 9.4% in the last quarter. With the major and minor infrastructure projects in their construction stage, and the launch of Operation Building Bright and its related building repair and maintenance works, I am confident that the employment situation in the construction sector will continue to improve.

Hong Kong takes pride in being the prime global financial centre in the Asian time zone. We must consolidate and upgrade this position of excellence. The Chief Executive has elaborated in the policy address the two major policy objectives in the development of our financial industry. He also outlines the five directions to enable Hong Kong to become the prime global financial centre in the Asian time zone. We must capitalize on the opportunities under "one country, two systems" and develop Hong Kong into a global financing centre, asset management centre and offshore Renminbi business centre.

In this regard, we will ensure Hong Kong can continue to meet the overall development needs of our country and, on the premise of ensuring the financial security of the country, enable Hong Kong and the Mainland to achieve mutual benefits and gains. Before financial liberalization measures are implemented nation-wide, their pilot implementation can be effected in Hong Kong and the Pearl River Delta Region which together can become the testing grounds for the promotion of the financial development of the country and introduction of innovative initiatives. To this end, I will co-ordinate the efforts of the SAR Government and the regulatory bodies and maintain close communication between the relevant agencies on the Mainland and our own trades with a view to devising and taking forward specific plans in this regard.

In the course of implementing these policy objectives, we have to focus on the twin objectives of enhancing market quality and fostering market development. We will then take forward work on further improving the financial regulatory regime. The Acting Secretary for Financial Services and the Treasury will speak more on this later.

The policy address also proposes developing the six industries with clear advantages. Not only will this affirm the endeavour and hard work of investors

and trades in these economic areas over the years, but it will also inject a new impetus for growth in the existing four pillars of our economy. The development of these six industries can raise our soft powers and our competitiveness while also help nurture talents and attract more top talents from all parts of the world to come to work and settle in Hong Kong. This will provide fertile grounds for our transformation into a knowledge-based economy.

In these six industries, the direct contribution made by private enterprises to the local GDP ranges from 7% to 8% and these enterprises employ about 350 000 people, or about 10% of the workforce. The success or otherwise of these six industries would largely depend on market forces in the final analysis. We have made our first step and we would still need to devise and roll out more complementary measures and improve on the existing ones.

President, the fact that our economy could have steered once again out of the doldrums and so quickly has once again proved the perseverance and resilience of Hong Kong people, as well their amazing adaptability. Having said that, in view of uncertainties in the global economy, the whole society of Hong Kong, including members of the public, the business sector as well as the Government must all make concerted efforts and work together for the sustained recovery of our economy. We will adhere to the policy of "stabilizing the financial system, supporting enterprises and preserving employment", unless and until we are completely clear of this devastating storm. In the next few years, large-scale infrastructure projects will commence one after the other and they will certainly give a powerful booster to economic recovery.

We have always set our eyes on the future and we have injected significant amounts of resources in all aspects. These will pave the way for our long-term development, including speeding up our integration with the Mainland, forging regional co-operation, investing in infrastructure, nurturing talents, opening up emerging markets, and enhancing environmental and cultural work in the hope that we can build Hong Kong into a quality international city. While strengthening the four pillar industries, we will also develop the six industries so that our competitive edges can be sharpened. Our unwavering strategy is to develop Hong Kong into a high value-added knowledge-based economy.

With these remarks, President, I urge Members to support this year's policy address.

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, first of all, I am very grateful to Members for the views they have expressed with respect to the policies on transport and housing as espoused in the policy address. I would like to give a consolidated response to these topics.

Many Members have talked about transport infrastructure projects in their speeches. Over the past year, a number of major transport infrastructure projects have commenced and the core works of the Hong Kong-Zhuhai-Macao Bridge and the Central-Wan Chai Bypass works will commence at the end of this year. In addition, the planning of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link is presently in full swing and we hope that the works will commence by the end of this year with funding approval given by the Council.

At the same time, a number of projects have now entered the statutory consultation procedures. The port on the Hong Kong side as well as the links for the Hong Kong-Zhuhai-Macao Bridge, the South Island Line (Eastern Section), and the Chek Lap Kok Link, and so on, have now been gazetted by virtue of their relevant laws. We will get on with the follow-up work of the other projects, including design, consultation and legal procedures, and so on. As for other new suggestions made by Members, they should be able to tie in with the long-term development of the railway network and they should be viable from an engineering point of view and be both environmentally-friendly and capable of bringing economic benefits.

During the debate, many Members hope that the Government can further consolidate our position as an international aviation, shipping and logistics centre in the region. Ms LI Fung-ying and Ms Miriam LAU have reminded us that we should continue to lend our support to the development of the logistics industry. Mr IP Wai-ming has put forward some views on aviation development.

With respect to air transport, our key work is to expand our civil aviation arrangements, increase the capacity of the runways, improve the infrastructure at the airport and strengthen ties between our airport and the Pearl River Delta. The SAR Government attaches great importance to the sustainable development of the logistics industry and we are committed to maintaining Hong Kong's position as an international shipping hub. We will work on various platforms and forge close co-operation with the Mainland and complement the



developments there, such that our leading position in the global supply chain can be assured.

Many Members are very concerned about housing facilities. Mr Fred LI raised the issue of lifts and elevators. Mr WONG Kwok-hing was concerned about how public housing estates would undertake improvement works to meet the needs of the elderly against the background of an ageing population. We will certainly continue with our work in these aspects in a practical manner.

We understand that property prices have risen as a whole and prices of luxury properties have been hitting new heights. This has caused public concern for the supply of flats and a bubble in the property market, and so on.

We have recently heard calls for the resumption of the production of Home Ownership Scheme (HOS) flats and these calls are based chiefly on two grounds. First, it can curb the rise in prices of private residential properties. Second, it can offer a chance to people in need to buy a first-hand low to medium-priced flat, that is, a first home.

I would like to point out that the housing policy of the Government presently is to help low-income families which do not have the means to rent a private-sector flat by providing them with public rental housing (PRH) in order to meet their housing needs. Resorting to the use of HOS flats or other methods to encourage citizens to buy their own home is not an objective of our housing policy.

The private-sector property market and the HOS flats are two different markets. The production of HOS flats as a means to interfere with and curb the prices of private-sector residential property is not viable and it is not our policy. Property prices should be determined by market forces and adjusted by supply and demand.

Public opinion in these few days as well as views put forward by scholars have pointed out that the issue of resuming the production of HOS flats must be handled very carefully. It is stated that the resumption of the production of HOS flats is not the measure or tactic to be used to deal with the present problems in the property market. A number of Members have made the same reminder. The following figures would help us understand the supply of residential units.

With respect to the primary residential property market, there is still a certain amount of supply available. According to the estimate we make based on the latest information, there will be a supply of about 52 000 first-hand residential units in the private sector in the next few years. Of these, about 33 000 are small to medium-sized flats with a usable area of less than 70 sq m.

Apart from first-hand residential properties, a substantial amount of second-hand residential units in the private sector is also available in the market. The trading volume of second-hand residential units in the private sector is on average about 77 400 transactions each year over the past few years. This accounts for 80% of the annual trading volume of private-sector residential units. The trading volume of second-hand flats in the first three quarters of 2009 has reached 73 000 and this is 84% of the total transactions.

Besides, the Hong Kong Housing Authority (HA) will put on sale the remaining HOS flats for phase 5 in end October 2009, and the number of these flats is some 1 300. The price of most of these flats is less than \$2 million. After the launching of phase 5 flats, the HA will put on sale in an orderly manner starting from 2010 all the remaining some 4 000 HOS flats. The HA will make reference to the results of the sale of phase 5 flats and take into account the market situation before devising a plan for selling HOS flats.

There are presently more than 300 000 HOS flats in Hong Kong, and some 60 000 of them have paid the regrant premium and some 250 000 have not. These flats can be bought and sold in the open market and in the secondary market of the HOS. These flats are situated in various districts of Hong Kong. About 75% are in the urban areas and the enlarged urban areas. If the price of these flats is taken to be that after payment of regrant premium, about 70% of these flats are below \$2 million. The number of these flats is about 220 000, of which 50 000 have paid the regrant premium. Such HOS flats form a huge potential supply of low and medium-priced housing for prospective home buyers. We welcome views from Members on how to further invigorate the HOS flats market.

There are views that the resumption of the production of HOS flats would facilitate turnover in public housing. The suspension of the production of HOS flats by the HA in 2003 and the cessation of the Home Starter Loan Scheme in 2004 have caused no effect on the number of PRH units surrendered voluntarily

by tenants or surrendered when they buy HOS flats in the secondary market. In the past few years, even in the absence of the HOS, many public rental housing units are still resumed every year because the tenants have moved out. During the years from 2004-2005 to 2008-2009, 8 500 public rental housing units were resumed on average each year.

In addition, some people think that the land earmarked for PRH construction can be used to produce HOS flats. There are presently more than 120 000 applicants on the Waiting List for PRH and as many as 3 500 new applications are received every month. The HA has to concentrate its housing resources to meet the needs of low-income households which cannot afford to rent a flat in the private sector. The aim of the HA is to maintain an average waiting time for PRH at about three years. In order that this aim can be achieved, we have to ensure that the land available after the demolition of old PRH blocks is used for PRH development. We will work closely with the relevant bureaux to identify suitable land for the production of PRH blocks. If the land resources of the HA are converted for the production of HOS flats or other uses, it would seriously affect the policy objective of an average waiting time of three years. Hence we will not consider this suggestion.

Yesterday a number of Members suggested that we should consider launching the Home Starter Loan Scheme again. The Scheme was implemented from 1998 to 2002. As at October 2009, of the some 33 400 cases under the Scheme, some 18 700 cases have completed loan repayment, but defaults on payment have occurred in about half of these cases during the repayment period. About 12 500 cases are making their repayments at present, but defaults have occurred in about 45% of these cases. The Government has incurred \$490 million of bad debts as a result of this Scheme.

As I have said, the Government repositioned its subsidized housing policy in 2002. The policy objective since then is to pool resources to provide PRH to those low-income families which cannot afford to rent a flat in the private market. We hold that home ownership should be a decision based on personal preference and affordability. The Government should not play the role of a lending institution and hence affect this decision on home ownership of the citizens which should be based on their affordability. The figures which I have cited earlier are precisely reminders that we should be very cautious when considering views like relaunching the Home Starter Loan Scheme, and so on.

Lastly, I would like to talk about sales practices of first-hand residential properties. A number of Members have expressed great concern about this issue. These Members include Mr LEE Wing-tat. We are very concerned about the sales practices in the primary market recently and the confused information in the market. We will address any sales practice that may mislead and confuse prospective buyers. We are studying specific measures that are practicable and will discuss with the Hong Kong Real Estate Developers Association with a view to further enhancing transparency in transactions in the first-hand uncompleted flats in the property market as well as clarity in the information related to such properties.

We will improve the existing arrangements in a practical manner as we have done so with respect to restrictions on the usable area, separate presentation of information found in publicity materials and sales brochures, plans on the location of designated properties and outline zoning plans contained in the sales brochures being presented in designated dimensions, and so on.

President, transport and housing are closely related to the life of the people and we will continue to collaborate closely with Members in various issues under the purview of this Bureau.

Thank you, President.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I am very grateful to Members for their views on the theme of "Developing the Infrastructure for Economic Growth" in the policy address in relation to the portfolio of the Commerce and Economic Development Bureau.

First of all, on supporting enterprises, the Financial Secretary has just announced the extension of the Special Loan Guarantee Scheme until the end of June 2010, which is a positive response to the demand of Members and the industry. Regarding Dr LAM Tai-fai's commendation on this support scheme, I would like to express gratitude on behalf of the Government and all the colleagues in the Trade and Industry Department. Members' acknowledgement of our efforts may serve as an encouragement as well as a stimulus for improvement, and we will keep up with our efforts. The Government of the

Hong Kong Special Administrative Region (SAR) has been maintaining close liaison with the industry and Mainland departments and assisting Hong Kong enterprises operating in the Mainland by proactively conveying the industry's concerns and proposals to the Mainland authorities. Actually, this is evident in the positive responses of the Central Authorities and the Guangdong Provincial Government to our views and the various relief measures rolled out, such as the suspension of implementation of the Labour Contract Law and the implementation of the policies of "single tax return for multiple domestic sales" and "carrying forward without appraising the value and restructuring without stopping production". The SAR Government has also organized trips to such places as Jiangxi, Hunan, Guangxi and Wuhan to enable Hong Kong businessmen to visit Mainland cities which have undertaken the restructuring and relocation of the processing trade. Regarding the development of the domestic market, we are committed to assisting Hong Kong enterprises to promote their products and brands in the Mainland. The Hong Kong Trade Development Council (TDC) opened a Design Gallery in Beijing, which is the first one in the Mainland, in June this year to provide a brand promotion platform for Hong Kong-owned enterprises intent on tapping the domestic market but have not yet established their sales channels. The TDC will also continue to stage Style Hong Kong Shows in different provinces and municipalities to promote Hong Kong products. All these efforts may serve as proof of the Government's support for local industries. In future, we will continue to study and promote the necessary complementary facilities in collaboration with the Mainland departments, and we will continue to support relevant Mainland departments, the TDC or the industry in organizing business matching activities and trade fairs as platforms for Hong Kong-owned enterprises to tap the domestic market in the Mainland.

Following the further development of the cross-Strait relations, we will also actively promote economic and trade co-operation between Hong Kong and Taiwan. The Hong Kong Trade Development Council Taipei Office officially came into operation last October. Since then, it has organized a series of commerce and trade exchange activities in Hong Kong and Taiwan and also assisted in organizing visits by Taiwan trade delegations to Hong Kong and exchange activities between the commerce and trade sectors of the two places. Besides, Invest Hong Kong will also enhance its promotional efforts in Taiwan, which includes establishing a database of Taiwan-owned enterprises in Hong Kong, the Mainland and Taiwan to facilitate the formulation of targeted marketing and publicity strategies.

The Hong Kong Tourism Board (HKTB) also plans to upgrade its Taipei representative office to a formal office, and we are currently following this up with the relevant Taiwan authorities. The HKTB will also step up its promotional efforts in developing cruise travel between Taiwan and Hong Kong and other tourist business opportunities.

Regarding Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), we will continue to promote the further liberalization and deepened implementation of the current arrangements. We will also gauge the industry's views through regular and irregular meetings and other channels of communication. To ensure the effective implementation of measures under CEPA, the Government will maintain close liaison with Mainland departments and adopt a pragmatic and focused approach in following up various issues and specific cases in order to deepen the implementation of the current arrangements and jointly publicize and promote CEPA. We will step up our efforts to strive for the implementation of more pilot implementation measures in Guangdong Province to complement the policy direction of the "Outline of the Plan for the Reform and Development of the Pearl River Delta".

As regards the competition law, after the completion of the second round of public consultation in August last year, a report on the views collected was compiled and uploaded onto the webpage of the Commerce and Economic Development Bureau in September of the same year. Meanwhile, we also briefed the Legislative Council Panel on Economic Development in December last year and March this year on our responses to comments received from the public and our proposals for resolving a number of technical, legal and policy issues in the Competition Bill, including changing the original civil administration model for enforcement of the Bill to a judicial model. We plan to give the Competition Tribunal the status of a formal Court under the Judiciary and charge it with the duty to deal with and adjudicate on infringements and to hear private rights of action, while the Competition Commission will only be responsible for conducting investigation and initiating litigation against anti-competitive conduct. Besides, we have also drawn up plans with regard to other details of the Bill, such as the *modus operandi* of the Tribunal and how the Competition Bill being drafted can complement other competition provisions under existing legislation.

Over the past year, most of the preparatory work for the Bill has been completed. We are committed to introducing the Bill in the 2009-2010

Legislative Session and we will subsequently give the relevant panel of the Legislative Council a detailed account on the Bill. Besides, we will also explain, in the same context, the Government's thoughts on whether the legislation will be applicable to statutory organizations or which organizations should be exempted from it.

Regarding the protection of consumer rights, the Government is very concerned about the use of unfair business practices by a handful of unscrupulous businessmen in the market to cheat consumers and injure their interests. We are actively examining the introduction of legislative amendments to combat and eradicate practices which are detrimental to consumer rights. We hope to introduce the legislative proposals for public consultation by the end of this year or the beginning of the next at the earliest. The Government and the Consumer Council have just launched a new round of publicity and education through various channels, such as television and radio advertisements and newspaper columns, to remind the public of making more comparisons, asking more questions and exercising greater caution in consumption to better protect their own interests and exercise their own rights.

On tourism development, the National Day Golden Week this year has brought considerable tourism proceeds, and the rising trend of visitors from the Mainland and long-haul markets has sustained after the Golden Week. We will continue to step up promotion in the Mainland and potential new markets, such as Russia, India and the Middle East, and attract more visitors by organizing in the following months various mega events, such as the Hong Kong Wine and Dine Celebrations, the 2009 Hong Kong WinterFest and the 2010 Chinese New Year Parade. This year, we will focus on developing more green tourism products, the priority among which will be the Hong Kong Geopark, which has recently been successfully listed as a national geopark. I strongly believe the tourism sector of Hong Kong will definitely grasp this golden opportunity to develop tourism products of the geological features and marine parks of Hong Kong to enrich the itinerary for tourists so that they may enjoy the fine food and shopping and at the same time admire and appreciate the natural scenery of Hong Kong. Besides enhancing and developing additional tourist spots of Hong Kong, we may also attract tourists to revisit Hong Kong to enjoy a good Hong Kong experience by providing more creative and personalized services.

President, the cruise terminal, the first berth of which is expected to commence operation in mid-2013, will bring enormous tourism and economic

proceeds to Hong Kong. We are committed to striving for making Hong Kong the homeport of more cruise vessels and enhancing the status of Hong Kong as a regional cruise hub. Besides, we will continue to co-operate with the ports in the Mainland and neighbouring regions to collaboratively develop multi-destination cruise itineraries, and capitalize on the measure allowing Mainland tours taking vessels homeporting in Hong Kong from Hong Kong to Taiwan to develop the tourism product of multi-destination cruise travel products in the three places across the Strait to develop the cruise market in the region.

The convention and exhibition industry and business visitors will also bring substantive economic benefits to Hong Kong. With its unique edges, Hong Kong is the preferred venue for business conventions and exhibitions and the premier tourist destination. It is expected that about 300 exhibitions and large-scale conferences will be held in Hong Kong this year. To maintain Hong Kong's competitiveness, we have to draw up timely planning to complement the exhibition facilities developed by the convention and exhibition industry. We are exercising great care in site identification and the design of complementary measures. At the same time, we will not neglect enhancing the usage rate of existing facilities. Public consultation will be conducted when specific expansion plans are available.

In public service broadcasting development, public consultation is now underway. We will listen carefully to the views of Members and the public on the development of Radio Television Hong Kong and how it should fulfil its mission as a public service broadcaster. We will also conduct extensive consultation with different organizations and collect views from various parties by organizing district forums, focus group discussions and public opinion surveys.

Many Members spoke in support of the Government's effort to promote the development of innovation and technology. I would like to point out that the promotion of technological development requires a long lead time and calls for unrelenting conviction and endeavours rather than short-lived efforts, and one should not expect investment returns to be made in the short term and successes achieved in all attempts. We should pay our highest tribute to those who have devoted their entire life to researches and have kept moving on despite repeated failures without any fear for difficulties, such as Prof Charles KAO, Father of Fibre Optics Communications, who have just been awarded the Nobel Prize in Physics after decades of hard work.



The Chief Executive announced in the policy address the launch of a "Research and Development (R&D) Cash Rebate Scheme" in order to inculcate a research culture among enterprises and encourage them to make more R&D investments in partnership with R&D institutions in Hong Kong. We will provide local enterprises with a cash rebate equivalent to 10% of their R&D investments, which will benefit all projects applying for the Innovation and Technology Fund. As for R&D projects not receiving the support of the Innovation and Technology Fund, they will also be benefited as long as the relevant enterprises are working in partnership with or have engaged local designated R&D institutions. There is no upper limit to the amount of cash rebate available to or the number of R&D projects that can be nominated by each enterprise under the Scheme.

After the announcement of the policy address, I am very pleased to see that different sectors of the community welcome this cash rebate scheme. The cash rebate scheme has a number of merits, including easy management, and cash rebate is the most direct way of subsidization, from which both profits tax-paying and non-profits tax-paying enterprises may benefit. Besides, enterprises of all scales may apply for it, and the bigger the R&D investment, the larger the amount of cash rebate will be. We are discussing with the relevant R&D institutions the operation and procedures of the Scheme, including the timing of granting the cash rebate and whether or not the Scheme should cover R&D investments on projects conducted in the Mainland.

We have earmarked \$200 million for the Cash Rebate Scheme and, subject to the funding approval of the Finance Committee, the Scheme is expected to roll out in April next year. Timely reviews will be conducted after the implementation of the Scheme.

As for testing and certification, the testing and certification industry of Hong Kong has excellent prospects for development. In the first place, it has won the trust of its customers with its high professional standards, good reputation and knowledge of the international market. Besides, with its proximity to the Mainland, Hong Kong is indeed presented with plenty of business opportunities. What is more, consumers from all over the world are becoming increasingly concerned about the safety and quality of products and food, and the standard of testing in Hong Kong is also widely recognized all over the world.

The Hong Kong Council for Testing and Certification established by the Government in September has already held two meetings and drawn up its work plan. The Council will look into a number of issues, including enhancing the competitiveness of the testing and certification industry of Hong Kong, stepping up the support provided by the Hong Kong Accreditation Service to the industry, strengthening manpower training and upgrading professional standards, as well as promoting the services provided by the testing and certification industry of Hong Kong locally, in the Mainland and in other places. It will also formulate the industry development plan in consultation with the testing and certification industry, chambers of commerce and relevant stakeholders. The Government will render full support to the testing and certification services in Hong Kong through the Hong Kong Council for Testing and Certification, with a view to upgrading their standards and recognition in the international arena by building up a brand name for Hong Kong's testing and certification services.

With these remarks, President, I hope Members will support the original motion.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): President, I would like to take the opportunity of today's motion debate to further explain to Members the Taiwan-related work of the Government of the Hong Kong Special Administrative Region (SAR) and our policy on co-operation with the Mainland.

On Taiwan-related work, we have been progressively stepping up our work in this respect over the past few years, with various measures introduced last year. Just now, the Secretary for Commerce and Economic Development already mentioned that we have established the Hong Kong Trade Development Council Taipei Office last October. Besides, the SAR Government has also launched the Hong Kong-Taiwan Inter-City Forum, and the first round of exchanges with Taichung City was held in Hong Kong earlier this year. We will also progressively implement entry facilitation measures for Taiwanese visiting Hong Kong for sight-seeing and business purposes. For example, starting from the end of April, we will allow Taiwanese holding a valid "Tai Bao Zheng" to enter Hong Kong at any time and stay for seven days without the need to possess any endorsement.

After reviewing our Taiwan-related work over the past few years, the Chief Executive has proposed in this policy address three strategic directions of development with regard to Taiwan-related work:

First, we have to further establish a Hong Kong-Taiwan co-operation framework;

Second, we have to enhance our bilateral economic co-operation with Taiwan; and

Third, we have to give full play to Hong Kong's role in financial, economic and trade and tourism exchanges among the three places across the Taiwan Strait.

In June this year, I visited Taipei and held a discussion with the Mainland Affairs Council. Subsequently, we reached a consensus on establishing bilateral business co-operation committees and making use of these new platforms to strengthen the liaison between Hong Kong and Taiwan.

The Taiwan side will establish a Taiwan-Hong Kong Economic and Cultural Co-operation Council (the Co-operation Council), and Taiwan officials will also participate in the work of this Co-operation Council in an appropriate capacity. For the Hong Kong side, we will establish a Hong Kong-Taiwan business co-operation committee under the Hong Kong Trade and Development Council (TDC). In the future, we will enable interactions between enterprises of Taiwan and Hong Kong through this platform. With the continued efforts made by both Taiwan and Hong Kong, we believe this bilateral business co-operation committee will be established soon.

However, to further promote the more long-term development in Hong Kong-Taiwan relations, the Chief Executive has announced in the policy address Hong Kong's decision of establishing the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (the Promotion Council). This is a more high-level decision made after our discussion with Taiwan in June. Although the Promotion Council is not a government organ, officials of the SAR Government will participate in it and provide full support to its work and activities in an appropriate capacity. The SAR Government will also provide resources for the Promotion Council.

Therefore, from now on, we will promote our Taiwan-related work on two fronts: first, as the Promotion Council and the Co-operation Council of Taiwan are corresponding institutions, officials of both sides may conduct exchanges and discussions on public policy issues of mutual concern through the platform of the Co-operation Council and the Promotion Council; and secondly, the bilateral business co-operation committees will promote interactions among enterprises.

Therefore, regarding Dr Samson TAM's earlier request for us to formulate a comprehensive policy on promoting interactions between various industries of Taiwan and Hong Kong, from now on, these new platforms may facilitate the effective conduct of positive interactions between Hong Kong and Taiwan and enable Hong Kong to make further contribution in cross-Strait relations.

President, as for our co-operation with the Mainland, Dr PAN Pey-chyou specifically pointed out that besides capitalizing on the opportunity of co-operating with the Mainland, we should also bear in mind the impact of our participation in the industrialization and reform and opening of the Mainland over the past 30 years on the Hong Kong economy. We fully understand this and will definitely conduct a detailed analysis and study in this respect.

At present, we are presented with a very important opportunity, that is, the "Outline of the Plan for the Reform and Development of the Pearl River Delta" (the Outline) promulgated by the National Development and Reform Commission in January this year.

The Outline has upgraded the future development of the Pearl River Delta (PRD) Region to the strategic national development level and clearly made the co-operation between Guangdong and Hong Kong national policy. In this regard, the SAR Government noted with great caution that after 30 years of reform and opening on the Mainland, the bulk of Hong Kong's manufacturing industries have moved their operations to the Mainland. At present, as 90% of the GDP of Hong Kong comes from the services industries, we have to effectively expand the market of the services industries. As the local population of Hong Kong is limited, amounting only to 7 million, we have to capitalize on the co-operation with Guangdong Province and different provinces and municipalities in the Mainland to expand the market of the services industries. We will expand from this market with a population of 7 million to the market of the Greater PRD Region with a population of 50 million, and subsequently to the market of the Pan-PRD Region with a population of over 400 million.

Therefore, the bigger the market, the more employment opportunities in both Hong Kong and the Mainland will hopefully be created for the people of Hong Kong.

At present, we are capitalizing on the opportunities arising from the Outline to draw up a framework agreement for Hong Kong/Guangdong co-operation which will help translate the macro policies in the Outline into concrete measures for the co-operation between Guangdong and Hong Kong.

Ms Miriam LAU stressed that we have to strive for the incorporation of conditions and policies beneficial to Hong Kong into the National 12th Five-Year Plan. Actually, we will make use of this framework agreement with the Guangdong authorities to implement policies which are formulated by and applicable to both Guangdong Province and Hong Kong through Guangdong/SAR co-operation. When necessary, Guangdong Province and the Government will make separate efforts to pursue with the relevant Central Ministries and Commissions the incorporation of macro policies beneficial to Hong Kong into the National 12th Five-Year Plan. We have already commenced work in this regard.

Prof Patrick LAU and Dr Philip WONG mentioned, respectively, the need to give continued support to the professional services industries and strengthen the co-operation between Hong Kong and Shenzhen. Currently, we are exploring with the Shenzhen authorities the taking forward of the development of modern service industries in Qianhai. The SAR Government has also decided to beef up the establishment and manpower of the Hong Kong Economic and Trade Office in Guangdong to prepare for the setting up of a designated unit for liaison with the Shenzhen Municipal Government.

Ms Emily LAU and Ms Cyd HO mentioned, respectively, that the Legislative Council should fully participate in and thoroughly discuss matters relating to co-operation with the Mainland. I would like to explain to Members that we have all along been doing so both at Council meetings and meetings of various committees. For example, in March this year, a motion on the Outline was debated and passed by this Council. Among the many proposals put forward by Mr WONG Ting-kwong, Dr Samson TAM and Mrs Regina IP, 14 required follow-up actions by the SAR Government. In May, we provided to Members a progress report on the motion through the Legislative Council Secretariat. As for giving an account on the matters at panels, we have all along

been keeping the Panel on Commerce and Industry informed of our work and affairs in the Mainland and the areas in which the Hong Kong Economic and Trade Offices in the Mainland have been promoting such work.

Some Members are concerned about our visits to the Mainland. As you may know, President, the Legislative Council Panels on Economic Development and Environmental Affairs conducted a duty visit to Shenzhen and visited the Yantian Port and observed their tourism facilities and logistics. President, you also acted as the leader of a delegation of this Council to Sichuan to observe Hong Kong's work in support of their reconstruction. Besides Members of various parties and groupings, among whom Ms Emily LAU showed particular concern about the situation, there were of course representatives from Members of the Democratic Party in the delegation.

President, Mr Paul CHAN specifically pointed out in his speech just now that we should formulate a comprehensive strategy in promoting Mainland affairs. I can tell Members that after over a decade following the reunification, we have learnt from our experiences, and I believe our present strategies can be grouped under three aspects.

First of all, the co-operation between Hong Kong and the Mainland has come to a critical moment. Some years ago, we promoted the implementation of 24-hour customs clearance in Hong Kong/Guangdong co-operation; and after the implementation of Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) in 2003, we have already established a very broad policy basis for "zero-tariff" and promoting the early and pilot implementation of the services industries in Guangdong Province. Therefore, from now on, we will capitalize on this broad policy basis to the benefit of the economic development of Hong Kong.

Second, during the past decade or so, the SAR Government has developed a rather close working relationship with the Central Ministries and Commissions and various provincial and municipal governments through co-operation with Guangdong and the Pan-PRD Region. We can now communicate comprehensively with these local governments. We intend to fully utilize these established relationships to develop the Mainland market for different industries of Hong Kong in order to ensure that the Mainland authorities, in particular, the local authorities, will open their doors for Hong Kong industries with regard to

the broad policies implemented by the Central Authorities and continue to keep their doors open for Hong Kong industries in their local policies.

Third, our general idea is that, on the one hand, we should continue to show concern for the upgrading and restructuring of the Hong Kong manufacturing industries in the Mainland, ensure that favourable conditions are available and that the relevant polices can facilitate their development of the domestic market; and on the other, we will continue with our efforts in developing the Mainland market for the service industries of Hong Kong.

President, these are some major elements of our work on Mainland affairs.

With these remarks, President, I urge Members to support the policy address.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, I am grateful to Members for their valuable views on the administration of the SAR Government in the coming year in relation to financial affairs.

Regarding the policy objectives elaborated by the Financial Secretary just now, I would like to provide some supplementary information on the key areas of work of the Financial Services and the Treasury Bureau in the coming year, which covers the following three areas: first, enhancing investor protection by learning from the experience of the financial tsunami; second, strengthening the regulation of financial institutions to enhance financial security; and third, complementing the trend of the gradual internationalization of Renminbi (RMB) to reinforce and enhance Hong Kong's status as an international financial centre.

Regarding the first key area of work, that is, enhancing investor protection, we will proceed in five directions. The first direction is to enhance market transparency. The relevant work includes proposing the introduction of legislation requiring listed companies to make timely disclosure of price sensitive information and including some existing regulations under the Listing Rules in the legal framework, thereby enabling more effective enforcement. The purpose of this proposal is to enable investors to readily access the latest development of the company which may affect the share price to facilitate their making of investment decisions. This proposal can also address the concern of the market,

as mentioned earlier by Mr Albert HO, that is, whether some listed companies had made timely disclosures of their losses and whether or not they had contravened the market principles of openness, fairness and transparency during the financial tsunami. Other proposals to enhance market transparency include the proposal made by the Securities and Futures Commission (SFC) to enhance the disclosures of risk information during the sale of products, or even to oblige ongoing disclosures of such information after the sale of products. A package of proposals put forward by the SFC is undergoing consultation. Besides, the SFC, the Hong Kong Exchanges and Clearing Limited (HKEx) and the Federation of Share Registrars are drawing up the operational model of a scripless securities market, which will help improve transparency and enhance corporate communication after its implementation.

The second direction is to expand the safety net for investors. The relevant proposals include establishing a Policyholders' Protection Fund, the primary objective of which is to provide protection for policyholders in the event of insolvency of an insurer. Besides, in order to enhance protection for depositors, we are pursuing introducing a bill into the Legislative Council to raise the coverage limit of deposit protection from \$100,000 to \$500,000.

The third direction is to improve the offering regime for structured products, such as Lehman Brothers-related products. Existing legislation on the offering of authorized structured products is provided under the Companies Ordinance. We are working with the SFC to transfer such legislation to the Securities and Futures Ordinance (SFO) so that the SFC may publish appropriate codes and guidelines on the nature of the products when necessary.

The fourth direction is the proposed establishment of an investor education council. At present, investor education is provided separately by different regulators which offer education on the areas under their respective purviews. In the plan for the investor education council, education on cross-sector investment services will be provided systematically for investors of different age groups and education background.

The fifth direction is the proposed establishment of a financial dispute resolution regime. We will make reference to practices adopted by overseas jurisdictions and consider using conciliation and arbitration services and adopting a "one-stop" approach to handle public complaints relating to different financial



products and services, so that complainants will have their grievances redressed and be awarded due compensation.

It is expected that consultation on the scripless securities market, the investor education council and the resolution regime mentioned above will be conducted at the end of this year.

In this session, I will also respond, in passing, to the question raised by Mr KAM Nai-wai on the imposition of "zero-penalty" by the Hong Kong Monetary Authority (HKMA) in handling complaints about the Lehman-Brothers incident. In conducting securities business, banks have to comply with the code of conduct under the SFO. In the event of mis-selling, the authority of sanction rests with the SFC which will make sanction decisions in consultation with the HKMA. Under the existing Banking Ordinance, the HKMA is not vested with any statutory authority to impose a fine on banks. It may only remove the defaulting front-line staff from the register as a means of punishment. Therefore, on the surface, the HKMA has imposed "zero-penalty" against mis-selling, but if such cases which occurred in banks are transferred to the SFC, the relevant banks are liable to punishment.

I will now move on to the second key area of work, that is, "strengthening the regulation of financial institutions to enhance financial security". The local financial system has emerged from this global financial crisis without any systemic problems, thanks to our robust regulatory regime. Nevertheless, the G-20 and international regulatory bodies, having learnt lessons from the crisis, have proposed a series of measures. The SAR Government and relevant regulators will examine the situation and needs of the local market and improve our regulatory regime in several directions.

The first direction is enhancing banks' risk management. The failure of financial institutions to properly manage their liquidity, trading books and securitization activities was one of the causes of the financial tsunami. The Basel Committee on Banking Supervision (BCBS) has recently completed the recommendation on global liquidity risk management standards, and the HKMA will consult the industry on the recommendation. Besides, the HKMA has also published a guideline based on the principles for sound compensation proposed by the Financial Stability Board, and consultation with the industry will be conducted to ensure that the compensation systems adopted by banks are in line with effective risk management.

The second direction is enhancing the supervision of the insurance industry. We are looking into the establishment of an independent Insurance Authority and conducting a review of the insurance supervisory regime. We plan to conduct a public consultation exercise on this in the first half of next year.

The third direction is stepping up regulatory oversight of the financial market. Besides enhancing the supervision of individual financial institutions, the oversight of financial market activities is also very important. As many products are privately placed or sold over the counter instead of sold in the exchanges, it is difficult to assess their transaction volumes. In response to the request of the G-20, we are working with the regulators to study the feasibility of introducing a central clearing platform to standardize over-the-counter derivatives in order to enhance market transparency.

The fourth direction is stepping up efforts in combating illegal financial activities. There are various voices in the international community against places with low tax rates and free capital flow, which are regarded as tax havens or money-laundering havens. To avoid these stigmas, we have to meet the minimum obligation of the international standard for exchange of information concerning tax. Therefore, we proposed amendments to the Inland Revenue Ordinance in July, and the relevant bill is being scrutinized by the relevant Bills Committee. The consultation on the anti-money laundering regulatory regime has just been completed. We will collate the views received and introduce a bill to the Legislative Council in the second quarter of next year.

The third key area of work — many Members mentioned and expressed support for it yesterday — is that Hong Kong has to complement the trend of the gradual internationalization of RMB to reinforce and enhance its status as an international financial centre. As the financial industry is our pillar industry, it has to be further reinforced and developed. To facilitate market development, the policy address has proposed the positioning of Hong Kong as three centres, namely, a global financial centre, asset management centre and offshore RMB business centre. The positioning of becoming these centres is drawn up having regard to Hong Kong's relative edges over places in this region, including Shanghai. Specific plans include further enhancing the quality of our market, our strength as an international market and our competitiveness. The assurance of effective investor protection and financial security mentioned above is actually

the foundation for enhanced market quality. On this foundation, we have to further enhance Hong Kong's appeal as a capital formation and listing centre. The HKEx and the SFC have made a lot of efforts in this regard. We have also taken this into consideration in the rewrite exercise of the Companies Ordinance and the review of the Trustee Ordinance.

The second direction relating to development is further promoting RMB business in Hong Kong. Recently, a number of measures have been rolled out. They include using RMB for cross-boundary trade settlements, allowing Hong Kong banks operating on the Mainland to issue RMB bonds in Hong Kong and the recent issuance of sovereign bonds in Hong Kong by the Ministry of Finance. The fact that the Central Government chose Hong Kong as the first location for issuing sovereign bonds outside the Mainland indicates that it supports Hong Kong's development of offshore RMB business to promote the regionalization and internationalization of RMB. Hong Kong's demand for RMB is market-led, and thus Hong Kong can offer an effective test for the acceptability of RMB in the international market. It is also in the best position to serve as a reliable and effective testing ground for the liberalization of our country's capital account and the circulation of RMB outside the Mainland. We are very glad to hear Premier WEN Jiabao mention, on his own initiative, in his remarks to the mass media last Friday that Hong Kong is chosen as the pilot area of the country's financial reform. We will continue to study this issue with the regulators and market participants, and in parallel pursue with the Central Authorities the introduction of more RMB products and services, including the good proposals mentioned by Mr CHAN Kam-lam and Mr CHAN Kin-por yesterday. We will also promote using RMB for settlements to neighbouring Asian regions, thereby developing Hong Kong's offshore RMB business.

The third direction is to strengthen financial co-operation with the Pearl River Delta (PRD) Region. Under Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), we have successfully lowered the threshold for banks to establish more bank branches in the PRD Region, which is also a step forward for the securities sector. We will continue to leverage on the platform of CEPA to assist financial institutions and professionals of Hong Kong to expand their business operations in the Mainland, in particular, to pursue the enhancement of co-operation between Hong Kong and the PRD Region by adopting the early and pilot implementation model.

Finally, I would like to stress that in implementing the three key areas of work above, although we attach much importance to investor protection and the stability of financial institutions, we are equally mindful of ensuring that the development and creativity of the market would not be stifled as a result.

Thank you, President.

**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 (heritage conservation); Economic Development (energy); Environmental Affairs; Food Safety and Environmental Hygiene; Home Affairs (other than district administration and civic education, which will be discussed in the fifth session); and Information Technology and Broadcasting (creative industry).

Members who wish to speak will please press the "Request to speak" button.

**MR JEFFREY LAM** (in Cantonese): President, the part devoted to improving the environment and air quality in this year's policy address is greater in length than that in previous years. It can therefore be seen that environmental protection is an important part of the development of any society and cannot be overlooked.

Last week the air pollution index in Central once reached 168 and it was the highest ever in five years. The air pollution index figures in other districts also remained at very high levels. This situation is worrying. The consultation exercise conducted by the Government on air quality objectives will complete next month. We all hope that the Government can adopt the World Health Organization standards as the long-term objectives for Hong Kong and that effective measures can be devised to enable the people of Hong Kong to have more chances of seeing the blue sky.

I hope all the more that Governments of Guangdong and Hong Kong can reach an agreement on a post-2010 emission reduction scheme. This is because both places share the same sky and there must be collaboration between the two before air quality can be improved and a low carbon economy realized. This

will enable the building of a green and quality living sphere in the Greater Pearl River Delta Region. I am glad that the Government will seek to incorporate this strategy into the National 12th Five-Year Plan.

The Cleaner Production Partnership Programme, funded by the Hong Kong Government and under the charge of the Hong Kong Productivity Council has operated for more than a year. The Programme offers many solutions of green production technologies to Hong Kong manufacturers in the Pearl River Delta. Apart from improving the environment, they also serve to upgrade the competitiveness of these enterprises. I therefore greatly support expanding the Programme to include treating and reducing effluent discharge.

It is everyone's responsibility to improve air quality. The policy address this year proposes that such efforts should begin at home. Citizens will be given cash coupons for the purchase of compact fluorescent lamps (CFLs) to encourage them to replace traditional incandescent light bulbs with CFLs. According to information provided by the Government, 16% of the electricity consumed in households is attributed to lighting equipment, and the amount of electricity consumed by CFLs is 70% less than incandescent light bulbs. The use of CFLs can therefore save on electricity as well as money. This is a global trend consistent with the principle of environmental protection and I think everyone will support it.

However, with respect to the distribution of cash coupons for the purchase of CFLs, I think that some of the implementation details should be refined. Now when members of the public want to buy light bulbs, they would prefer buying them from small shops or shops in Ap Liu Street which is known as "Electrical Appliances Street". This is because more varieties and choices are available in these places and they are more affordable. With respect to the scheme on CFLs on this occasion, would restrictions be imposed so that citizens can only buy from certain designated shops? If small shop operators in Ap Liu Street want to join the scheme, do they have to bear the administrative costs and hence incur an increase in their operation costs?

So I hope that the Government should make this scheme on cash coupons for CFLs simple and all shops with a business licence and which sell light bulbs should be allowed to join it. Also, I call on shops to sell less of those incandescent light bulbs and they should recover at their own initiative traditional

light bulbs replaced by citizens. These light bulbs should then be handed over to the Government for proper disposal. As CFLs contain mercury, they must be handled with care to ensure that no harm is done to the environment.

As a matter of fact, apart from CFLs, we all know that LED lamps which are increasingly popular contain no mercury. Their lifespan and power consumption are better than CFLs. I therefore suggest that the Government should expand the scope of the CFL scheme to allow electricity account holders to buy various kinds of green light bulbs. I hope that the Government can gradually replace all traffic lights with LED lamps and it can give active support to work done in Hong Kong to develop LED lamp technologies. This move will ensure that LED lamps will become better in terms of quality, supply, price and environmental efficiency. All these are consistent with Hong Kong's efforts in becoming a quality green city.

President, with more and more households switching to the use of CFLs in recent years, the distribution of cash coupons for CFLs on this occasion serves to encourage the people to do their share of environmental protection. The matter is not related to the raising or otherwise of power tariffs. For people who are already using CFLs or LED lamps, giving them cash coupons to buy CFLs will not further reduce their consumption of electricity. As for the business and industrial sectors, since they will not be given any such cash coupons, they will not benefit from the scheme. So if power tariffs are increased, it will add to their financial burden. I therefore hope that when the Government takes forward this scheme, it should be mindful of the heavy burden placed on the households and commercial and industrial account holders under the present economic circumstances.

Also, I notice that the back staircases of all buildings in Hong Kong are always lit, so this will consume much energy. The Government may consider allowing the installation of sensors in such staircases so that whenever someone passes by, the lights will be turned on and they will be turned off when no one passes by. In this way, much electricity can be saved each year. I know that in the Government Headquarters, such sensors are already installed in certain places. If there could be certain adjustments in the law, I would think that this is very helpful to environmental protection and power conservation.

Another part of the policy address is on promoting the use of electric vehicles. From the perspective of emission reduction, electric vehicles are of

course the best choice. But the supply of electric vehicles worldwide cannot meet the demand for them. Therefore, I am glad to learn that the Government is collaborating with two electric vehicle manufacturers and it is expected around 200 electric vehicles will be put up for sale in the local market in the coming financial year. The Administration will work with the two power companies to launch an electric vehicles leasing scheme by the end of 2010.

I know that the two power companies are planning to set up charging stations in the large car parks and they would adopt the most convenient ways of payment, such as the Octopus system. Apart from charging facilities, I think efforts must be made to ensure that there are suitable repair and maintenance services and that the maintenance staff and fire officers will all undergo relevant training. As electric vehicles are already exempted from the vehicle first registration tax, I hope that the leasing charges under the leasing scheme can be more affordable so that more drivers in Hong Kong can have a chance to try this kind of environmentally-friendly electric vehicle.

The locally produced electric vehicle MyCar was launched onto the local market for sale last week. Although MyCar is allowed to run on roads with a speed limit of 50 km, this is the first step after all. I hope the Government can give more assistance in the R&D work and licensing of MyCar and it should consider buying MyCars to show its support of industries in Hong Kong.

Owing to the insufficient supply of electric vehicles to meet the high demand, I think that the Government should think of more measures to encourage the use of hybrid vehicles. Now hybrid vehicles have developed to a stage where electricity is first used in such vehicles before gasoline is used. These vehicles are environmentally-friendly. However, the tax concessions on environmentally-friendly vehicles launched in April 2007 have not met with enthusiastic responses, I hope that the scheme can be reviewed and efforts made to attract more car owners to buy these green cars.

Apart from private cars, we should not overlook the environmental work on heavy-duty commercial vehicles. In April 2007, the Government launched a vehicle replacement subsidy scheme for pre-Euro and Euro I diesel commercial vehicles. But information from the authorities shows that only 20% of the eligible vehicles have been replaced under the scheme which will expire next March.

I hope the authorities can realize that when Euro IV vehicles were first launched, some technical problems appeared and they were only solved in this April. During the interim, vehicle owners would not buy vehicles that they know are problematic and they would only buy them when all the technical problems are solved by the manufacturers. Moreover, due to the financial tsunami which broke out last year, many vehicle owners are unable to bear the expenses incurred in replacing their vehicles. I therefore hope that the authorities can consider extending the validity period of the scheme, because we must do our best to prevent pre-Euro and Euro I vehicles from running on the roads of Hong Kong.

President, I so submit.

**MR CHAN KIN-POR** (in Cantonese): President, a number of environmental initiatives have been proposed in the policy address this year. Together with the Government's ongoing efforts, such as the consultation on air quality objectives, there are actually plenty of environmental protection policies awaiting public discussion. However, it is indeed a shame that members of the public seem to have focused their discussion only on the issue surrounding compact fluorescent lamps without showing any keen interest in these initiatives which are closely related to their daily life.

The policy address states that the Government will promote a low carbon economy based on low energy consumption and low pollution, and the relevant proposals include raising the proportion of using natural gas for local electricity generation from the current 28% to 50%. Actually, this proposal is very helpful to ameliorating air pollution, but various problems will arise in implementation. As pointed out in the consultation paper on the review of air quality objectives published earlier, increasing the proportion of electricity generated by natural gas will ultimately lead to an increase in electricity tariff by 20%, which will practically increase the public's burden.

I would like to point out that while electricity generation is the major source of pollutant emissions in Hong Kong, using natural gas for electricity generation will greatly reduce the emissions of sulphur dioxide and respirable suspended particulates (RSP), which can greatly facilitate the ameliorating of air pollution and thus warrants additional resource input. However, I think the



Government should not fully transfer the costs to the public because the improvement of air quality will bring many invisible benefits that may not be readily quantified, such as better health of the public, a better image of Hong Kong and an enhanced appeal for foreign investment in Hong Kong. In the policy address, the Chief Executive pointed out that the Environment Bureau had begun to explore the relevant issues with the two power companies. So it seems that certain progress has been made, and I hope there will soon be some good news.

To improve roadside air quality, the Government launched a \$3.2 billion grant scheme in 2007 to encourage vehicle owners to replace their pre-Euro and Euro I diesel commercial vehicles with new vehicles which are more environmentally-friendly. The policy agenda has pointed out that as at this September, only a grant payment of about \$542 million was made. In other words, over \$2 billion is still available under the scheme. Now, the Government has decided that the scheme should expire in March next year as planned. However, we should take into consideration the fact that diesel vehicles are actually another major source of pollutant emissions. I think the Government should make use of the remaining amount to introduce new vehicle enhancement and replacement schemes or even consider using these resources to help the bus companies replace their bus fleets with more environmentally-friendly buses. Besides, there are actually various reasons why vehicle owners are unwilling to replace their vehicles, such as the concern about their prospects. Therefore, besides providing grants for vehicle replacement, the new enhancement scheme should also introduce a used vehicle buy-back programme for owners who do not intend to replace their vehicles. Subsequently, these used vehicles may be scrapped to pre-empt their resale, which may otherwise cause further pollution to the environment.

Besides, the policy agenda has mentioned that the Government is drafting a bill on banning idling vehicles with running engines, which is expected to be ready for introduction into the Legislative Council for scrutiny within this Legislative Session. Banning idling vehicles with running engines is basically a good idea and is well received by the public. However, members of the transport industry, in particular, professional drivers, have different views on and grave dissatisfaction about it. I hope the Government will resolve the relevant problems through negotiation with the industry before introducing this bill to avoid aggravating the conflict.

The policy address has also proposed promoting the use of electric vehicles and working with the two power companies to launch an electric vehicle leasing scheme by the end of next year to give the public some hand-on experience about the benefits of driving electric vehicles. I strongly support this proposal and I believe this is the major trend. Recently, some electric vehicles developed locally have been launched on the market, and they will soon be the focus of public attention. I believe, when the technology of electric vehicles becomes mature, more people will be attracted to switching to them.

The policy address has also proposed inviting schools to sign a green lunch charter as an undertaking to avoid the use of disposable containers and cutlery and reduce food waste. The Government will provide assistance to schools in switching over to on-site meal portioning. With the adoption of on-site meal portioning, no disposable containers and cutlery are used. The food portions can also be flexibly adjusted according to the need of individual students. This scheme will be able to instill the concept of environmental protection in the younger generation through first-person experience and enable them to foster green habits at an early stage. Actually, as long as we are prepared to do more, there are numerous habits and practices in our daily life through which we can contribute towards environmental protection. Better results will definitely be achieved if the Government can take the lead in promoting these habits and practices.

I so submit.

**MR KAM NAI-WAI** (in Cantonese): President, on behalf of the Democratic Party, I would like to express our views today on the policy address with regard to the environmental protection policies and the conservation of the Central District.

Certainly, I think we cannot discuss environmental protection policies today without first mentioning the policy on compact fluorescent lamps (CFLs) because this has recently become the talk of the town. Obviously, the Government introduced this policy without thorough consideration, and it gives people the impression that ..... even if we do not question whether any transfer of benefits is involved, it has cast grave doubt on the Government's readiness to commit itself to the implementation of this policy. This is actually the same mindset as that reflected in the recent consultation paper on air pollution, in

which the authorities advised that increases in electricity tariff and bus fare are required before air pollution can be ameliorated.

The eco-responsibilities always talked about by the Government have created an impression that all these responsibilities are laid on the general public while the Government does not have to undertake any of them. Such an impression has caused a policy, which is originally a sound policy that seeks to promote public awareness and engagement in environmental protection, to become a disincentive. This is a shame indeed.

Recently, there are numerous discussions on the CFLs policy. Many members of the public have raised a number of questions, for example, what they should do if they choose to use fluorescent tubes, because there will be an increase in electricity tariff, and the CFL cash vouchers cannot be used for buying LED bulbs. Members of the business sector said that while they would not receive any CFL cash voucher, they would have to pay additional electricity tariff. Yesterday, I raised a written question on the future level of electricity tariff charged by the Hongkong Electric Holdings Limited. The level of electricity tariff will definitely be raised next year. In other words, there will be a further increase on top of an increase. This policy is originally a sound one but the focus of the entire discussion has been shifted, which is indeed a shame. Therefore, the Democratic Party hopes the Government will — fine-tune and enhance, such is the wording used by the Government — fine-tune or enhance this sound policy. I believe this policy may possibly receive public support.

Therefore, the Democratic Party proposes that in promoting environmental measures, first of all, no electricity tariff increase should be imposed; and secondly, if \$100 green vouchers are issued, the relevant costs should be fully borne by the Government. According to our calculation, the amount involved in issuing \$100 per household, based on the calculation that there are over 2 million households in Hong Kong, is about \$240 million to \$250 million. I believe this is affordable to the Government. As we all know, and as mentioned by a colleague just now, in the grant scheme for diesel commercial vehicles, the allocated provision amounts to over \$3 billion. Although the amount is not depleted yet, it can serve as a precedent. I think in promoting environmental measures, the Government may give consideration to this. Thirdly, should the \$100 green vouchers be used exclusively for buying CFLs? The Democratic Party does not think this is necessarily the case. Rather, consideration may be given to extending the coverage of the vouchers to LED bulbs. Regarding LED

bulbs, the issue of whether CFLs would be used in all the Government Headquarters at the Tamar site was raised a few days ago. Now, the Government has changed tack, indicating that LED bulbs will be used. Why can these green vouchers not be used for buying LED bulbs or other energy-saving products? I hope the Government will fine-tune this policy, and the Democratic Party also hopes that this policy will be implemented.

Besides the CFL policy, I certainly have to discuss the issue of air pollution. We have always hoped that the Government will implement air quality improvement measures expeditiously. Actually, we do not have to wait for whatever consultation because we ..... according to the HEDLEY Environmental Index developed by the University of Hong Kong, there were more than 800 premature deaths due to air pollution last year. Therefore, protecting the health of the public is vitally important. Some colleagues have pointed out just now that an Air Pollution Index (API) of over 160 was recently recorded at the roadside monitoring station in Central, which was a record high. It is really frightening to learn that such records are broken over and over again. I think the situation will worsen if we do not implement these measures as soon as possible.

Of course, the Democratic Party thinks the primary task is to address the emission of black smoke from buses. Regarding how the problem relating to these buses should be addressed, we have repeatedly expressed our hope for the Government to provide subsidies for bus companies to replace these buses as soon as possible. At a meeting of the Panel on Environmental Affairs held earlier, if my memory is correct, the Deputy Secretary said the replacement exercise of smoky Euro II buses would not be completed until 2019. Many people may have died long before this problem is resolved.

From the business point of view, as the bus companies are not certain about their business prospects, I think they may not be willing to replace their buses casually if the Government just calls on them to do so without providing them any subsidy. I hope the Government will expeditiously introduce subsidies for the bus companies to replace their buses in the near future. I think this can substantially ameliorate roadside air pollution. Regarding the API, we have spoken on it plenty of times and we will not repeat ourselves here. We just hope that our air quality will meet the standard set by the World Health Organization soon.

The hot topic nowadays is how to reduce greenhouse gas emission. I know the Panel on Environmental Affairs will conduct a discussion on this, and actually a meeting will be held in Copenhagen at the end of the year. But what emission reduction targets will be set? Now, we can see that both the Chief Executive and the Secretary have placed their emphasis on this issue, but their emphasis is only on reducing energy intensity instead of total emissions. We find this very disappointing.

As part of the global village, we can actually observe that many countries, such as the United States, have set the target of reducing the total emissions to the 1990 level by 2020, and Tokyo also ..... reduce the total emissions to 25% below the 2000 level by 2020. Australia, as well as the United Kingdom, has also proposed an amount of emission reduction. I am not going to go over the figures one by one because I believe the Secretary knows them much better than I do.

Therefore, the Democratic Party thinks the Government should set a definite emission reduction target so that we can work towards it. In the future, we will participate ..... I believe when we meet with the delegation from China, we should state our thought that Hong Kong should set a clear emission reduction target. This way, we will be able to carry out the relevant work in the future with a clear target before us.

Regarding environmental protection, the last issue I would like to talk about is banning idling vehicles with running engines. Some colleagues said just now that ..... as all of us know, this policy will most probably be welcomed. However, how should it be implemented? Members may have noticed some press reports on plastic bags over the past couple of days, that the number of supermarket customers using plastic bags has decreased by 85%. This is a great success as far as the implementation of environmental measures is concerned, and it is also a good beginning. However, the recent discussion on CFLs has aroused a great controversy in town. I am greatly concerned that the Secretary may back off, especially in the issue of banning idling vehicles with running engines. How can this policy be implemented without the industry's opposition? This requires great wisdom on the part of the Secretary. Actually, if ..... but the Secretary has to consider this: if he offers a lot of exemptions, such as exempting various vehicles from the ban, in order to satisfy the demands of the industry, it will be difficult to implement and enforce this policy.

I think banning idling vehicles with running engines will have certain effect on roadside emissions. In this regard, I hope the Secretary will expeditiously ..... although this is a controversial policy, I think he should introduce this policy into the Legislative Council for discussion as soon as possible. I think this Council may conduct a debate to allow the clear expression of different ideas. If a debate is conducted in this Council, I believe the implementation of this policy will be able to ..... as in the case of the plastic bag levy introduced earlier, opposition from the industry was quite strong at that time. However, a view acceptable to both parties was reached after the relevant policy was introduced into the Legislative Council for discussion, thereby enabling the early implementation of the policy. We from the Democratic Party hope the Government will implement a comprehensive environment policy as soon as possible.

Having talked about environmental protection initiatives, I would like to speak on the subject today, that is, heritage conservation under the policy area of Development. It is because this, that is, how heritage conservation can be carried out in Central, is a rather important aspect of work promoted by the Government in this policy address.

Today, I have specially brought along a leaflet entitled "Creating a historic town district" which I used in the 2008 election campaign. In creating a historic town district, there are two ..... We proposed that many buildings, including the Central Market, and the Government Hill should be preserved. As early as in 2006, we already organized a forum outside the Government Headquarters, calling on the Government to preserve the Government Hill. We of course welcome the Government's decision to take on board the view of the Democratic Party and preserve the Central Market and the Government Hill. However, this is how things go here: the Government adopted only some of our views but not all. The Government took on board our views without expressing gratitude, and shortly afterwards packaged our views as its own. In our idea of "Creating a historic town district", the Democratic Party has actually put forward a number of proposals, hoping that the Government will develop a historic town district management council to manage the entire district instead of just a few buildings because apart from government buildings, ..... they will be unable to integrate into the entire town if the town district itself is still undergoing development. It is because there are actually people living in the district. If we want to preserve these buildings and enable them to integrate into the community, while at the same time prevent traffic congestion and environmental problems, an overall

management of the entire town district is required. Instead of preserving a brick when we come across one and preserving a house when we come across one, we have to take note of the development of the entire district, which is a vitally important task.

Therefore, the Democratic Party proposes and hopes the Government will develop a historic town district. Of course, in the present plan, if the Government ..... this will definitely arouse other concerns among us. Take the Central Market as an example, if the Government entrusts the Central Market to the Urban Renewal Authority (URA), we will have some other concerns.

I am more familiar with the situation of the Sheung Wan Market. As all of us can see, it has turned into the Western Market now. It is evident to all that there is nothing to write home about the management mode of the Western Market, which has always been a subject of criticisms. We do not want to see that this management mode is adopted for the historic town district. Of course, the Government may have some new ideas. For example, we can recently notice another management mode in Wan Chai, such as that of the Woo Cheong Pawn Shop, which has now turned into a high-end restaurant that is not quite affordable to the general public. This is another management mode. However, neither the mode adopted for the Western Market nor the one adopted for the Woo Cheong Pawn Shop is the mode we look forward to.

We definitely want to see that members of the general public do not have to become a member or pay a very high fee for entry to these places because such places belong to the citizens of Hong Kong. Therefore, we hope the Government will, in its liaison with the URA, give thorough consideration to the mode of development which should be adopted so that the development will not turn into another Western Market or Woo Cheong Pawn Shop. I think the development of the entire district ..... regarding the historic town district I mentioned just now, I hope the Government will consider it thoroughly.

Finally, I would like to say that ..... of course, heritage conservation is a subject under Economic Development. However, President, I would like to talk about in passing the conservation of trees, though the Secretary may not respond to it later. Regarding the conservation of trees, I hope the Government will introduce legislation on trees. The Democratic Party is conducting a study on the relevant legislation because there are at present eight pieces of legislation ..... the Government thinks they are suffice for addressing the conservation of

trees. However, we think there should be a comprehensive law governing a range of issues, from tree trimming, the licensing of tree trimming contractors to imposing sanctions on contractors or individuals engaged in indiscriminate tree trimming. Therefore, I hope the Government will reconsider introducing legislation on the conservation of trees or else the Democratic Party will propose a private bill. I hope the Government will reconsider this issue.

President, I so submit.

**MR TOMMY CHEUNG** (in Cantonese): President, first of all, I was very pleased at hearing the Financial Secretary's response to the Liberal Party's request of extending the SME Loan Guarantee Scheme for six more months.

I would like to speak on the initiative of revitalizing old industrial buildings. The Liberal Party and I advocated a few years ago using industrial buildings of a higher vacancy rate for the development of creative industries and converting them into wine storage. In particular the wine industry has been given a great business opportunity after the lifting of wine duty, and it was even suggested that a comprehensive wine business landmark be set up by pooling wine warehouses, tasting rooms, bars and dining rooms in suitable industrial buildings. However, the development of the mixed use of an industrial building would give rise to a number of lease and fire issues, and the Development Bureau is also aware of this point, so it suggested that it would be more practical to convert the use of an entire building. However, I would like to point out that in this case, a more complex ownership issue has to be dealt with and more capital has to be raised, and it will not be an easy task for the industry.

Although the authorities have introduced incentive measures, including the "pay for what you build" approach in order to greatly reduce the amount of regrant premium, the recent move made by developers is nevertheless disturbing, as the relevant measure will only help developers to profiteer by acquiring and converting industrial buildings for the development of their profit-making projects.

I wish to remind the authorities that the purpose of revitalizing industrial buildings is to complement and promote the development of the six industries. In addition to the proposal on developing the six industries, the wine industry should not be ignored, too. The authorities should take this opportunity to



utilize these buildings to provide sound complementary hardware, in order to further strengthen Hong Kong's position as a wine centre.

However, this is not the sole responsibility of the Development Bureau. Other departments, including the Commerce and Economic Development Bureau and the Food and Health Bureau should also actively step up their co-operative efforts, and specific measures should be studied in order to help more wine business operators to move into industrial buildings.

Hong Kong's rigid and cumbersome licensing and approval system has long been criticized, with each government department doing things in its own way. As a result of this, the conversion or redevelopment of industrial buildings has to overcome many hurdles, and more often than not, approvals have to be obtained from the Town Planning Board, the Lands Department (LandsD), the Food and Environmental Hygiene Department, the Fire Services Department, the Electrical and Mechanical Services Department, the Home Affairs Department and the Environmental Protection Department and other departments. Hence, it often takes a long time from the submission of an application to the opening of a business. It is therefore difficult for small and medium enterprises (SMEs) which have insufficient funds to bear such a great risk.

Therefore, given the fact that the LandsD will set up a dedicated team to process applications for redevelopment or wholesale conversion of industrial buildings, the industry suggests that the authorities should adopt a more aggressive approach in order to provide a "one-stop" service by effecting co-ordination with various departments in carrying out the safety check and licensing processes, with a view to streamlining and speeding up the approval process. In so doing, specific measures pinpointing SMEs for the removal of barriers and hurdles can be carried out, so as to enable the industry to make use of industrial buildings for the launching of more businesses and creation of more employment opportunities as soon as practicable.

President, the title of the second chapter is "Quality City and Quality Life", and I certainly support it. However, I am concerned that the authorities intend to shirk the responsibility onto the industry by requiring the industry's full commitment in the name of this policy objective. In fact, since the sewage charges and trade effluent surcharges were introduced in 1995 by the Government, the catering industry has been bearing more than 80% of the responsibility. In addition, the most obvious example was the trade effluent

surcharge fee increase scheme for the next decade which was passed last year. It adopted the "polluter pays" principle and made the industry to shoulder the increasing effluent treatment cost. Now that the Administration is playing the same old trick again and says that in order to promote environmental protection, it allows the two power companies to distribute a \$100 cash coupon for the purchase of compact fluorescent lamps (CFLs), but actually the scheme which involves an expenditure of \$250 million will actually be footed by the tariffs paid by each household. Under the scheme of control agreement, it is inevitable for users to bear the consequences of an increase in electricity tariffs. Superficially, certain benefit is given to the public, but in fact it is sugar-coated poison, a prelude for the increase in electricity tariffs.

The Liberal Party has recently conducted an opinion poll. It was found that nearly 60% of the respondents considered that it was unreasonable to impose a mandatory increase in electricity tariffs and to force them to collect the CFL cash coupon, the number of respondents giving such a reply is double the number of respondents who considered the approach reasonable. When the respondents were asked if it was appropriate for the business sector to bear the majority of the expenditure without benefiting from the CFL cash coupon scheme, as many as 66% of the respondents considered that inappropriate.

In fact, it is unfair for the "bulk tariff" group of consumers to subsidize the group who consumes less electricity in the proposal of purchasing CFLs, so the catering industry will definitely not support it. The Liberal Party and I would like to advise the authorities that since the scheme has not received full public support, the authorities should readily accept good advice and optimize the scheme by excluding the top-down "mandatory" element, and actively consider other less controversial proposals with higher incentives, such as providing a tariff rebate to users who have reached a certain energy saving level. This may help the public to develop an energy-saving habit and also achieve the original intent of promoting low carbon economy.

President, while people are having heated discussions on the conservation of Central, I would rather like to draw Members' attention to a case that occurred in Central. Mr KAM Nai-wai knows the case very well, but he is not in the Chamber for the time being.

Last year, the Central and Western District Council (CWDC) overturned the decision of the previous two terms of CWDC and requested the LandsD to

cease the approval for the addition of an alfresco dining area by an Italian restaurant on the ground floor of Grand Millennium Plaza. However, the LandsD actually gave the green light in 2003 in response to the view of the CWDC, that the setting up of an alfresco dining area by the Italian restaurant would help promote the local community economy and the tourism industry. Who could have envisaged that five years later, after two terms, the current CWDC pointed out that as the alfresco dining area was located in the public open space within a private development project, it should not be used for commercial purposes, thus it requested the LandsD to not renew the licence. Nevertheless, the suspension decision has been temporarily shelved due to opposing views, a final decision can only be made after the Development Bureau has provided a guideline on the use of public open space in private development projects.

President, in recent years, the authorities have delegated the power of management of certain district facilities to District Councils (DCs), in fact I have no objection to it. In addition to the applications of alfresco cafes, all the licensing matters of "dai pai dong" or frozen confectionery hawkers, as well as the decision on the scope of no smoking areas in parks have been left to DCs to decide. This we all know.

As to this trend, I feel rather concerned. If policies drawn up by the Government are related to individual cases at the district level, while such cases have to be voted by the relevant DC, should it respond to different views of certain members, that is, should it be accepted even if the voting result is contrary to the policy intent? Does it mean that a policy can be changed arbitrarily according to each voting result? In this way, how can the government policies be ensured to be sustainable? How can any particular industry follow?

One should bear in mind that some licences, such as the licences for alfresco cafes, have to be renewed on a quarterly basis, but the food establishments have to comply with various licensing conditions, and the renovation costs are high. Therefore if the relevant DC goes back on its word frequently by revoking the licences, or when the industry is concerned about the future, all the losses incurred would be hardly acceptable to the business operators.

In fact, alfresco cafes will give people a sense of relaxation, while "dai pai dong" is Hong Kong's traditional food culture, both of them fits reasonably well

the concept of conservation. I sincerely hope that the authorities and various DCs will carry through the policy on alfresco cafes or "dai pai dongs". When approving the applications, a balance should be struck by all means if the relevant district's dissenting views only come from just a handful of people, as we should also take into account the survival of operators as well as social development.

President, I have recently received a lot of complaints from the pubs and bars trade about the Liquor Licensing Board becoming more and more harsh in the approval of liquor licence applications and the renewal of licences, and additional licensing requirements are more stringent than before. For example, no liquor is allowed to be sold or no music is allowed to be played after 2 am.

If the trade is aggrieved with the decision, they have to lodge an appeal, resulting in the recent substantial increase in the number of appeals received by the Municipal Services Appeals Board. While the waiting time for an appeal will be at least a few months, in some cases, hearings have not yet been arranged for some appellants after their liquor licences have expired. So, what is the purpose of lodging an appeal?

President, the business of the pubs and bars trade has been very difficult in recent years after the total smoking ban in indoor places, coupled with the impact of the financial tsunami. If the mode of operation is frequently restricted due to complaints lodged by a handful of members of the public, it will be very difficult to do business, and in the long run, it will only scare away operators.

I understand that it is difficult for the authorities to control the views of residents, but the authorities are duty-bound and able to streamline and improve the liquor licensing process and appeal mechanism. The first and foremost task of the authorities is to increase the manpower and resources to speed up the appeal procedure. In addition, the Efficiency Unit under the Chief Secretary has submitted earlier a review report on liquor licensing matters and proposed legislative amendments to the Food and Health Bureau for consideration. The trade is eagerly waiting for the outcome. I hope that the authorities will submit the proposal to the Legislative Council for discussion as soon as possible in order to implement the relevant streamlining measures.

I would also like to mention in passing that this year, the Food and Health Bureau will table to the Legislative Council the proposed legislative amendments on the relevant regulation concerning the introduction of a composite licence for

shops selling ready-to-eat food items, and I of course welcome this. However, as far as I know, the authorities have decided to draw reference from the current fee schedule for food factory licence to determine the amount of licence fees in accordance with the average cost in urban areas and the New Territories. I have strong views on this proposal. As we all know, because of historical issues left by the former Urban Council and Regional Council, the licence fees for the food industry in the New Territories are higher than that for their urban counterparts, which has been unfair to the industry in the New Territories. Therefore, the food industry has been suggesting that the best solution is to take an across-the-board approach by aligning the fees with the urban fees schedule. It will be a happy ending for all. However, the authorities have been reluctant to do so.

To one's surprise, now the authorities have proposed to charge the licence fee according to the average of urban areas' licence fees and the New Territories licence fees in issuing the new category of licence. It can be expected that the trade in Hong Kong and Kowloon will be unhappy about it. I advise the authorities to conduct consultation in advance.

Lastly, President, I wish to talk about the ever-increasing regulations and licensing conditions the catering industry has been facing in recent years, and they include food safety legislation, indoor anti-smoking legislation and random breath testing programme aiming at the prevention of drink driving, which have caused great operational difficulties to different trades.

Besides the current rental hikes, the industry has to face at least a double-digit percentage increase after the passage of the minimum wage legislation, while nobody knows how severe and how long the second wave of the financial tsunami will last. Although the Financial Secretary said that high inflation has not yet returned, we understand that after the end of the financial tsunami, high inflation will return. Even though it seems that there is no inflationary pressure these days, the prices of sugar, coffee and tea have increased recently, while it is reported that the price of canned food will rise next week. In this dire situation, the catering industry has never expected that the Administration would "give away candies".

Before the delivery of the policy address, the Administration hinted that no candies would be given away. However, there are indeed no candies to give away, but surprisingly, the industry and SMEs, especially the catering industry

which belong to the "bulk tariff" group of consumers, are made to give away candies for the Government in such a harsh business environment when every trade is still struggling for survival, such that the power companies will be subsidized in distributing CFL cash coupons, that is to say, "you throw a banquet, but the industry has to foot the bill." What is the difference between this and looting a burning house? This is really absurd and outrageous!

President, I so submit.

**MR ANDREW LEUNG** (in Cantonese): President, I would like to speak on green procurement first.

The development of industries has to be supported by demand. The Chief Executive's undertaking to vigorously promote green procurement is the first major step in supporting environmental industries. Being the largest procurer in Hong Kong, the Government's decisions of whether or not a certain product would be procured, the amount to be procured and the amount to be used would become a key factor determining whether environmental protection would be upgraded to the status of environmental industries. Ever since 2005, I have repeatedly requested the Government to step up its efforts in green procurement and promote the development of the environmental industries. The Government should play the role of an advocate and set a good example to lead the market towards green procurement.

The Government has the largest number of office buildings and employs the largest number of staff, and it is also the landlord of all the public housing estates in Hong Kong. As long as the authorities can make some adjustments in policies and require various departments to include environmental protection as one of the factors of consideration in their procurement, they will be able to bring about great business opportunities for green products and energy-saving equipment. Earlier, the Government sought approval from the Legislative Council for replacing compact fluorescent lamps (CFLs) and tungsten halogen lamps of lower efficiency with light-emitting diode (that is, LED) lighting installations for pelmet lighting and installing photovoltaic panels in the Government Headquarters at the Tamar site. This means an additional provision of over \$84 million by the Legislative Council. If the Government announces the requirement of replacing existing lighting with LED lighting installations and installing photovoltaic panels in all government buildings in the next couple of

years, a huge market for the environmental industries will be created in Hong Kong. At that time, both public and private sector organizations will follow suit, and many enterprises engaging in environmental industries will also grasp this opportunity to expand their production lines and step up their efforts in research and development (R&D) which will in turn facilitate the development of local environmental industries.

As far as green initiatives are concerned, LED is a new technology. Prices of LED lighting installations available in the market now are still on the high side, but these installations are better than CFLs in terms of their service life and electricity consumption. This technology is undergoing rapid development, and it is expected that the performance of the products will become a lot more stable and prices will hopefully come down in a year or two.

The Government should adopt a visionary attitude to encourage the use of LED lighting installations. Just as in the case of the new Legislative Council complex, at the initial planning stage, I already proposed to the Legislative Council Secretariat the introduction of LED lighting which is more environmentally-friendly. Although a greater initial cost may be incurred, electricity consumption and carbon emission will be reduced in the long run, which will contribute towards environmental protection. Of course, it will also serve as an example for the others. I hope more green lighting systems will be introduced in other government properties in the future.

Regarding the initiative on CFL cash vouchers which has recently aroused much controversy in town, I think the Bureau's intention is good as it can enhance the awareness of more members of the public of power saving, and the electricity bills for households will decrease in the long run. However, as shops accepting cash vouchers as payment will have to undertake the recovery of CFLs, and there are only about 60 recovery stations at present, which are unable to meet the needs, I hope these stations will be increased to 3 000. Nevertheless, as the Government had only discussed this initiative with the two power companies throughout the entire inception process, much discussion was aroused upon its announcement. The Government advised that details were yet to be finalized. I hope the Bureau will listen more to the views of the public, participating retailers, the business sector and Members and take on board desirable ideas so that this initiative will be implemented properly and really bring benefits to Hong Kong.

The second initiative is on clean production. The Federation of Hong Kong Industries (FHKI) and I welcome the Government's move to extend the Cleaner Production Partnership Programme (CPPP) to assist Hong Kong businesses in treating and reducing effluent discharge. At present, many Hong Kong businessmen who are operating their businesses and have set up factories in Guangdong Province are engaged in printing, electronics, toys or the garment manufacturing industry, the production processes of which somehow involve electroplating, bleaching and dyeing. With increasingly stringent requirements on emission reduction and environmentally-friendly installations imposed by the Mainland, and faced with the Mainland's policy of industry upgrading and transformation, Hong Kong businessmen badly need the Government's support in environmental technology.

To complement Guangdong Province's policy on the development of industrial parks, the FHKI and the Jiangmen Municipal Government are working together to establish a "Hong Kong Environmental Electroplating Industrial Park" in Yueshan of Jiangmen. The main objective is to assist Hong Kong electroplating factories to move into an industrial park with high standards of effluent treatment. It is hoped that the Industrial Park will eventually serve as a model. After the extension of the CPPP, I believe Hong Kong electroplating factories in the Industrial Park will be able to obtain to a certain extent the necessary support in central sewage treatment facilities. However, I also notice that the SAR Government has not specifically indicated whether or not additional provision will be allocated for the \$93 million CPPP. After enquiries with the Hong Kong Productivity Council, which is responsible for implementing the CPPP, I have learnt that as a small amount of the clean production funding originally dedicated for design is still available, it can thus be used on treating effluent discharge. I hope the Government will review the CPPP expeditiously after its extension and provide additional support in a timely manner, subject to the demands and responses of enterprises towards the extended CPPP.

When different parts of the world are advocating the use of products with green elements, there are increasing consumer demands for such products. The Government can help owners of Hong Kong-invested factories in the Pearl River Delta (PRD) to gain entry to more markets as long as it allows their early access to advanced technology, thereby bringing substantial added value to their products. Besides exporting their products to advanced markets in Europe and the United States with demands for green products, Hong Kong businesses can



also sell their products in Hong Kong to the benefit of local consumers, provided that their products are well-received.

Besides, the Secretary should understand that assisting Hong Kong businessmen to move into a green industrial park will not only be able to help Hong Kong-owned enterprises but also improve the environment of the entire region by enhancing the production and emission reduction technology of such undertakings. Clean production can also maintain the integrity of the production chain in the PRD. Take electroplating as an example, it is an indispensable downstream process in many production lines. As the electroplating technology is required in the production of electronic appliances, watches and clocks and zippers, excluding electroplating would mean destroying the production base for electronic products, watches, garment, handbags or even toys in the region.

President, I notice that there is no mention of the recovery and recycling industries in this policy address. My first motion debate after I had joined the Legislative Council was on the "Policy on the recycling industry". It was February 2005 then, and now four and a half years have passed. Although public awareness of environmental protection has been heightened and members of the public will bring their own shopping bags, our recycling industry still remains at the "junk collection" stage without any regulation. I think it is necessary to strengthen regulation to enhance the quality of local recyclable products and to separate and screen these products.

After screening and processing, recyclable products may become materials necessary for manufacturing: plastic bottles may be turned into plastic beads, and waste paper may be turned into recycled paper. Besides, taking electronic products as an example, those undamaged or slightly damaged products screened may be issued with a certificate of good recyclable products after simple repairs and inspection, which may then be put on the local second-hand market, thereby bringing benefits to the grassroots. I hope the authorities will realistically consider introducing incentive measures and in parallel make efforts on the education front to encourage all members of the public to live a greener life.

President, I would also like to talk about carbon/emission trading. When it comes to environmental industries, we should not just focus on the local market. The Mainland is the largest market for environmental industries in the world. Just in the Clean Development Mechanism (CDM) which seeks to

co-ordinate developed industrial countries and developing countries in reducing the six greenhouse gases which would lead to global warming, to put it simply, just in carbon/emission trading alone, the amount of business involved in the relevant business operations in the Mainland is about \$80 billion. It is the largest market in the world and we should seize this opportunity.

I know individual Hong Kong enterprises are already engaging in the CDM market in the Mainland, and I also know a small-scale energy company has provided an Industrial Water Circulation Energy Saving Control System to a cement plant in the Mainland. Designed to reduce the amount of electricity required during the production process, the System will also reduce the cement plant's electricity consumption by recovering the excessive heat generated during the production process and turning it into energy, thereby achieving the effect of electricity generation. Such heat, being turned from "waste" into electricity, may be used by the cement plant again. This Hong Kong company may also charge the plant for the additional electricity supply. As this approach enables direct saving in fuel consumption and reduction in carbon emission, it may help accumulate carbon credits which may then be traded in carbon/emission exchanges.

As I said just now, the Mainland is the largest CDM market in the world. There are professionals in Hong Kong engaging in designing energy saving and emission reduction systems and also suitable independent organizations and professionals qualified for the certification of these systems. Besides, Hong Kong is also an international trading platform. The expeditious development of a carbon/emission trading platform which is closely linked to the Mainland may serve as a driving force for the various professional services of Hong Kong, thereby enabling the further development of the banking sector and financial exchanges.

President, environmental industries are not only able to create wealth for Hong Kong, but may more importantly, bring benefits to Hong Kong and enable the sustainable development of the region as a whole. The development of Hong Kong in this respect over the past has lagged behind that of other developed places. I hope the Government will provide support in terms of policy and lead the people and enterprises onto the path towards green economy.

I so submit.

**DR RAYMOND HO:** Mr President, for our own benefits and future development, Hong Kong must work with Guangdong to create a green and quality living area in the Greater Pearl River Delta Region. I appreciate that this co-operation initiative has been included in the Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020) as a key development strategy. It is encouraging to note that the SAR Government attaches great importance to this development strategy by seeking its incorporation into the National 12th Five Year Plan.

More and more countries, including the Mainland, are placing emphasis on environmental protection, which has become not only a trend but also a trillion-dollar business. Two years ago, the National People's Congress (NPC) passed the energy-saving legislation. Last August, as a Hong Kong deputy, I had the opportunity to attend the meeting of the Standing Committee of the NPC, at which the climate change resolution was passed and the draft amendment to renewable energy law was discussed.

While the Motherland has already taken various initiatives to cope with climate change, Hong Kong has yet to develop strategies and measures to deal with the problem as the consultancy study will not be completed until next year. The Mainland is proactively promoting the use of renewable energy with the target of achieving 15% as its total electricity supply by 2020. The ambitious renewable energy development plan is comparable to those of developed countries, but our own target of renewable energy contribution to meet annual electricity demand is set at about a miserable 3% by 2022.

Our State leaders attach great importance to the forthcoming Climate Change Summit to be held in Copenhagen in December this year. It is expected that there will be profound disagreement over major issues between the developing countries and the industrialized bloc. I have expressed my views in the March NPC meetings in Beijing that our country must not accept any unfair and unreasonable terms proposed by the industrialized countries.

Compared to the Mainland, Hong Kong is very slow in developing its low carbon economy. All our Government has done is to explore ways to raise the proportion of natural gas for local electricity generation, in order to reduce our carbon emission. However, over-reliance on a single fuel is not advisable, as our electricity supply will be highly susceptible to disruptions of supply of natural gas from sources outside Hong Kong.

As a matter of fact, Hong Kong should explore the possibility of increasing the import of nuclear electricity from the Mainland. In this connection, the Administration should encourage more Hong Kong companies to invest in nuclear power development projects in the Mainland. In fact, the Mainland is setting its eyes on the target of raising nuclear installed capacity to 40 GW by 2020, equal to 4% share of the national power output.

At present, vehicular emissions are the major source of air pollution in Hong Kong. The Government is making the right move, though belatedly, in promoting the use of electric vehicles. However, unfavourable factors, including slow cruising speed, limited mileage and high price tag, are likely to stall the wider use of environmentally-friendly vehicles. Insufficient battery charging facilities also put a damper on their adoption. The Government should therefore partner with relevant parties to improve the availability of battery charging facilities.

On the other hand, the Government should consider enforcing the early retirement of aged and heavy polluting vehicles by legislation and earlier replacement of Euro I and II commercial diesel vehicles with a one-off grant financial scheme.

There is a growing concern among the public about the deterioration of air quality in Hong Kong. To address the issue, the Government must show determination to completely revise without delay the existing outdated Air Quality Objectives (AQOs), which have been adopted since 1987. It is imperative for Hong Kong to update our AQOs to the latest international standards. In addition, the Government should proactively join hands with Guangdong to review the AQOs and to implement emission control measures. The Government should also accelerate the research on regional air pollution and climate change. The research results should be made available for sharing with enterprises and the public. All these will not happen if our senior government officials lack foresight and knowledge of the latest development elsewhere.

With regard to solid waste management, there is an urgent need for the Government to adopt advanced incineration technology. Hong Kong has been heavily reliant on landfills for solid waste disposal since the 1970s when most of the incinerators have been demolished now. However, expansion of the landfills is obviously not a sustainable option in Hong Kong, given its limited land supply. In order to reduce resistance from the public in building incinerators in their

neighbourhood, the Government should make more efforts in promoting a better understanding of the modern incineration technology among the public.

In the past, when incineration technology was not so developed, dioxin emission with exhaust gas and ash posed tremendous environmental problems. Recent advances in technology mean that thermal treatment plants are able to meet much more stringent emission standards than incinerators of the previous generations. Waste management in the form of incineration has been adopted in many advanced countries. I got a first-hand experience of the incineration facilities during our four-Member overseas duty visit to Europe arranged by the Panel on Environmental Affairs of the Legislative Council in 2001. There are people living in houses abutting the boundary walls of the incinerators. They do not feel that the facilities next door to them are a threat to their health. Indeed, many of these facilities have become tourist attractions in those countries. If other countries can do it, surely we should have confidence in ourselves. We can do it too.

Thank you, Mr President.

**MR FRED LI** (in Cantonese): President, let me start with the part concerning Secretary Dr York CHOW before moving on to the part concerning Secretary Edward YAU.

This year, there has been a steady rise in the prices of luxury properties, and the same goes for the places where the deceased rest in peace. Given the shortage of niches, the prices of private niches have continued to go up. The space occupied by these niches is actually very small. However, a niche can be sold for \$50,000 to \$200,000, and the waiting time can be very long. Therefore, the ordinary public can only give up their hope of purchasing one given its exorbitant price, even if they wish to worship their deceased ancestors. Furthermore, unlike people waiting for public housing who will be assured by the Housing Department that they will definitely be allocated public housing within three years, people waiting for the sales of niches will have to go through a ballot drawing exercise. Those with bad luck will be unable to secure a niche. And the authorities concerned have not made any commitment either. I have been told by some people that they felt very unhappy for they had failed several times in the ballot.

As we all know, and as stated in the reply given by Secretary Dr York CHOW to a question raised by Mr Ronny TONG here in this Council, at least 200 000 to 250 000 additional public niches will be required in the coming decade. How can this problem be addressed? What can the Government do? We have promised to encourage more people to support this major campaign at the district level. Three decades ago, burial was very popular, and cremation was very rare. However, because of the lack of space, the Government has been persuading people against burial and to switch to cremation instead. This policy has proved to be a great success, for 80% to 90% of the people now opt for cremation. But then, there is the problem of lack of space for accommodating niches. I really have no idea what else the Government can promote. Now, the Government is promoting sea burials or the disposal of cremains at memorial parks.

I think sea burials are worthy of consideration. The Government may launch more campaigns to encourage cremation of dead bodies to be followed by burial of the cremains at sea. At present, sea burials can only be performed in several designated places. However, I think that further studies can be conducted to identify more places for the performance of sea burials for the convenience of the public.

Following the deceased, now I would like to turn to animals. I think only a very small number of Members in this Council will talk about animals. However, the Democratic Party has been in constant contact with animal groups. They have a lot of grievances because the Government — it has been more than two years since the Agriculture, Fisheries and Conservation Department (AFCD) said that the attached conditions for animal trader licence would be implemented. Yet, things ended up in a mess, and then there was another consultation. However, it was still a mess. Subsequently, things got better with the replacement of the veterinary surgeon in charge. The one who is currently in charge is Ms YEUNG. Yet, the problem remains unresolved, with the issue of hobby breeders being the most controversial. According to the Government's proposal, hobby breeders are only allowed to breed not more than two unneutered bitches of the same breed at one time. Then, these hobby breeders are allowed to sell the reproduced animals without being subject to any regulation. This is a very serious loophole, because it is already a very complicated task for the Government to define "hobby breeders", still less regulating them. Moreover, since the animals are kept at home, no inspections can be carried out by the

AFCD to ascertain whether only two bitches are being kept and how many litters have been reproduced.

Therefore, this vacuum or loophole can be easily abused for profiteering. Furthermore, some people might act in bad faith and even smuggle dogs born on the Mainland into Hong Kong. Currently, we can actually find instances of using hobby breeders as a pretext and selling dogs reproduced by hobby breeders for interest's sake, so to speak, to pet shops secretly. Even though these dogs might have rabies or other diseases, they will not care. Therefore, hobby breeders pose a very serious problem. Not only is regulation too lax, law enforcement is also extremely difficult. I hope the Secretary ..... with the replacement of the Director of AFCD, I think that there should be a new style. The AFCD should give animal groups confidence in collaborating with the Government to carry out proper regulation.

Secretary, another vexing problem is related to the import of vegetables from improper sources into Hong Kong under the disguise of an authentic label. While the Democratic Party will absolutely not involve itself in disputes relating to interests between commercial organizations or disputes involving monopolization of markets, entry into wholesale markets, and so on, it is merely concerned about whether some people on the Mainland have illegal put authentic labels on vegetables produced in unregistered vegetable farms before shipping them into Hong Kong? Some District Council members belonging to the Democratic Party and their assistants have recently conducted tracking and found such instances. Of course, those on the Mainland would say that this is unfounded and describe such acts as malicious vilification or, as pointed out by the Chief Executive, smearing. But the fact is, our tracking shows that the problem does exist. And it should not come as a surprise that bribery *en masse* is involved at the backstage. However, commercial interest is not our concern. Our concern is whether the vegetables consumed by the public come from registered vegetable farms whose products are allowed to be imported into Hong Kong.

The last point I would like to raise concerns central slaughtering. Secretary, today, after so many years, if my judgment is anything to go by, central slaughtering is infeasible. If only one central slaughterhouse is provided in a remote place, such as Sheung Shui, Fan Ling, and so on, and all the live chickens in the territory and from the Mainland will have to be shipped there for

slaughtering, then only chilled or freshly slaughtered chickens will be sold in Hong Kong. Such a practice is not found in other parts of the world. During our visit to the central slaughterhouses in Malaysia and Singapore, we found that there was no concept of freshly slaughtered chicken there. I really have no idea whether this is feasible.

Under such circumstances, it is simply impossible to slaughter 10 000-odd live chickens every day. There is no way for the operators to survive and operate. With the banning of the keeping of live chickens overnight at retail stalls, the number of markets with stalls selling chickens is actually very small. With the ban in force, there is basically no more virus. Provided that we step up regulation and stay vigilant, I believe the existing *modus operandi* can be continued without the need for central slaughtering.

Now, I would like to change my topic and discuss with Secretary Edward YAU for a while. I hope the Secretary can monitor very seriously and carefully the time-lag problem with the pricing of domestic liquefied petroleum gas (LPG). In particular, it is worrying that the public cannot be benefited despite falling import prices of LPG. While there has been much discussion on fuel, oil companies have often been criticized for quick in raising the prices of auto-fuel but slow in reducing them. Despite the relatively little concern about domestic LPG, the problem is actually more serious because of its low transparency. At present, there are 210 000 households, mostly public housing tenants, using central LPG. Neither can they change their suppliers nor switch to town gas, not to mention kerosene, because they are required to use central LPG and they are not given any choice. The pricing of domestic LPG is very complicated and far from transparent. We can hardly monitor it and we can only rely on the Government to do the job. When the prices of imported LPG drop, will oil companies keep the prices standing high for a long, long time? This is like the case of the pigs consumed by us. It is unacceptable if the wholesale price is between \$800 and \$900 per picul, and yet the retail price is more than \$30 per catty. However, this situation has remained unchanged. The same goes for LPG. This is why I hope the Secretary can monitor domestic LPG and find out if 210 000 households in Hong Kong have been cheated by oil companies.

We have held six consultation forums and attended four Cantonese opera performances and carnivals, which were also attended by many elderly people. I asked them a very simple question about how many of them were using



fluorescent tubes at home. During each forum, at least 30% to 40% of the attendees indicated that they were using fluorescent tubes only at home. There were others who indicated that they were using a combination of fluorescent tubes and electric light bulbs, with the former being used in their toilets and the latter in their living rooms. Some of them were users of tubular fluorescent tubes, which cost as cheap as \$10 or so each. They used fluorescent tubes simply because fluorescent tubes consumed less electricity and were so durable that no replacement would be required within one or two years. OK, their principle was to use less electricity and money. However, they cannot use the \$100 coupons offered by the Government for switching to compact fluorescent lamps (CFLs) because they are using fluorescent tubes at home.

Secretary, I have consulted some electricians and learnt that they would charge \$150 to \$200 for replacing fluorescent tube holders with CFL holders for elderly people who asked them to go to their homes or people who patronized the small shops operating in shopping arcades managed by The Link. While some of the electricians may charge \$150, others may charge \$200, and the price of the CFL is not even included. This would mean that even though the elderly people will receive \$100 from the Government, they have to pay \$100 to \$200 before they can use the \$100 coupons. But then, electricity tariffs will rise. Apparently, they will not be benefited in any way. Secretary, being CSSA recipients, they are very poor. What can they do? Not only have they vowed not to switch to CFLs, they have even asked me to tell the Secretary that the scheme is not going to work because they are using fluorescent tubes. Secretary, have you taken care of these people?

Secretary, please, most of the poor and low-income people in society belong to the Kowloon East constituency, as this constituency has the greatest number of impoverished elderly people. KK should know this very well, as he was one of the participants of the residents' forum. Please do not say that I am cheating you. I believe KK can bear testimony to this. The elderly people were greatly annoyed, saying that the CFL coupons were useless to them. While I agree that it is good for the Government to introduce this initiative, the Secretary must really optimize and improve it to make it acceptable to the elderly and prevent this green policy from ending in failure after implementation.

President, I so submit.

**MR LAU WONG-FAT** (in Cantonese): President, for the purpose of promoting the use of clean energy in Hong Kong and reducing carbon emissions, the Government is now studying strategies and concrete measures to promote electric vehicles. Moreover, the Environment Bureau has been working with a number of electric vehicle manufacturers to bring electric vehicles onto the local market. Meanwhile, consideration has also been given to subsidizing franchised bus companies to bring forward the replacement of their Euro I and II buses with Euro V buses for the purpose of reducing emissions. Undoubtedly, all these initiatives are worthy of support.

To promote environmental protection more thoroughly on this front, I think consideration may be given to installing a trolley bus system with the use of overhead cables in parts of the Kowloon Peninsula where air pollution is more serious, such as the road stretching from south of Mei Foo Sun Chuen in Lai Chi Kok to Tsim Sha Tsui, for gradual replacement of bus services, whereas existing franchised bus companies may be allowed to operate the trolley bus services. As we all know, the trolley bus system, with its sophisticated technology and zero emission, should be able to bring substantial improvement to air quality in urban areas. Furthermore, since the engines of trolley buses are not driven by fuel, the heat emitted by trolley buses will be far lower than that by fuel-driven vehicles. This will definitely help ameliorate the problem of heat island effect confronting Hong Kong.

Furthermore, although electricity consumption is the lowest during the period between midnight and early morning, the operation of generators in power plants has to continue. At the same time, such inevitable and resource-wasting operations are bound to give rise to emissions. Nowadays, battery-powered buses have already been used in some places, such as Beijing. This is why I think the Hong Kong Government can consider requiring the proposed trolley buses to be equipped with batteries because in doing so, the trolley buses can return to the depot for recharging at night. In the daytime, the buses can use the recharged batteries before switching to the electricity transmitted by overhead cables. In this way, the electricity generated at night, which will otherwise be wasted, can be turned into useful energy in the daytime.

President, higher temperatures have been recorded in the urban areas of the territory due to the substantial amounts of waste heat emitted by air conditioners, which are now widely used in Hong Kong. The Government should consider commissioning the scientific research faculties of local universities to conduct a

comprehensive study on ways to collect the waste heat, particularly the waste heat emitted by industrial and commercial buildings, hotels and government buildings equipped with central air conditioning systems, and turn it into useful energy for such purposes as heating up water.

In addition, given the ample sunshine in Hong Kong, consideration can be given to requiring solar batteries be installed on the external walls of commercial buildings at the lower half of each storey for the purpose of generating electricity for self use. This will not only reduce the demands for fuel-fired power generation, the views of the people looking out from the buildings will also not be blocked.

President, I so submit.

**MISS TANYA CHAN** (in Cantonese): In this debate session, I would like to focus on several issues in particular. The first one concerns conservation of Central. The conservation of Central is a very important item in this year's policy address. However, I have a few points to raise and hope the Secretary — though she is sick today, I hope she will get well very soon — can listen carefully.

First of all, the Central Market in Central, which will be taken charge of by the Urban Renewal Authority (URA). Being one of the Non-Executive Directors of the URA, I note that many people do not want the URA to take charge of the scheme because of its less than satisfactory track record, as pointed out by a colleague just now. I hope the URA can make a thorough reformation and clear its name this time around. In my opinion, several actions can be considered for this purpose. For instance, I hope a heritage and historical evaluation can be conducted with reference to Government Hill. The Central Market, though classified merely as a Grade III monument, has its historical significance. Recently, a friend of mine, who was given an opportunity to go inside the Central Market, found that an elaborate flight of stairs still remained, though it was very likely to be demolished. Furthermore, there were some very neat meat stalls. Some of the stalls are actually nicely laid out and preserved properly and, unlike what some outsiders said, no concrete spalling was found. Actually, even if concrete spalling is identified, rectification can still be carried out. I still believe that some places should be preserved. Of course, the Government should, most preferably, induce people's attention to this project. I very much hope that an open design competition, whether held locally or

internationally, can be organized because in doing so, the Central Market will become a landmark building by virtue of its appearance as well as its interior.

Now, I would like to turn to Government Hill. When the Civic Party was first set up, the conservation of Government Hill could be considered its most vigorous campaign. Now, we are very likely to lose the West Wing, which is located on Government Hill. However, as many friends have their offices in the West Wing, they very much hope that the building can be preserved. This time around, in a rare opportunity we have commissioned a group of experts, who were responsible for the entire Central Police Station Compound project, to conduct a very detailed evaluation of the history and architectural value of Government Hill and give a detailed account of the historical significance and architectural value of each and every building on Government Hill along with a very detailed analysis. Their relevant comments, especially the comments on one of the items, are set out in Chapter 5. I hope the Government will not selectively follow some of the comments while ignoring others, that is to say, demolish the West Wing as proposed. This is because the experts have particularly expressed their hope for preserving more buildings and, what is more, turning the buildings into a "Special Protected Area". The buildings they wish to preserve include Hong Kong Park, Botanical Gardens, Government House Gardens, The Central Government Offices site, the garden between St John's Cathedral and the Former French Mission Building, Battery Path and its vicinity and the Sheng Kung Hui site. The expression of hope to designate this zone as a "Special Protected Area" is just a beginning because the entire old town area of Central actually has a very long history. I very much hope that the Government can at least take the first step by referring to the proposals contained in this report in taking some of its actions rather than selectively following certain parts of the report.

Furthermore, regarding Site 5 mentioned by me yesterday, the Secretary has still not given me a reply, probably because she is sick. We have been very fortunate to be eventually able to lower the area and height governing the development of the Central Waterfront, so that we can still have a waterfront. However, it has learnt that the plot ratio will be transferred to Site 5 in Wan Chai North. I hope the Government can give us an explanation expeditiously because the site in question is designated for community purposes originally.

Following the conservation of Central, I would now like to turn to art. I think everyone knows about the West Kowloon Cultural District (WKCD).

Yesterday, I expressed my concern about the WKCD because the incumbent leader, the Chief Secretary for Administration, could not even mention the names of small and medium arts groups and he does not have a clear understanding of them. Fortunately, one of the nine major arts groups in Hong Kong, Zuni Icosahedron, which was mentioned by the Chief Secretary earlier, will still receive some funding. However, there is something I must say about the entire WKCD project. At the last meeting held by the Subcommittee on the WKCD, I complained about the contents of the Government's consultation document. In particular, it was found by the Subcommittee during its discussion that some of the contents were irrelevant, for the document has even included what facilities should be installed in the toilets. After my complaint, I found that the paragraph had already been deleted from the new document submitted recently. However, the subjects and issues previously discussed in the meeting were found to have disappeared from the Internet because they had been replaced on the ground that time was out. If the WKCD project calls for public consultation and information can be obtained from the Internet, why has it been removed from the Internet given that the publicly discussed documents have once been uploaded onto the Internet? I still find this most puzzling.

Let me come back to the resources devoted to the WKCD. As almost all the resources have reportedly been devoted to the hardware, we really must rely on the policy bureau under the charge of Secretary TSANG Tak-sing, that is, the effort made by the Home Affairs Bureau, for software training. In addition to consultation, I am aware that the Home Affairs Bureau is actually conducting a study on arts education. Although a study was reportedly to have been conducted on the same subject a couple of years ago, it was put aside after publication, and no further policy studies whatsoever had subsequently been conducted. Now, with the lapse of several years, the Government is starting all over again. I very much hope that the Home Affairs Bureau can genuinely conduct a proper study jointly with the Education Bureau, because arts education is our root. Our values, perception of arts, aesthetic appreciation, and even our tolerance and the quality of the people begin with arts education. I very much hope that not only secondary school students, but also primary school students, can have a chance to receive arts education, so that we can nurture our audience in addition to nurturing arts performance and management talents generation after generation.

I would like to congratulate the Hong Kong Government on its successful bid to apply to the United Nations Educational, Scientific and Cultural

Organization (UNESCO) for the inscription of Cantonese opera onto the Representative List of the Intangible Cultural Heritage of Humanity. However, a convention adopted by the UNESCO for the safeguarding of Intangible Cultural Heritage has clearly set out the obligations to be fulfilled by a State Party upon the inscription of its heritage as Intangible Cultural Heritage. Actually, even "safeguarding" is clearly defined as including identification, documentation, research, preservation, protection, promotion, enhancement and transmission (particularly through formal and informal education). Earlier, I heard the responsible Director of Bureau say at a meeting of the Panel on Home Affairs that legislation might be enacted on the safeguarding of Intangible Cultural Heritage. I very much hope that the Government can expeditiously conduct a detailed study on the transmission of Cantonese opera because I have read a similar study before, but that was a detailed study conducted by a university professor with private funds. At this juncture, I think a detailed study is very important because the provision of permanent performance venues has long been a problem for Cantonese opera. Although I understand that great efforts have recently been made by the Government, the Yau Ma Tei venue is subject to constraints. I wonder if the Government can step up its effort in enhancing the discipline, regulation and scale with respect to such issues as providing permanent performance venues, nurturing talents (as many of the veteran artists are no longer in their prime) and examining the need to establish a Cantonese opera troupe of Hong Kong as well as the mode of funding. I hope more efforts can be made by the Government on this front, in order to build up a good platform for us to study how Cantonese opera can be preserved in the long run and facilitate our exchange with overseas countries and even other parts of China.

As regards sports policy, I have learnt that our Honourable colleague, Mr Timothy FOK, has recently proposed hosting the Asian Games in addition to the East Asian Games. Frankly speaking, I was half frightened and half pleased when I heard the news. I was frightened because of the various news reports about the Asian Games earlier, including a jogging arena becoming a venue for hurdles because of its uneven ground surface and the collapse of the ceiling of a swimming pool. I have also learnt that the sports ground in Tseung Kwan O has reopened recently. Although its running tracks had been levelled, there came another problem with the timer found to be out of order. As a result, the athletes were scorched in the sun for half an hour before the race began. The situation is already in such a mess, even though competitions have not yet started. I am extremely worried that similar incidents might happen when competitions are formally held. With less than 100 days to go, we are already counting down. I

hope the Government can expeditiously examine all venues and ensure that they can cope with the competitions held for the East Asian Games. We are all expecting the arrival of LIU Xiang in our track and field venues, right? Given our keen expectations, our expectations for the Government will also rise. I hope the Government will not mind.

As regards sports policy, I believe Hong Kong people still have passion. Last week, almost all the colleagues in my office went to watch the football match featuring the South China Football Team. Seeing the full house attendance and the sea of red, they were extremely excited. Moreover, shops in the vicinity had also reported a 30% rise in business. I hope the Government will conduct a long-term sports study. Although I no longer watch football matches frequently, as I used to do, I did participate in the study conducted by the Government earlier on the long-term development of football in Hong Kong. I hope the relevant report can be made available expeditiously. I also hope to see more and more gold medalists from Hong Kong and that they can continue to glow with brilliance on the sports grounds in other parts of the world.

Thank you, President.

**MR CHAN HAK-KAN** (in Cantonese): President, on behalf of the DAB, I will speak on the environmental policy in the policy address.

President, among the environmental topics mentioned in the numerous policy addresses delivered by the Chief Executive, the one related to compact fluorescent lamps (CFLs), which was raised in this year's policy address, has attracted the greatest public concern. To give the matter its fair deal, the CFL replacement scheme is but one of the candies offered by the policy address to the public. The direction of the scheme is correct. It is indeed most unfortunate that the scheme has stirred up so much trouble and diverted the public's attention from environmental protection and energy saving.

On the premise of promoting energy saving and emissions reduction, the DAB will not object to the replacement scheme, though we think that improvements have to be made in many aspects. First of all, though the scheme will be implemented by power companies through the distribution of cash coupons for CFLs, the power companies are allowed to recover the relevant costs through increasing tariffs. While some people with green awareness like me

should have already switched to CFLs at home, some low-income households or public housing tenants are users of fluorescent tubes rather than CFLs. As pointed out by some Members earlier, these people will have to spend several hundred dollars on changing their lighting systems in order to switch to CFLs. Therefore, it is unlikely for these people to switch to CFLs. To people like us, that is, people who have already switched to CFLs, or public housing tenants, it can be said that the cash coupons for CFLs are useless, and yet they have to bear the consequences of increased tariffs following the switch to CFLs.

President, what upsets the people is that the Government has not explained clearly to the people why electricity tariffs should be raised while the Government apparently needs not spend a cent. This is why we think that the Government has failed to give the scheme careful consideration before launching it. In the opinion of the DAB, the Government should not restrict the use of the coupons to purchasing CFLs only. Instead, the public should be allowed to consider purchasing other energy saving products. More importantly, we feel that the relevant costs should not be borne by the public. The Government has always urged the public to make more efforts in saving energy and participating in environmental protection, and yet members of the public are requested to spend out of their own pockets on everything. Why can the Government not make more effort in demonstrating its sincerity? For instance, will it be viable for the \$100 to be paid by the Government or power companies? The long-standing practice of allowing the Government to be generous at the expense of others by inviting guests and requesting the public to pay afterwards must be stopped.

Furthermore, how should the public dispose of the replaced incandescent light bulbs and fluorescent tubes subsequent to the purchase of CFLs with the cash coupons? Has the Government formulated a detailed recovery proposal or will it allow the public to dispose of their replaced incandescent light bulbs indiscriminately? Actually, this will also result in wastage and pollution. This is why I hope the Secretary can listen to and heed the public's views and specific ideas on the replacement scheme in the next couple of months.

President, the CFL replacement scheme actually represents a small component of energy reduction in households. There is a lot more that the public can do. During the consultation period on the policy address, the DAB put forward the proposal of implementing a "carbon bonus point scheme" to the Secretary. Under the scheme, members of the public with reduced electricity



consumption month-on-month will be able to earn "carbon bonus points", which can be used for paying government fees and charges, electricity tariffs, water tariffs, rates and even hiring the venues and facilities managed by the Leisure and Cultural Services Department in a way similar to the bonus point schemes implemented by supermarkets: the more they save, the more benefits they will receive. Only in doing so can we provide incentives as a fundamental initiative to encourage the public to achieve energy reduction in households on a sustained basis.

Through actively advocating energy reduction in households, the DAB hopes to make an effort in improving air quality. Actually, before the publication of the policy address, the Government had already launched the consultation on a review of Air Quality Objectives (AQOs) and presented 19 specific proposals and initiatives.

At that time, there was a general concern about whether Secretary Edward YAU would encounter difficulty in implementing the proposals and initiatives with his singular effort and whether other government departments would have difficulty in co-ordination. Now, it is proposed in the policy address that the Chief Secretary for Administration will be responsible for co-ordinating the relevant tasks. We welcome this because this demonstrates the Government's commitment to addressing the air pollution problem and elevating the relevant work to a higher level.

Although the Government's newly proposed AQOs still fall short of the standards of the World Health Organization (WHO), we hope the Government can demonstrate resolve in telling the public that it can lead Hong Kong people to move towards the WHO's ultimate target and draw up a timetable to let the public know our way forward.

Many of the 19 initiatives proposed in the consultation report involve costs. It is even likely for bus companies and power companies to increase fares and tariffs as a result. In the opinion of the DAB, improving air quality will not only be beneficial to public health, it will also create a more favourable investment environment and reduce medical expenses, too. Therefore, the relevant costs should not be passed entirely on to consumers, or members of the public. Instead, they should be jointly shared by the Government, enterprises, and the public.

President, among the 19 initiatives, a relatively controversial one is the realignment of bus routes. Over the past years, there were enormous obstacles to the realignment of bus routes at the district level. The point-to-point services provided by buses have attracted many commuters and provided convenience to people who go to school or work. If a realignment of bus routes will really be considered by the authorities, we think an in-depth study must be conducted first, including collecting statistics on the passenger volume and the locations of bus stops, in order to provide sufficient data to persuade District Council members and District Councils of the relevant districts to accept the relevant proposals.

Of course, other better or middle-of-the-road proposals can be considered before resorting to such an extreme measure as cutting bus routes. For instance, the Secretary may consider the interchange scheme, which has proved to be quite effective. Take the interchange station located at Shing Mun Tunnel as an example. Members of the public can change to other bus routes there to go to their destinations. Furthermore, consideration can also be given to low emission zones, a topic frequently mentioned by us, and even the green bus subsidy scheme. It is indeed unnecessary for the authorities to go to the extreme right at the beginning by repeatedly telling District Council members or people of the districts that bus routes have to be cut. This is hardly acceptable.

President, I would like to spend a little time on the issue of geopark. We are very pleased to learn that the geopark in Hong Kong has been upgraded to a national geopark. Actually, as early as 2005, the DAB and some individual district organizations already advocated for the setting up of a geopark in Hong Kong. We also invited a number of geologists from the Mainland to come to Hong Kong for inspections and submitted a number of proposals. A motion debate was also initiated by Mr CHEUNG Hok-ming in this Council. Although the Government has not listened to all the proposals raised by the DAB in the end, it is evident that our proposals have been incorporated into the Government's geopark proposal.

The recognition that Hong Kong has a national geopark does symbolize an affirmation of our achievement in natural conservation. At the present stage, the Government should start designing route maps for guided tours and formulating tourism management schemes to assist tourists in understanding and getting to know these unique geological landscapes. At the same time, the authorities should make proper preparations to, with the assistance rendered by the Central

Government, actively consider applying to the United Nations for the inscription of Hong Kong's geopark as a world-class geopark.

Furthermore, President, I have also noticed that the CLP Power Hong Kong Limited has planned to build a major wind farm in the waters off Sai Kung. This has also aroused the concern of the relevant District Council, for it is worried that the scheme will affect the scenery in the vicinity of the geopark and might even affect the application for the inscription of Hong Kong's geopark as a world-class geopark. While we certainly support the development of renewable energy, we hope the Secretary can exercise caution in vetting and approving the application regarding site selections, particularly the siting of this wind farm scheme, to prevent us from wasting this opportunity of having a world-class geopark just because we want to build a wind farm.

President, I so submit.

**MS AUDREY EU** (in Cantonese): President, the Government hinted in advance that the policy address would focus on the six industries. I believe the President will also remember that, after this proposal was raised by the Task Force on Economic Challenges, the Government indicated that the relevant details would be announced in the policy address. Apart from inviting Members from different political parties/groupings to meet with him, the Chief Executive has also, during his briefing on the policy address, requested us to make suggestions on the six industries. Therefore, President, there are high expectations because the all-thunder announcement has led us to believe that a number of policies will be launched. The Civic Party especially supports environmental industries because it was pointed out during an earlier discussion on the green economy that jobs had to be created as the financial tsunami had thrown many people out of work. It is therefore most preferable for the Government to kill numerous birds with one stone in addressing the issues of environmental protection and pollution by launching environmental industries. This will create a large number of green-collar jobs and help improve our environment.

Therefore, in this session, I particularly wish to discuss these all-thunder environmental industries. Members with the policy address on hand may turn to page 10, in which environmental industries are discussed, to find out what measures will be adopted. Before discussing the three initiatives to be

implemented under environmental industries, I would like to, in particular, refer to the comment made by Miss Tanya CHAN yesterday, that the six industries may become six major real estate industries. Actually, we can see that many industries involve allocation of land by the Government. Even the plan to revitalize industrial buildings involves discussions about land.

Both today and yesterday, I heard many colleagues say that it is useless to discuss land only because, in addition to hardware, software has to be discussed as well, for a number of complementary measures will be called for. Even many of those colleagues who would usually support the Government were disappointed when they saw the Government discussing the details about the six industries.

We can see in page 10 of the policy address that there are three programmes under environmental industries. The first one is the Cleaner Production Partnership Programme. As colleagues should recall, the discussions on this Programme actually date back to 2007. Even before the six industries were raised, HK\$93 million was allocated by the Legislative Council in April 2008 because some Hong Kong businessmen engaging in production in the Mainland were required to complement the Mainland in taking certain environmental measures. Therefore, the Government decided to allocate \$93 million from the relevant fund to assist businessmen operating in the Mainland to comply with certain Mainland laws and regulations, but not for the sake of discussing environmental industries. Given that this Programme has been discussed before the financial tsunami struck, it is actually old wine. It is definitely not a new initiative to be launched for the six industries.

The second programme is related to the Clean Development Mechanism (CDM) Projects. What is it all about? It is pointed out in the relevant paragraph that about one third of all CDM projects are being carried out in the Mainland. Next, it is pointed out that the Government has recently succeeded in securing approval for eligible Hong Kong enterprises to participate in CDM projects in the Mainland. I have always thought that only political parties will talk about succeeding in securing something. Now, the Government is doing the same thing. What has the Government succeeded in doing? It has succeeded in assisting Hong Kong businessmen in seeking business opportunities in the Mainland. This has absolutely nothing to do with developing environmental industries in Hong Kong.

What about the third programme? President, the third programme concerns Government Green Procurement. This discussion item was also raised a long time ago. Excuse me, it has nothing to do with the environmental industries as one of the six industries outlined by the authorities. Therefore, the Government was actually rehashing old stuff when it talked about considering ways to assist the development of Government Green Procurement. What is more, President, it is pointed out, most ironically, in paragraph 39, the paragraph on Green Procurement, that the Government has taken the lead with the procurement of 10 electric vehicles. President, I am not opposed to electric vehicles. I know that Secretary Edward YAU has been making great efforts in developing and promoting electric vehicles. But the fact is, while the Government keeps saying that it will promote environmental industries, the Secretary has gone to Japan or somewhere else to procure electric vehicles. I learnt from the newspaper reports only two days ago that the spokesman for the locally-produced MyCar had said, with a feeling of bitterness, that despite its pledge to promote environmental industries, the Government had not chosen locally designed or developed products when it came to procuring electric vehicles.

The three paragraphs devoted to environmental industries are very short. What measures will the Government adopt to develop local environmental industries? Environmental industries remind me of the EcoPark. This is very important. However, President, I would like to tell Members that, according to this news report dated 23 October, tenants of the EcoPark complained, after the delivery of the policy address, that there is nothing they can do because of the shortage of manpower for recycling. In other words, there is a lack of manpower, space and subsidy. According to the news report, despite the Government's proposal of vigorously promoting the six industries, the EcoPark tenants interviewed complained that they had read the policy address and found that the EcoPark was not even mentioned there.

I would like to tell the EcoPark interviewees that I have read the entire policy address and even the policy agenda. In what way is the EcoPark mentioned in the policy address? President, page 37 of the policy agenda mentions "monitoring the development of Phase I and Phase II of EcoPark". But how? First of all, Members who have read the relevant report will find that there has been no development at all. Since the scheduled commissioning of the EcoPark in 2006, no tenant has formally operated their business so far. Due to inadequate support offered by Phase I of EcoPark, many tenants have already left. One of the tenants interviewed said that he was disheartened because the policy

address did not mention them. In his opinion, the quantity of recovered plastics in Hong Kong is low. Moreover, there is a lack of waste recovery sites and depots for disposal. So, how can the waste be transported to the EcoPark for recycling? The only way is to have all the waste transported to landfills. A tenant has also pointed out that he can see no prospect at all. Without further policies launched by the Government, people in this industry will only be compelled to give up, given that commercial participation is absolutely out of the question. The tenant has suggested that the Government set up a designated department to actively follow up the matter and give them concrete replies. Should the situation remain unchanged, he said he would not rule out the possibility of terminating his agreement with the EcoPark.

I understand that the Government has made efforts to help the recycling industry. St James' Settlement and Yan Oi Tong, responsible for recycling electrical appliances and plastics respectively, are among the beneficiaries. However, they can simply not achieve cost recovery. Without government subsidy, the recycling work of these voluntary agencies will have to be discontinued.

President, if Hong Kong is to develop environmental industries, I believe most people will agree that there are serious problems with waste disposal here, and there is a need for the Government to examine how best the recycling industry can be developed. However, the Government has really not mentioned a word about it. As I have suggested repeatedly in this Chamber, in order to seriously address this problem, the Government should consider licensing rather than allowing elderly people to scavenge the streets, for the green recycling industry can hardly be developed in this way.

Furthermore, the Government has to develop the producer responsibility scheme as well. President, whenever these matters were brought up for discussion in this Council, we would find that there had been no progress at all. Strangely enough, whenever the Government commits itself to promoting environmental industries and succeeds in securing strong support from us, we will expect the policy address to "have substance", such as initiatives and complementary support. However, it is a great pity that none of these can be found in the policy address.

President, the Chief Executive has proposed in the policy address new solid waste disposal measures. In paragraphs 71 and 72, it is mentioned that in order to tackle the problem of increasing food waste in Hong Kong, the Chief

Executive proposes constructing a recycling centre to process and recycle food waste generated by the commercial and industrial sectors and, for the purpose of further reducing food waste and disposable lunch boxes, the Environment Bureau and the Education Bureau will jointly invite all schools to sign a "green lunch" charter. This proposal was actually raised by us a long time ago. President, the problem is that the scale of the centre will be very small. According to my understanding (perhaps the Secretary can advise me later), the food waste recycling centre mentioned in the policy address can process only 200 tonnes of food waste daily. However, the daily production of food waste in Hong Kong amounts to 3 310 tonnes. So, how can the Government address this problem? Regarding this all-thunder environmental industry, will higher expectations bring even greater disappointment?

Furthermore, references to environmental protection can also be found in pages 18 and 19. Right at the beginning of page 18, low carbon economy is mentioned in the first sentence that reads, "The Government attaches much importance to the issue of climate change." Since the Copenhagen Conference will be held at the end of this year, we were very pleased on seeing this. What will the Government do? Actually, we have asked the same question many times in the meetings of the Panel on Environmental Affairs regarding what initiatives will be launched in connection with the Copenhagen Conference. Although this topic is included on the agenda of the panel meeting to be held on 2 November, the Government has yet to inform us of its stance. We have learnt from the policy address that the Copenhagen Conference will be convened at the end of this year. In this connection, what will the Government do to demonstrate that it attaches importance to the issue of climate change? According to the policy address, the Government "commissioned a consultancy study last year to develop comprehensive strategies and measures to cope with climate change. The consultancy study is expected to be completed early next year." However, even though the conference will be held at the end of this year, the report will not be completed until next year when its position will be published. President, this is very disappointing indeed.

President, the Government has also mentioned the goal of reducing carbon emissions in the same paragraph. However, I think even the Government itself will find the proposed initiatives extremely boring. Whenever the issue of reducing emissions is raised, the Government will always use the energy intensity as an indicator. However, the indicator is actually false. Although the Government often insists that the energy intensity has been reduced, the indicator

adopted by the Asia-Pacific Economic Co-operation is completely different from the worldwide indicator adopted by the Kyoto Protocol. According to the indicator proposed by the Kyoto Protocol, Hong Kong, as a developed region, should focus on its total emissions. This is because its total emissions have continued to rise in tandem with its economic growth. Carbon emissions in Hong Kong were 43.8 million tons, 44.1 million tons, 44.5 million tons, 45.9 million tons and 46.7 million tons in 2003, 2004, 2005, 2006 and 2007 respectively. We can thus see that its carbon emissions has been increasing year-on-year. Because of our economic growth, our carbon emissions have also increased accordingly. However, the Government will never put it in this manner. In paragraph 62 of the policy address, the Government has merely kept emphasizing that the energy intensity has been dropping while withholding information on carbon emissions. The Government is actually using a bogus indicator to demonstrate its good effort without telling Hong Kong people that our carbon emissions have continued to rise.

President, some old information is mentioned again in paragraph 63. For instance, it is said that the Government concluded a Memorandum of Understanding on energy co-operation with the National Energy Administration last year in an effort to raise the proportion of natural gas used for local electricity generation from the current 28% to 50%. Actually, such information has been mentioned a number of times before, and yet the policy address has still fallen short of coming up with a timetable. When will a timetable be made available? Despite our repeated enquiries, the timetable is still not forthcoming.

President, the information presented in both paragraphs 64 and 65 is old. However, the information in paragraph 66 concerning the compact fluorescent lamps (CFLs) is new. President, although the distribution of \$100 cash coupons is mentioned in paragraph 66 and the policy agenda, the Government has never mentioned to us the possible increase in electricity tariffs. It was only on Wednesday, that is, the day following the delivery of the policy address, that government sources were quoted in the newspapers published on Thursday that electricity tariffs would be raised by, for instance, \$24 for a four-person household. President, problems emerged immediately with many people asking me the justifications for the increase in electricity tariffs in tandem with the giving away of \$100 cash coupons. In a letter written by me on Friday, that is, the following day, to the Chief Executive, I pointed out that this would not work. Although the Civic Party has once proposed promoting the use of CFLs, actually we have not only suggested the Government do so, members of the Civic Party



have even distributed or offered CFLs as replacements in the districts, the Government should not allow electricity tariffs to be raised as a result of this.

As Chairman of the Panel on Environmental Affairs, I have requested the clerk of the Panel to send a letter to the Director of Bureau with copies sent to the two power companies informing them that electricity tariffs cannot be increased as a result. This is because according to the profit control schemes, applications must be made before tariffs can be raised. The two power companies cannot gain approval through "prior agreement". Instead, they are required to apply to the Executive Council for approval. Furthermore, the expenses are recurrent in nature; they are not a one-off giveaway initiative. In addition, it is unfair to do so. As pointed out earlier by a number of Members, especially those from the business sector, why should the business sector be made to subsidize the distribution of \$100 coupons for CFLs if the Government is the one who wishes to give away candies? It is not only unfair but also unjustified to do so. Of course, there are many other problems as well. For instance, as mentioned by many colleagues earlier, what will happen if some people are using fluorescent tubes at home? We have also received many similar complaints. While we can give the CFLs handed out by the Government to someone else as gifts, we cannot request others to pay the electricity tariffs for us. Therefore, the Government is actually to be blamed for the problem. It cannot blame the Civic Party or other green groups for raising the proposal, because no one ever proposed that tariffs be increased as a result of the launch of the CFL scheme. There is also another problem. President, this is unfair to people who belong to the "three-no's" category. Some people do not receive CSSA payments, some do not have public housing and some do not have their own electric meters. Even if some of them are required to pay electricity tariffs, they do not have their own electric meters because they are only tenants or living in cubicle apartments. Nevertheless, they will still be required to pay the extra tariffs. This is unfair to them.

For this reason, soon after the delivery of the policy address on Wednesday, I wrote a letter to the Chief Executive on Friday requesting him to improve the scheme, with the cash coupons to be handed out by the Government rather than the power companies. Moreover, the power companies should not be allowed to increase tariffs. Furthermore, greater flexibility should be allowed since not everyone use CFLs. Actually, there is a wide range of energy-saving products on the market, including LED spotlight, though this is not used by everyone, too. There is also a wide range of smart plugs. The Secretary should

know what I am talking about because I know that you also use smart plugs, for you have given one to me. Furthermore, smart panels can be turned on or off with just one click. Incidentally, some users of green products have often complained to me that while there are no problems with the export sales of green products, great difficulty has been encountered in persuading the Government to purchase these products. Can the Government's green procurement purchase more locally produced green products? Over the next couple of days, that is, Thursday, Friday and Saturday, an exhibition showcasing green products will be held at the Airport AsiaWorld-Expo (Expo). I wonder if the Secretary will visit the exhibition as a token of encouragement. I would like to call on the Secretary to visit the exhibition hall at the Expo, upon the conclusion of this meeting on the policy address, to take a good look at these green products. I see that the Secretary is nodding. Secretary, you should give them encouragement because they have frequently complained that local products have not been benefited by the Government's green procurement. However, this does not mean that the products are no good because most of them enjoy good export sales.

President, regarding the promotion of the use of electric vehicles as mentioned in paragraph 67 of the policy address, I do not oppose this idea but I have something to say about the Government's way of promoting the vehicles. I do not know if it is true that problems will often arise whenever the Government decides to give away candies or implement certain measures. For instance, the Government will work with the power companies which will procure electric vehicles and launch an electric vehicle leasing scheme. I do not know if this will give the companies another excuse to increase tariffs on the ground of rising costs. Hence, the Secretary should pay attention to this.

President, the Air Quality Objectives (AQOs) mentioned in paragraph 68 are also disappointing because it is said therein that these proposed new AQOs are comparable to those adopted by other advanced countries such as the European Union and the United States. However, we will find it equally disappointing if we look at sulphur dioxide and suspended particulates, the proposed interim objectives currently adopted by the Government, as these interim objectives are currently used by developing countries or regions. Actually, the Civic Party has proposed that a \$6 billion roadside clean air fund be set up to help commercial vehicles as well as other vehicles. Under the \$3.2 billion scheme launched by the Government to help replace pre-Euro and Euro I commercial vehicles (the scheme is going to expire in March next year), only \$500 million has been spent so far. Actually, a lot of money has remained

unused. In our opinion, the most serious problem is that many pre-Euro, Euro I and Euro II buses are still being used. It will be too late if Euro II buses cannot be replaced until 2019. This is why the Civic Party proposes that a \$6 billion roadside clean air fund be set up to assist with the replacement of buses. If the \$3.2 billion scheme proves to be unpopular, the Government should consider purchasing old vehicles at market price to remove all the old and polluting vehicles from our roads.

President, in a nutshell, the Civic Party has put forward a number of green proposals. I know the Secretary has taken on board some of them, but I still wish to urge him to exercise caution in implementation. Meanwhile, there is one point I have noted, and I hope the Secretary can give us a reply later regarding the Civic Party's green economy proposal of using methane from landfills. We were extremely pleased when I read from the newspapers two weeks ago that the Secretary was in discussion with the town gas company about building a plant to use methane to produce renewable energy. However, the policy address has not mentioned a word about this. I have read the policy agenda from cover to cover thrice. President, I can still not find any information about discussions with the town gas company about using methane to produce renewable energy. I do not know if it is impossible for this proposal to be implemented or it is actually feasible, only that it has been forgotten. I hope the Secretary can give us a response later to explain why, according to news reports, this proposal seems feasible and yet there is no mention of it in the policy address.

President, insofar as this issue is concerned, I hope the Government can take concrete actions to implement this green industry proposal and step up its efforts in such aspects as complementary measures, licensing and, particularly, recycling. It may also make reference to our views on green economy. However, it must do this wholeheartedly, not merely copying ideas selectively, as with the CFL proposal.

**MR WONG YUNG-KAN** (in Cantonese): President, in principle, I support the policy address. What is the reason? Because the Government proposes in the policy address the promotion of several industries and this is always better to do so than otherwise. It is always better to do something than not. If nothing is done, I would find this very pathetic. Therefore, I hope the Government will translate its proposals into action and study in earnest how to proceed.

President, recently, the Maldives, which is described as the biggest victim of global warming, held the world's first underwater cabinet meeting to convey to various countries the threat of warming to various parts of the world. Many scientists and green activists have pointed out that modern agriculture is one of the perpetrators of global warming. The carbon emissions generated by it account for over 10% of the total because modern agriculture uses a large quantity of fertilizers derived from fossil fuels. The excrements from livestock are not handled properly and emissions are also generated by various forms of transport when fresh food is transported over long distances. However, agriculture is also the victim of global warming. The floods, droughts, hurricanes, and so on, caused by global warming ravage crops, thus drastically reducing agricultural production and pushing up food prices, as well as aggravating the problem of famine.

However, agriculture throughout the world has launched a self-rescue operation by moving towards the new trend of low-carbon development. The emphasis is to reduce the quantities of chemical fertilizers and chemical herbicides used and adopt organic farming as the method of production. It is pointed out in the Global Green New Deal advocated by the United Nations Environment Programme that by reducing the consumption of petrochemical products and increasing the soil's carbon storage capacity, carbon dioxide emissions per hectare of organic agriculture systems are 48% to 68% lower than conventional systems and organic fields sequester three to eight tones more carbon per hectare than conventional agriculture. A study conducted by the Rhode Island College of the United States pointed out that if the 10 000 medium-sized farms in the country switched to organic farming, the soil's increased carbon storage capacity alone would already be equivalent to the carbon emissions from 1.2 million cars during their service life.

Of course, the scales of farms in Hong Kong can in no way compare with those in the United States. However, it does not mean that organic farming has no market in Hong Kong. Hong Kong people have a growing appetite for healthy and environmentally-friendly food. For this reason, locally-produced organic agricultural products not requiring long-haul transportation is in great demand. In the past, I pointed out in this Chamber that in Hong Kong, many enthusiasts wanted to renew the footing of agriculture in Hong Kong, but government policies could not tie in with or complement it. Furthermore, there is a lack of professional staff, well-developed marketing channels and a product

labelling system. In view of this, if the Government really wants Hong Kong to be greener, it must formulate more policies helpful to organic agriculture.

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

Meanwhile, the protection of farmland is also very important to environmental protection. It is stated in the White Paper published by the European Union in April that the potential role of agricultural land as "Green Infrastructure" should be further enhanced to assist in catchment area management, protection of habitats and landscapes with biodiversity. Genuine protection for farmland in Hong Kong is sorely inadequate and often, it is used by some people for illegal dumping of construction waste. For this reason, if we wish to develop agriculture with an environmentally-friendly element, Hong Kong must improve the relevant legislation and step up law enforcement before the vitality of farmland can be restored.

Deputy President, apart from agriculture, I also wish to talk about the livestock industry. At present, there are only 20 to 30 chicken farms and some 40 pig farms left in Hong Kong and they are the remaining assets of the livestock industry in Hong Kong and also the last remaining part that must be protected. However, the Government now plans to put an end even to this remaining part. I believe that should there be an outbreak of animal disease or a strain mutation, we will not be able to adapt to it. For this reason, when the Government protects the health of the public, it also has to consider the functions served by the livestock industry in public health protection. Moreover, on the one hand, the Government often talks about environmental protection, and on the other, it allows a lot of vehicles to ship live chickens and pigs continually into Hong Kong. If local products are available and the development in this area is quite good, why can they not replace imported livestock? Therefore, I hope the Government can reconsider its policy on agriculture and the livestock industry and make changes to it.

Deputy President, I wish to talk about the development of the fishing industry. With increasing stringency in the management of marine resources throughout the world, the operation of capture fishery is facing mounting difficulties. In Hong Kong, fishing grounds are also continually curtailed for reasons of conserving marine resources. However, the Government always talks

about tightening up measures without considering the livelihood of fishermen or providing options in transformation. I wish to take this opportunity to make two suggestions to the Government again. The first is about the development of the aquaculture industry. In what light should the Government look at the global trend of the aquaculture industry gradually overtaking capture fishery? How should Hong Kong position itself? A couple of days ago, when I had a meeting with the experts hired by the Agriculture, Fisheries and Conservation Department, I heard a scenario that had never occurred to me, that is, since at present, all fish are imported from outside Hong Kong, the degree of destruction of the marine ecology in Hong Kong would be even greater in the future than that at present because with no one catching fish, so no one will know the great changes taking place in the sea or whether the sea is alive or dead. For this reason, the consequences would be dire. As far as I can see, for many years, the Government has not deigned to care about the sea in Hong Kong. Take the Environment Bureau as an example, what has it done about marine pollution and changes? In view of this, I hope the Government can look into this area again. Earlier on, I personally set sail together with this expert on an inspection and found that his ideas and my beliefs share a lot of common ground.

First, the vast ocean is set before our eyes but it is not well utilized, and aquaculture is also not allowed. As regards marine products, the expert proposed the method of multiple aquaculture and this is something that the Government has never proposed, nor does it have any knowledge whatsoever of it. By multiple aquaculture, it means that for example, sea water can be purified with the cultivation of shellfish. A couple of days ago, I raised a case with Secretary Edward YAU. A fisherman in Po Toi O had vied with Mainland fishermen for sea urchin eggs in Hong Kong waters because he wanted to breed sea urchins. After getting the sea urchin eggs, he put them in the small bay before his house to breed them. I have also taken a look at that bay. Originally, there was no seaweed there or anything else. However, after the tens of thousands of cultivated sea urchins had grown up, more seaweed could be found. Secretary, if you do not believe this, I can take you there to have a look. There are now even more small fish. I once proposed the establishment of aquaculture operations in the waters around Tap Mun and Sai Kung. If this is done, when we want to eat sea urchins, locally produced ones will also be available and there will also be more fish and seaweed. In that event, the abalones of Tap Mun, which were famed in Hong Kong and Southeast Asia for a long time in the past, would also be found again. However, the Government has gone so far as to disregard these industries. In fact, the aquaculture industry is

diversified and it is not just about raising a few fish to support one's living. I think the Government should consider this matter anew.

However, I am very pleased that the AFCD and the Bureau have actually hired experts from the Mainland to conduct studies in Hong Kong. I hope the Government will not stop these programmes. Moreover, I hope that these experts will not just make site visits, that they will also teach fishermen how to prevent and treat fish diseases and use drugs. I hope the AFCD and the Bureau will do more in this regard, so that aquaculture can have diversified development. In addition, I also wish to talk about a spectacle in Yuen Long, that is, oyster farming under the Hong Kong-Shenzhen Western Corridor. I think the Government should carry out planning anew for oyster farming in this area, so that the public can eat oysters in this area, and to eat them heartily and healthily for that matter. This is one of my requests.

Second, the Government often talks about leisure fishing and I have also talked about it for a long time. The Government has always dilly-dallied, including the application for the status of the first national geopark for the Hong Kong Geopark. However, I wish to discuss something with Secretary Edward YAU again. A seabed with a history of tens of thousands of years is set before us but recently, some green groups have gone so far as to suggest that fishermen should not be allowed to fish within this area, not even on the shore. In this geopark, we have neither blown up the rocks nor caused any damage to it. We have protected it even better than they have but they have gone so far as to drive fishermen into a dead end. What is the rationale? The Government only listens to the views of some people. Why does it not listen to the views of the people who have been engaging in capture fishery here for tens of thousands of years and fed many people? To put it more bluntly, the Government cannot look selectively and should look at various aspects instead. Only in this way can society make progress and harmony be promoted. If it only listens to the views of some people, we as a group will be driven into a dead end and in that event, my reaction would be greater than anyone else's. In view of this, the Hong Kong Government has to review whether this course of action is appropriate.

Deputy President, since 1999, a fishing moratorium has been implemented each year. The Government also knows that this year, a fishing moratorium lasting two and a half months was introduced in the South China Sea. However, I wish to point out that the fishing moratorium in the Yellow Sea lasted three and a half months and the one in the East China Sea lasted three months, both longer

than the one here. Why do I talk about the South China Sea? Because there are more fishery resources in the South China Sea and the fish species are more numerous than those in the Yellow Sea and the East China Sea. For this reason, fishermen support the proposals made by the Government regarding the fishing moratorium, in particular, we support the fishing moratoria proposed by the Central Government.

However, since the Government wants to do so much, it should also consider how to enrich the knowledge of fishermen who stay in Hong Kong waters in such areas as conservation and leisure fishing in these two and a half months. I think this is the best way. If we just let them idle at home doing nothing, they may feel miserable because they can neither go out to sea nor work in other trades. They cannot switch to other trades because all that they know is to set sail and catch fish. I hope the Secretary can consider the proposal I made last time, so that the sector can receive some training and enrich their knowledge of fishing or conservation. This is my earnest hope.

Deputy President, I will now talk about food safety. Recently, a controversy arose over the issue of trucks transporting vegetables to Hong Kong being involved in smuggling. Some members of the trade in Hong Kong pointed out that there are the so-called smuggled vegetables from the Mainland with genuine labels falsely stating the origin of such vegetables. After investigation, the authorities in Shenzhen claimed that such instances were in fact orchestrated by those making the allegations. They also cited figures to prove that the vegetables supplied to Hong Kong are safe. At the same time, I know that some political parties have held a press conference but so far, I do not know if the video taken will be handed over to the Government. The trade has no idea and no one knows. However, I wish to point out that I was told by the authorities responsible for inspection and quarantine that from 1 November, they would further improve and prescribe administrative measures for the testing and hygiene inspection of vegetables supplied to Hong Kong, so as to lay down clear requirements for such aspects as the production, processing, inspection and hygiene inspection of raw materials, to enforce the principal responsibilities of the principal persons in charge of food companies, to supervise companies in establishing a sound food quality assurance system and product tracing system and to strengthen the testing and hygiene inspection of vegetables supplied to Hong Kong. The incidents relating to the safety of vegetables supplied to Hong Kong have raged on for some time and the Hong Kong Deputies to the National



People's Congress (NPC) and delegates of the Chinese People's Political Consultative Conference (CPPCC) from the DAB also made proposals during the meetings of the NPC and the CPPCC early this year. I have also called on the authorities on the Mainland a number of times to discuss this matter. Now, the Mainland has investigated and dealt with this matter solemnly and also raised the standard of vegetables supplied to Hong Kong. The next step is for the Hong Kong Government to also make greater efforts, including stepping up the inspection of vehicles carrying vegetables at Man Kam To, and establishing and strengthening tripartite communication between the industry and the Mainland authorities to facilitate the exchange of information, so that with the co-operation of officials and the industry, we can strive to safeguard food safety in Hong Kong. I hope everyone will understand that the request for the supply of vegetables to Hong Kong was made by the industry to the SAR Government and the Central Government. If there is any room for improvement, I think we should make improvements instead of orchestrating some incidents to make the issue appear far more serious. Moreover, we should point out who is at fault. In fact, our corresponding unit involves just one or two persons. I think the handling of this incident has taken an irrational turn, so I hope the three sides, including the Government, the industry and the Mainland can strengthen communication.

In addition, I also wish to talk about the supply of meat. As we all know, the supply of fresh pork, that is, live pigs, has gradually stabilized and the wholesale price has also come down. The day before yesterday, I had a chat with some senior members of the trade and learnt that the wholesale price of live pigs is now about \$800 to \$900 per picul. However, the pork sold to the public in the retail market is still very expensive, so I hope Secretary Dr York CHOW can do more in this regard by examining how the price of pork can be adjusted downward appropriately.

On another front, recently, I read press reports about some surveys conducted by the Government, in which it was found that some meat stalls had used sulphur dioxide (commonly known as fresh powder) to keep meat fresh. I hope the Government can look into the source of such meat to ascertain whether such meat is fresh pork or chilled pork sold to the public falsely as fresh pork. It is really necessary for the Government to conduct a serious investigation and it must not handle this as an ordinary case. I hope the Government will follow this up.

Deputy President, I also wish to talk about the shortage of columbarium niches. Chinese people traditionally insist on having a proper place of repose after death. However, they are quite averse to locating the abodes of the deceased near residential areas. For this reason, all along, it has been difficult for the Government to find suitable places for the construction of cemeteries or funeral and burial facilities. With the ageing of the population in Hong Kong and the widespread use of cremation among the public, the demand for columbaria is very great. According to the latest estimate of the Government, in the next decade, there will be a shortfall of almost 300 000 niches between the number of niches provided by the Government and the demand for them. Precisely due to the increasingly acute shortage of niches now and in the future, many people who saw business opportunities in this situation have used the existing room for manoeuvre and the absence of legislation on licensing and control to establish columbaria in old buildings and on agricultural land. An even more serious problem is that many private columbaria have management problems that frequently attract complaints from the public.

In fact, some countries, including Japan, also face the problem of land shortage that led to a tight supply of cemeteries. For this reason, as Mr CHAN Hak-kan said, in Japan, some multi-storey buildings are used to provide one-stop service. Apart from providing funeral service and the relevant rites, facilities for depositing cremains are also provided. With a digital card, citizens can move the tablets of their ancestors to the worshipping hall in the building. From the outside of these buildings, these columbaria look no different from ordinary buildings. However, problems will perhaps arise due to the location of these buildings, even though the outlook of these buildings is no different from other buildings and people from Hong Kong probably do not know what they are. For this reason, I think the Government should choose some remote areas or consider locating such facilities on outlying islands instead of thinking that they must be located in certain areas. I think the Government can look into the issue from a number of angles. When the public want to pay tribute to their deceased families, they can take a boat there, so why must such facilities be placed in certain areas? Basically, some islands are uninhabited, so can the Government look into more options to solve this problem?

If the Government promotes sea burials or the scattering of cremains in memorial gardens, I will lend my support. However, it seems there is a lack of incentive. How can the Government encourage the public to do so or make these methods more cost-effective? Many Chinese leaders, including the late

ZHOU Enlai and DENG Xiaoping, also had their cremains scattered into the sea. Of course, no airplane will be used but on the Mainland, including Shanghai, many people have adopted this method in paying their last tribute to the deceased. Therefore, I hope the Government will also look further into this area.

Deputy President, finally, I wish to talk about public markets. Due to the issue of tenancy agreement renewal, the Food and Environmental Hygiene Department (FEHD) had caused a lot of grievances among commercial tenants in markets and in the end, the Government acceded to their requests by deferring the renewal of their tenancy agreements by one year. There are many historical issues relating to public markets. In particular, after the FEHD took them over from the two Municipal Councils, due to the economic decline, the rents have been continually frozen, so the problems have never been handled properly. I think the problems relating to public markets are very complicated. Moreover, the number of stalls involved are large, so the authorities have to first resolve this issue by adopting a lenient principle and the mentality of "special issues requiring a special approach" and resolving before all else the issue of giving legitimacy to "assistants" and "partners" and consider allowing assistants and partners to become lessees with the consent of the original stall owners, so as to compile the information on tenants and sort out their status.

As regards the rents, we are now having discussions with the Government and listening to the views of the trade. Of course, the Government will put forward some proposals and I also hope that the Government will make greater efforts in this regard by studying how the rents can be adjusted.

Deputy President, I wish to talk about the issue of marine conservation. On Tuesday morning, I had made a visit to the airport together with colleagues of the Highways Department but yesterday, an Honourable colleague told me that the Government would establish two more contaminated mud pits there. What I had learnt on my visit was different from the news that I learnt yesterday and it turned out that these two pits would be added. The waters off the Brothers would be designated as a marine park but the industry had no idea of this beforehand. I hope the Government can look into this matter seriously.

According to the environmental impact assessment (EIA) report on the Hong Kong-Zhuhai-Macao Bridge, this project will have little impact on fishermen. On that day, I took officers of the Highways Department on an

inspection in my car and they got a big surprise. That was because on that day, scores of fishing boats were operating in the waters off the airport. These officers observed the waters off the Brothers and the airport and they personally asked the fishermen about the catches that morning. The reply they got was that each day, they could catch tens of catties of fish. However, according to the EIA report of the AFCD, it is said that these places yield no catch whatsoever and the project has little impact on fishermen. Whose claim is correct then? Perhaps various officials can make a visit there personally. Secretary YAU, if you are interested, I can take you there for a look in my car. The results of the EIA conducted by the consultancy hired by the Government makes it impossible for members of the trade to get any compensation from the Government.

The industry often tell me that they want to discuss with the Government and ask the Government whether it will have discussions with them. If possible, they want to get in touch with officers of the Highways Department but the latter said that this matter should be dealt with by Secretary York CHOW, that we should discuss with him issues relating to the revision of the *ex gratia* payment mechanism. However, our talks with him have failed and on the last occasion, when an oral question was put to him, he said that the mechanism could not be changed. If the mechanism cannot be changed, we all have to bear the consequences together. In fact, it is not true that the mechanism cannot be changed. The results of the EIA report that the Secretary is apprised of is far from the truth. However, he does not want to gain a good understanding of this issue and even though the industry is affected, he just turns a blind eye to it. Will this do? Of course not.

For this reason, I hope the Secretary will revise the proposals and conduct a study in earnest. At present, there are major flaws in the system under which consultancies are commissioned to compile EIA reports. The industry has never been consulted, so is this reasonable? The industry has been operating there for decades and from generation to generation, but it turned out that no one has asked them if they are fishing there or what else they are doing. No one has ever consulted the industry. However, the EIA report submitted to the Legislative Council or other government departments says that the project will not have any impact on our industry. Is this fair to us? Secretary YAU, I hope that you can look into this earnestly. As in the case of the geopark mentioned by me just now, why are we not allowed to enter it and fish there? Since our activities will not cause any damage, this decision is unfair. Although we support the Government in establishing goeparks and marine parks, the Government must

also ensure that our industry can make a living and that we have opportunities to transform before I can give my support. However, at present, there is not any measure whatsoever, so how can we make a living? How can I give my support? Such a situation will lead to confrontations. For this reason, I hope the Government will not listen to one-sided views. It should also listen to other views.

Deputy President, I so submit.

**MR IP KWOK-HIM** (in Cantonese): Deputy President, the Chief Executive is keen to develop the six industries, and one of them is the cultural and creative industries. The DAB expresses great support for the Government's determination to promote creative industries this year and hopes that the Government can step up its efforts in both software and hardware in order to actively promote Hong Kong as a major cultural hub in Asia. To achieve this goal, apart from revitalizing industrial buildings and conserving historical buildings, the Government has to create favourable conditions for the development of cultural and arts groups and promote branding projects with local cultural characteristics, such as museums and intangible cultural heritage with unique characteristics, with a view to creating room conducive to the development of cultural and creative industries.

Deputy President, while seeking to develop the six industries, the authorities have also proposed a package of measures to release the potential of old industry buildings and encourage the redevelopment or conversion of industrial buildings by owners. In a previous case, the Government has succeeded in providing an additional venue for cultural and arts creation by turning an old factory building in Shek Kip Mei into a creative arts centre. Under the newly unveiled revitalization policy, owners of industrial buildings applying for change of use can be exempted from paying the waiver fee for change of land use, provided that the requirement on age of property is met and planning permission is obtained. We believe more land will thus be released for use by creative artists who will then be able to enjoy more room for creation and activities. In the long run, this is conducive to promoting the development of the cultural and creative industries as a whole.

At present, if young people wish to lease industrial buildings for use by their music bands, they are required to apply to the Town Planning Board (TPB)

for change of land use. After gaining the approval of the TPB, they will have to apply to the Lands Department (LandsD), the Buildings Department and the Fire Services Department for vetting and approval. Such an extremely complicated procedure has, however, deterred many applicants. It is understood that the LandsD has set up a special unit to take charge of processing applications relating to redevelopment or wholesale conversion of industrial buildings. We hope the special unit can provide a one-stop service and streamline the procedure for applying for change of use for industrial buildings.

Deputy President, apart from providing cultural and arts groups with more venues, we hope consideration can also be given by the authorities to supporting cultural and arts bodies, especially the small and medium ones. Of the \$2.6 billion expenditure earmarked for public culture and arts, \$880 million is directly for arts bodies, programmes and arts education, with 30% devoted directly to financing nine major arts groups and 13% or so divided among other small and medium arts bodies. Given their lack of resources, the creative artists and performers of small and medium arts bodies can only work as amateurs. This will indirectly stifle the room for small and medium arts bodies to develop. In May this year, the Committee on Performing Arts announced the allocation of \$10 million as a relief measure for small and medium arts bodies. However, this is just an interim measure. For the purpose of supporting the development of small and medium arts bodies, we hope resources can continue to be allocated on various fronts including resources, programme publicity and audience fostering.

In the Asia Cultural Co-operation Forum which has just concluded, the organizer invited, in one of the public discussion sessions held, some veteran animators from Japan and Korean to jointly explore ways to promote the development of animation in Asia. Actually, there has been active participation by Hong Kong people in animation and cartoons. Take the animation movie "Astroboy", which was recently released worldwide, as an example. The production was reportedly the result of some 400 animation artists who had worked day and night in a factory in Chai Wan. There are many popular animation cartoons in Hong Kong. They include "Dragon Tiger Gate", "The Storm Riders", "Black Mask" and "Born to Defence". These works have given birth to a quality group of creative artists and animators, as well as group of audience and consumers. Regarding the Chief Executive's commitment to developing cultural and creative industries, I very much hope that he can pay attention to the fact that this market has existed in Hong Kong for quite a long

time. Actually, have we thought of combining locally produced animation and cartoons, martial arts novels, action films and television production with a new mindset and establish a "martial arts culture hall"?

Actually, cultural creative products with martial arts and *kung fu* as their themes can always be found in the cultural life of Hong Kong people in written form as well as in cartoons, television programmes and movies. In the middle of this year, even the Financial Secretary conceded in the 2009 Hong Kong International Kung Fu Festival that *kung fu* provides one of the sources for Hong Kong people to seek their cultural pride and sense of identity. Through martial arts stars like Bruce LEE, Jackie CHAN, Jet LI and Donnie YEN, Chinese kung fu has been brought from Hong Kong to the overseas audience in the western world. I believe the establishment of a "martial arts culture hall" in Hong Kong can not only earn resonance among the people of Hong Kong, but also make Hong Kong a popular destination for overseas tourists. In addition to the West Kowloon Cultural District, a focus of attention for everyone, the "martial arts culture hall" can definitely make itself one of the Hong Kong museum brands.

As an ex-member of the Museums Board, I keep a keen interest in the long-term development of museums. Since the dissolution of the Board following the submission of a Board report to the Government in 2007, no action has been taken to follow up many of the recommendations made in the report. They include, *inter alia*, the corporatization of 16 museums within three years and the establishment of a management board, and centralized management of museums to upgrade the quality of service and accountability. Should nothing be done by the Government to actively follow up these proposals, I am afraid substantial staff wastage will occur, thereby affecting the quality of museums, given the uncertainty of the policy on museums. I also hope Secretary TSANG Tak-sing can pay attention to this matter.

Deputy President, the inscription of Cantonese opera by the United Nations Educational, Scientific and Cultural Organization (UNESCO) onto the Representative List of the Intangible Cultural Heritage of Humanity sometime ago has once again aroused public concern about the preservation of heritage in Hong Kong. Earlier, several Members and I made a trip to East Europe and visited Hungary during the trip. The scenery on both sides of the Danube River in Budapest, the capital of Hungary, has been included onto the List of the World

Cultural Heritage. In addition, the annual Buso Carnival<sup>1</sup> held in Mohacs, Hungary has also been put on the Representative List of the Intangible Cultural Heritage of Humanity not long ago. I was deeply impressed by the efforts made by other countries in the preservation of cultural heritage during the trip.

Actually, the subject of intangible cultural heritage was brought up for discussion in this Council by members from the DAB as early as two years ago. At that time, the DAB proposal on making an application for the inscription of "Hong Kong style cafes culture" as "intangible cultural heritage of humanity" aroused extensive concern in society. In addition to "Hong Kong style cafes culture", a lot of precious local cultural heritage is actually still preserved in Hong Kong. In late September, 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 were shortlisted from 30 heritage items for application for inscription on the third national list of intangible cultural heritage in China. The DAB greatly supports this. These festivities and traditions, which have passed from one generation to another for over a century and have not undergone substantial changes and evolution, are totally compatible with the spirit of "cultural heritage". They also reflect the community activities and religious rituals of Hong Kong people, a perfect manifestation of local culture. Should the inscription of these four items be successful, we will be able to promote to overseas countries our festivities and traditional culture, thereby attracting holidaymakers to come to Hong Kong to experience our festivities and, in the long run, promoting Hong Kong's cultural tourism.

Deputy President, in the policy address, the Chief Executive proposes a package of measures for the conservation of Central, implying an imminent "major makeover" for Central. Compared with the initiative of "handing out candies", which will definitely yield immediate results, the Government's plan to conserve Central appears to be relatively abstract. The public in general do not necessarily feel that they can benefit from it.

Actually, the Government's initiative to conserve Central can be seen as another form of "giving away candies". Through lowering the development density and revitalizing historical buildings to provide the public with quality

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<sup>1</sup> A mask festival held in Mohacs



living space, the Government has made an effort in responding to social aspirations. The DAB would like to express our support.

Being the financial and business hub of Hong Kong, Central is characterized by expensive land, skyscrapers and worsening air pollution. Now, the SAR Government has decided to carry out conservation programmes, including revitalizing the Central Market and turning it into an "urban oasis", turning part of the demolished West Wing of the Government Headquarters into a park, and reducing the development height restriction of the two sites opposite to the International Finance Centre from 30 storeys to 15. It is believed these initiatives can alleviate the worsening air pollution problem confronting Central.

According to some professionals, the loss to be suffered by the Government as a result of the expenditure on conserving Central and reduced land sales will amount to tens of billions of dollars. However, conservation is a long-term investment. Despite its lack of immediate returns, our living environment can be improved and our quality of living can also be upgraded. These intangible returns can simply not be measured in monetary terms.

In our opinion, it is inadequate for the policy address to merely mention conserving Central. In districts other than Central, such as Wan Chai, Causeway Bay and Kwun Tong, we can also find many similar historical buildings which are also subject to air pollution. The SAR Government should formulate, in a specific manner, long-term territory-wide environmental conservation strategies to enable conservation and revitalization to become a major industry in Hong Kong. I hope the conservation initiatives put forward in the policy address this time can be implemented fully by, using Central as an example, expanding conservation efforts to other parts of Hong Kong and sparing no efforts in developing Hong Kong into a city of quality living.

Deputy President, there was full-house attendance at the semi-final second leg of the Asian Football Confederation Cup match between South China Football Team and Kuwait Football Team at the Hong Kong Stadium last Wednesday, with nearly 40 000 football fans filling the entire Stadium, while some who were unable to be admitted unwilling to leave. This has, once again, demonstrated the irreplaceable position of football in the hearts of Hong Kong people. In a meeting held by the Panel on Home Affairs earlier, a number of Members expressed grave concern about the development of football in Hong

Kong. I also hope that Secretary TSANG Tak-sing can seize the present opportunities to promote the development of local football, offer assistance in team brand-building, and provide enhanced training for young football players with potential. This will definitely provide an additional way out for young people with a passion for sports.

The East Asian Games (EAG) will be held in December. For the time being, it is still uncertain as to whether the EAG will gain enthusiastic support from the public, as the Asian Football Confederation Cup match did. It is reported that only about 60% of the tickets of the EAG have been sold. Even the Director of Leisure and Cultural Services has publicly admitted that there is inadequate public interest in the EAG. Therefore, the DAB hopes that the Government can, in the coming one and half months, step up publicity, especially in informing the public of the details of the matches by expeditiously announcing the ballot results of team tournaments, thereby encouraging the public to purchase tickets expeditiously and actively participate in the events. The events of EAG, if organized properly, will definitely give enormous momentum to the economy and tourism industry of Hong Kong.

Deputy President, I so submit.

**DR SAMSON TAM** (in Cantonese): In the policy address last year, the Chief Executive proposed the promotion of the creative industries and in the end, a dedicated fund of \$300 million was established. The industry thinks that as the first step, this policy has been well-received. However, if the Government only spends this \$300 million on publicity and promotion, this sum is not being well utilized. I hope the Government can understand that the creative industries are being promoted not just in Hong Kong, for all parts of the world have joined the competition. I hope the Government will realize that we are facing two major challenges.

The first major challenge is the competition from various cities on the Mainland. Recently, I learnt from the press that the "design capital" in Shenzhen has attracted the well-known designer in Hong Kong, KAN Tai-keung, and 10 other local designers to establish studios there. Places such as Suzhou, Shanghai and Beijing even provide three-year rent waivers to attract Hong Kong designers to go north. It was only recently that the Chief Executive talked about

the release of land and the revitalization of industrial buildings in Hong Kong. In fact, similar measures have been implemented on the Mainland for many years. If the Government does not come up with more persuasive incentives to keep these companies in the creative industries in Hong Kong, in the future, they will relocate to the Mainland and the job opportunities will not remain in Hong Kong either. For this reason, I hope very much that the Government can consider how such funds can be utilized to keep the creative industries as well as the related job opportunities in Hong Kong.

The second challenge is that if the Government proposes a new policy but cannot win the support of the public, it would absolutely be a waste. Moreover, without the support and participation of the public, twice the effort would surely be required to get half the result.

Recently, while I was taking a taxi, I had a chat with the taxi driver and learnt that he had a son who had just finished Secondary Five. However, his son would often stay at home to play video games. I asked him why his son did not look for work. He said that all his son knew was to play video games and draw comics and did not know what kind of work he can do, so he felt that his son was good for nothing. In fact, if parents commonly think that playing video games or drawing comics is not a worthwhile pursuit, how can the younger generation have the confidence to devote themselves to such jobs? Why do the public commonly think that drawing comics is not a worthwhile pursuit? Because the Hong Kong Government or the industry has failed to turn public opinion around, so people think that only a career in various professions or studying will lead to a bright future. In fact, it can be seen from examples in Western countries that this is not the truth. Even in the United States, in many major industries, such as the DreamWorks and Hollywood, many creative animation companies have attracted droves of young people to take the jobs offered. For this reason, if the Government can really attract these international companies to establish offices in Hong Kong, I believe everyone will scramble to join these industries. In that event, parents can feel more at ease, for if their children cannot do well academically, they still have some excellent career opportunities open to them.

In the face of these challenges, I wish to put forward two proposals to the Government: First, to streamline the present \$300 million Creative Fund, so that it can be used to assist a greater number of industries. In fact, several years ago, the Government already established the Film Development Fund to inject

\$300 million into the film industry and provide greater liquidity to the industry, so that it can expand its market. We can see that the locally-produced "McDull Kungfu Ding Ding Dong" also received government funding. This production is a great success on the Mainland, so it can be seen that the Government can get some return by doing so. I hope the Government can consider using this fund amounting to \$300 million not just to finance films but also online games or music creation, so that local creative artists can receive government funding to boost their liquidity. Moreover, with government funding, they can achieve greater fame, so that their access to the Mainland market can be facilitated.

Second, I hope that the Government can make use of the Creative Fund to help young people in Hong Kong find employment. The Chief Executive proposed the development of the cultural and creative industries in paragraph 89 of the policy address to provide young people who are not interested in formal education with an alternative to build a career with their creativity. According to statistics, from July to September this year, the unemployment rate among young people aged 15 to 19 years was as high as 25.7% and the number of people was about 15 300. I am sure that most of these young people are very creative but they may not be able to receive formal education. If they do not receive education, only stay at home and devote their energy to online games or Internet games, their time will be wasted. For this reason, I think the Government should assist them in finding their first jobs.

The Internship Programme for University Graduates launched by the Government last year is designed to help university students find work. However, why does the Government not provide assistance to young people who may not be able to go to university? I hope the Government can allocate a certain sum of money from the existing \$300 million Creative Industry Fund to establish a creative youth employment scheme and pick 1 000 or 2 000 people from these 10 000 or so unemployed young people. If they are interested in the creative industries, the Government should offer them a subsidy. For example, if the monthly salary is \$6,000, the Government should offer half of the sum to enable them to join the creative industries more quickly. If each person gets a subsidy of \$3,000 and a total of 2 000 people are subsidized, the Government only has to spend some \$70 million each year. I think this scheme is definitely more attractive than the existing Youth Work Experience and Training Scheme because young people do not just want to find a job. What they want even more is to find a job that they like and to give play to their potentials at work. Instead

of letting this group of young people who cannot find work stay at home most of time, go online and devote their energy to playing video games, it is more desirable to encourage them to devote their energy to a career in the creative industries and contribute to society. I believe that once they are initiated into society smoothly, they can definitely give play to their potentials, stay in these industries and build a career in future.

In sum, I am glad to see the Government make commitments to promoting the creative industries, but I hope even more to see the Government fully utilize its funds to attract more companies to Hong Kong, so that young people in Hong Kong can have more employment opportunities, thus improving the unemployment situation of young people as a whole.

Deputy President, I so submit.

**DR PAN PEY-CHYOU** (in Cantonese): Deputy President, I agree very much with the proposal to conserve Central raised in the policy address.

In the past five decades, Hong Kong has undergone rapid industrial and commercial development. Innumerable objects carrying the collective memory of the Hong Kong public have vanished without a trace under the rapid pace of urban development. Now, when Hong Kong people suddenly realized this and looked back, they find to their dismay that the loss is irreversible. For this reason, in recent years, the tide of conservation has risen rapidly and quickly become the mainstream voice in society.

The proposal to conserve Central has addressed the demand of the general public for the conservation of cultural heritage. In particular, the proposal on this occasion seeks to conserve Central as a "plane", so that Central can become a financial area in which the new and old, historical monuments and modern architecture and various eras are interwoven. This mode indeed marks a breakthrough compared with the past approach of targeting "points" (that is, individual historical monuments) as the subjects of conservation.

In retrospect, past initiatives in conservation were both successes and failures. First, the Government's effort in conservation is to revitalize historical monuments as far as possible, then introduce modern uses of them and derive

commercial gains from conservation. In fact, this is blameless. However, this has turned history and buildings that originally belong to the general public and make up part of the life of local residents into objects of commercialization and gentrification. As a result, the general public have the feeling that they became inaccessible to them. This morning, Mr KAM Nai-wai already raised this point and I also share his view. In fact, this approach will alienate historical monuments from the public and the Woo Cheong Pawn Shop in Wan Chai is a case in point. I have passed by it many times and that place has become a high-class restaurant. For this reason, I also hesitated as to whether I should go inside because I know that its dishes are very expensive. For this reason, I hope that future efforts in revitalization can strike a balance between commercial interests and the needs of the grassroots, so that the general public can fully benefit from such revitalized spaces.

The policy address focuses on the conservation of the cityscape of Central but fails to mention other districts. However, in fact, there are also other districts with a lot of historical monuments and history worthy of conservation. To cite a nearby example, take Hong Kong Island as an example, there is a rich cultural history and heritage in such districts as Sheung Wan, Wan Chai and North Point. Moreover, they are facing the prospect of being altered. For this reason, apart from the cityscape of Central, the Government should extend its efforts in conservation to other districts, including various districts in Kowloon and the New Territories.

Recently, together with the colleagues in my Member's Office, I spent half a year planning a sightseeing route linking up the historical monuments and cultural history in various districts on Hong Kong Island on tram. Through a series of sightseeing spots and historical monuments, the stories about the life and work of the working class in Hong Kong for more than a century are related. In fact, in recent years, tours adopting a cultural theme are quite popular and they are offered in various parts of the world. On the one hand, using this approach in heritage conservation can bolster the tourism pillar; and on the other, it can also complement the cultural and creative industries and promote local culture.

On the integration of conservation with tourism, our neighbour, Macao, is the forerunner and it has much successful experience that can serve as reference for us. By learning from the experience of Macao, we can develop more diversified economic components and create more jobs.

In fact, the history of Hong Kong is colourful and through conservation and tourism, such history can be recreated and brought to life again.

I so submit.

**PROF PATRICK LAU** (in Cantonese): Deputy President, the policy address proposes the concept of "Progressive Development", stressing that we have to attract talents from around the world by providing a quality living environment and to strike a balance between economic development and cultural conservation through the conservation of Central. In principle, I support this idea but many people and Honourable colleagues have criticized this policy as smacking of partiality. Why does it seek only to conserve Central to the neglect of other districts? I think a better way would be to say "a quality life starts with Central". The authorities should make it clear that Central is only a test point and if such a measure proves successful, it will be extended to all districts in Hong Kong. Only in this way will residents in other districts not find it unfair.

In fact, I agree with the views of other Honourable colleagues. For example, Dr PAN said just now that in such districts as Sham Shui Po, Kowloon City and Sheung Wan, there are also many historical buildings worthy of conservation. The key is how to strike a balance between the old and new and ensure their harmonious co-existence when redeveloping old districts or developing new ones. This design concept is vital but unfortunately, the SAR Government has all along displayed a lack of good design concepts. Fortunately, the authorities have gradually realized the importance of architectural competitions, as advocated by me frequently. I hope that the Urban Renewal Authority will assume a considerable share of responsibility in this matter. The present problem lies in a lack of comprehensive planning that covers various kinds of complementary facilities. Not only should certain parts be conserved, it is also necessary to discuss how best overall planning for Central can be done.

The policy address only talks about which buildings should be conserved or demolished, or which buildings will not be demolished but there is not any clear account on how the overall planning for Central, particularly the revitalization of the old areas at the periphery, would be followed up. Nor is there mention of overall planning for various districts of Hong Kong. I wish to stress that any comprehensive planning must take into account the links of the

entire district with other districts, including pedestrian and transport networks, the coverage of the green area, the blending of new and old buildings, and so on. It is also necessary to ensure connectivity in the planning of the harbourfront being discussed by us now, which also requires the same to ensure the sustainable development of the city.

(THE PRESIDENT resumed the Chair)

Concerning the conservation of Central, there is concern about how the reduction of the development density of the Central Ferry Piers sites and the retention of the Central Market and the Central Government Offices would affect the supply of Grade A offices. I support the Government's proposals. With the relocation of the Government Headquarters to Tamar, the development of the financial centre can also shift to Admiralty and Wan Chai, thereby reducing the excessive development density of Central. I believe the authorities must have studied the supply, market value and price per sq ft of offices in Central, Admiralty and Wan Chai and whether the change in plot ratio would affect government revenue before putting forward this proposal. For this reason, I hope very much that the authorities would disclose the relevant figures to let the public know that conservation can move forward together with development instead of always causing economic losses.

President, I believe that some old buildings have to be retained in a city and the new and the old must be allowed to co-exist before the characteristics of a city can be highlighted. In particular, in Central, where there is a high concentration of high rises, if such buildings with special characteristics as the Central Market can be preserved, the attractiveness of our city can be enhanced. Generally speaking, old buildings are low density in nature and they are the spaces in a city which are very important. Take the Legislative Council Building as an example, not only does it represent our culture and history, it also represents a kind of space that enables the surrounding tall buildings to survive.

Recently, I had the opportunity to visit the Central Market but I do not understand why it has to be closed for a long time without being utilized. In fact, the ceiling of the Central Market is very high and just now, Miss Tanya CHAN also showed us some photos of this rather special feature. We often say



that the Exhibition and Convention Centre is running out of space. In fact, the Central Market is also highly suitable for such uses as exhibitions. I hope very much that the Government will open it to the public. Only some slight repairs would be required before it can be opened to the public to give them the opportunity to visit this place. This is because we all know that the Central Market is part of our collective memory and the public do not have many opportunities to travel down memory lane to this kind of places with special characteristics.

The Central Market can also be used for other temporary purposes as it is not possible for the authorities to implement any specific conservation plan within a short time. In the interim, it is possible to organize exhibitions as well as Lunar New Year fairs there, is it not? The bids for the stalls in Lunar New Year fairs are so high these days. If the Central Market can be used for such temporary purposes, the public will be able to appreciate the space inside the Central Market and get some feeling of the milieu inside markets back in those years. Concerning the conservation of the Government Hill ..... I hope that just now, the Secretary has heard me say that I hope the Central Market can be used for temporary purposes and be opened to the public by organizing cultural activities and the like there. I have also heard a lot of views on the inadequacy of venues for cultural performances. It is really worthwhile for the Government to consider how best the Central Market can be used for temporary purposes.

Regarding the Government Hill, the development after the demolition of the West Wing of the Central Government Offices should be compatible with the future use of the Court of Final Appeal and the original characteristics of the Government Hill should be preserved by all means. These characteristics are not just confined to the buildings themselves. If the many green areas there, such as the mature trees at the entrances, can be fully utilized, they can lend harmonious unity to the overall planning of Central, for example, by linking up the conservation projects and the financial centre.

President, in order to create a quality living environment and attract overseas talents, the beautification of the environment and the conservation of the harbourfront are the major policy directions. I am very pleased to hear the Chief Executive undertake in the policy address to gradually take forward harbourfront beautification measures in various districts. I hope that under the co-ordination of the Development Bureau, various Policy Bureaux and departments will work

in concert to clear all obstacles and complete the planning for the harbourfront as soon as possible, so that various parts of the harbourfront of Hong Kong can be connected together and accessible harbourfront rest areas can be provided to residents in various districts.

In order to enable the public to truly benefit from harbourfront facilities, a well-developed pedestrian walkway network is essential. For this reason, apart from supporting the subway network in Causeway Bay and footbridge network in Mong Kok, I also hope very much that the authorities can complete the pedestrian walkway improvement projects in Hong Kong as soon as possible. In fact, many plans are still in the works. Since Hong Kong is hilly, the authorities should install more escalators and travellators, as it did in the Soho area, so that an entire old district can be revitalized. It is a most environmentally-friendly measure to carry out comprehensive planning to connect districts together, so that the public do not have to take any form of transport. Secretary, in fact, the escalators in Central represent a benevolent measure in Hong Kong in that it gives the public convenience and attracts quite a lot of visitors there to try them out. The installation of escalators will turn the areas around them into pedestrian zones and reduce traffic. This is indeed a very successful example. In addition, the surrounding areas can be revitalized. This is really something very special, so I do not understand why the authorities have still not embarked on other similar programmes. Of course, if the public can use various forms of transport less often and use these footbridges more often, this will reduce vehicle emissions and clean up the air. If a quality city can be built, a quality life will be possible.

President, having said all these, I appreciate the happy family life notion mentioned by the Chief Executive last time. In order to have a happy family life, I believe the most important thing is for the public to enjoy good health, so exercise is very important. On doing exercises, if the whole family can take part in a lot of activities together, the interest of the public in sports can be raised and consequently, a healthier life can be fostered. Moreover, the concept of a happy family can also be extended to the development of arts and culture. If an entire family can develop a greater interest in this, I think a quality life can be created in Hong Kong.

Finally, I wish to point out that a quality city life is actually about making the public feel happy living in the city. I hope the Secretary for the Environment could consider if there is really a need to increase the electricity tariffs? I think

that so long as the electricity tariffs are not increased, no matter what environmentally-friendly appliances the authorities give the public, the latter will always be happy to get them.

Thank you, President.

**MR ALBERT CHAN** (in Cantonese): President, the theme of this session is "Quality City and Quality Life" but I must ask whose quality life and quality city we are talking about. Is it the city owned by 7 million members of the public who live in it together? Or is it the life and city of a small group of powerful and privileged people, a small circle of 800 people and a small group of people with vested interests?

This session covers several policy areas, including development, economic development, environmental affairs, food safety and environmental hygiene, home affairs and information technology and broadcasting. Simply put, at present, wealth disparity has worsened, the ranks of poor families are growing, property prices are scaling new heights and standing at a high level, the freedom of speech is being curtailed and the broadcasting policy continues to be rolled back, so that ordinary members of the public cannot enjoy the freedom to broadcast. In addition, the Home Affairs Bureau, giving priority to harmony above all else, wants to banish even social workers. President, given such a life and such a city, may I ask how we can call this a quality city and how can a quality life be created?

On town planning, President, over the years, I have made criticisms many times and when the Government was carrying out consultation on the planning up to 2030, I voiced my views a number of times but no improvement could be seen. The entire urban planning of Hong Kong is founded on administrative convenience and the prime consideration is to facilitate management by the Government. The needs of the public are entirely forgotten, disregarded and ignored. Take Tin Shui Wai as an example, in this town with 300 000 people, there is only one Light Rail stop and it was only recently that a hard-surface soccer pitch was built. There are over 20 football pitches in the entire Kwun Tong district but only one in Tin Shui Wai. It can thus be seen that the provision of urban facilities is totally skewed. In the past, when deficits were recorded for a number of years, such facilities were continually rolled back and deleted. However, the construction of such facilities is not speeded up when

there are surpluses. For this reason, on the provision of recreational facilities, it can be said that the Home Affairs Bureau has completely neglected its duties.

President, as regards environmental protection and compact fluorescent lamps (CFLs), this city will not get a quality life simply by offering CFLs, will it? Rather, environmental protection as a whole, such as the problem with the air and the issue of environmentally-friendly cars, is involved. In fact, discussions over this issue have been held with the Secretary for many years but little progress has been made. I wish to warn the Secretary about one thing and I hope that the Secretary will make clarifications about it. It is said that the expenses incurred by the offer of CFLs will be paid for with electricity tariffs. I have already given notice to the Secretary several times that if the Government puts this measure into practice, the League of Social Democrats will surely seek a judicial review to prohibit the Government from using the offer of CFLs as the reason to increase tariffs because the agreements reached with the two power companies state clearly that the offer of CFLs can by no means be regarded as operating expenditure. This has definitely violated the terms of the agreements. If the tariffs can be raised after the offer of CFLs now, in the future, electric cars can also be given away. If the two power companies can increase their tariffs after offering gifts, why do they not offer electric stoves, electric rice cookers, and electric water heaters to all households as well? One can offer practically anything. Therefore, this kind of logic is most absurd.

What is even more absurd is that although I have written to the Secretary for an explanation to the panel concerned the legal grounds for increasing tariffs, the Secretary simply tried to sidestep this question without answering it from a legal point of view in any way. Such side-stepping and evasive behaviour must be condemned. As an official under the accountability system or a responsible Government, there is no reason why such a major policy issue is side-stepped without giving a direct reply. If no consideration has been given to this aspect or he knows nothing, he should simply say so. How can this offer be factored into the operating expenditure?

For this reason, President, first, I strongly condemn this so-called environmental protection initiative relating to CFLs. The process of formulating this policy is sloppy, consultation was not carried out and the responsibility of environmental protection is saddled on ordinary members of the public. It is absolutely an erroneous measure in increasing electricity tariffs. In view of this, I hope the Secretary can reflect on this sorry experience and in view of the tides

of fury and the force of such fury that he felt in the past week or so, he should declare the abolition of this initiative at an early date. In particular, the electricity tariffs cannot be increased. I also hope the Secretary will clarify whether, in compelling the two power companies to buy electric cars, the expenses on electric cars will again be factored into the cost and reflected in the tariffs? This is something that the Secretary must give an account of and explain next. If the purchase of electric cars is also factored into the cost and consequently, electricity tariffs have to be increased, I will surely oppose this move once again.

President, on the problem of poverty, the Government has not addressed it in any way. There is no response whatsoever to this problem in the whole policy address. President, I hope government officials can be more sober. Secretary TSANG Tak-sing, as a member of the communist party, should be well aware of the stance and tone of the Communist Party of China (CPC). I wish to read out to him a paragraph in the decision of the Communist Party of China Central Committee on major issues on strengthening and improving Party building under the new circumstances endorsed in the Fourth Plenary Session of the 17th CPC Central Committee held in September 2009, and other officials should also listen. This is an important decision made by the CPC last month and from it, we can get an idea of its administration. In particular, Donald TSANG should wake up to this. I wonder if LIAO Hui has instructed him on this or not. The work report delivered by him is dismal and has totally disregarded the needs of the public. The following is the stance of the CPC, President, so government officials cannot say that it is not correct, "To insist on the fundamental principle that the Party is established for the public, assumes power for the people, maintains the ties of flesh and blood with the people, to insist that the Party serves the people with heart and soul, to insist on the views of Marxism on the masses and the Party line on the masses ..... to achieve the target of exercising power for the people, feeling as the people do and working for the people's interests ..... to expand the support base of the masses for the Party, so that the Party can always win the support and love of the masses.". President, the last paragraph is, "To insist on consulting the people on political affairs, their needs and the measures to be taken. When making policy decisions or formulating policies, the interest of the masses and their ability to sustain them should be fully considered and the relations of the interests of various parties should be considered and balanced, so as to implement practical measures consistent with the wishes of the public, capable of addressing public concern and benefiting the living of the public properly.".

President, this is the latest policy decision of the CPC. However, let us look at the administration effected by our Government. It has totally disregarded the right of the public to know and their needs when formulating policies. Once the policy on CFLs is given the go-ahead, the public has to pay up. This has totally disregarded the feelings and reactions of the public regarding this issue.

President, after reading the entire policy address, I have a lot of doubts about the development of the so-called six industries. Our Chairman of the League of Social Democrats, Mr WONG Yuk-man, defined them as the six "damn-the-whole-family" industries because they will exert pressure on many families and put them in difficulties in finance or living. How did the Government actually decide on these six industries? How did it pick them? I once wrote to the Chief Executive asking him to tell me what studies had been conducted before selecting these six industries, what the study reports were and based on what reports and analyses were they chosen. Today, I finally got a reply, but I wonder if this document consists of even 30 pages. The reply from the Chief Executive's Office says that the Task Force on Economic Challenges (TFEC) was consulted and I was provided with its papers. What I asked him was what studies and reports had been conducted and prepared, not for the discussion papers of the TFEC. His choice of these six industries should be founded on some grounds, criteria, scopes and long-term analyses. They should cover what short-term effects they will have, what kind of employment opportunities will be created, how much investment will be required and under the current political and economic climate, what the reasons for developing these six industries in this special region called Hong Kong are. He must have a full analysis and all information at his disposal. Has not a single report been prepared? Is it the case that a complete analysis has never been conducted on any of these six industries? He cannot produce anything at all and nothing is available.

**PRESIDENT** (in Cantonese): Mr Albert CHAN, I wish to remind you that what you are talking about probably belongs to the subjects in the first debate session.

**MR ALBERT CHAN** (in Cantonese): I understand, President.

**PRESIDENT** (in Cantonese): Of course, you can go on but you cannot expect the Secretary to give a reply later.

**MR ALBERT CHAN** (in Cantonese): Thank you, President. President, I no longer pin any hope on this Government or the Secretaries. Take Secretary TSANG Tak-sing as an example, last week, I asked him questions twice in a meeting of the Panel on Welfare Services but he did not answer them in any way. He did not answer them in any way and this is what is meant by harmony. There was no need to answer questions. When we asked him questions, he did not answer anything. Is this what harmony is about? To give no reply is the most harmonious conduct and this is the definition of harmony. However, this is perhaps already somewhat better than the Mainland because on the Mainland, harmony means locking people up in the Qincheng Prison or putting them before a firing squad. In view of this, perhaps the handling of matters relating to harmony in Hong Kong can already be considered more gentle.

President, I think the importance of those industries is that they will determine the policy direction of various Policy Bureaux of the Government and economic development in Hong Kong. However, when formulating policies, a lot of information and studies were not considered thoroughly and the outcome is half-baked and crude, just like the initiative on CFLs. In fact, the process of choosing these six industries bears great resemblance to the formulation of the initiative on CFLs, does it not? In this process of formulation, consultations were carried out only in July and similarly, the TFEC was consulted only some time ago. However, after members of the TFEC had voiced some views, these views were immediately turned into part of the measures in the policy address, immediately affecting the living of 7 million people in Hong Kong for no one knows how many years afterwards. This is the same as the announcement of the major policies of the Hong Kong Government by Sir Murray MACLEHOSE in 1973. The four pillars, that is, education, health care, housing and social welfare, were spelt out back then. From 1973 onwards, these four pillars affected the living of the public in the next two or three decades. The Government built a lot of public housing, operated schools, offered CSSA and developed youth services. That was how the colonial Government back then implemented its policies after formulating them.

There is no knowing whether the Chief Executive will lead Hong Kong down a dead alley by deciding on these six industries, or whether, due to the

mistake of designating these six industries, Hong Kong will go into a gradual decline. Decisions on economic policies can be deadly disastrous. For this reason, concerning those studies, even if no reply can be given today, I still hope that the Government can give further replies later on. I will also write to the Chief Executive again to enquire whether there is any report. If there is not even a single report, this is absolutely a wrong thing to do.

President, of the many Policy Bureaux, I once again make the appeal to the Secretary for the Environment, that it is not too late to desist on this issue of CFLs. It would be wonderful if he could tell the public in his response today that, first and foremost, the Government, in order to refine this measure, will not charge the public any money. It should not "snatch food from the beggar's bowl". These power companies are so obese that they cannot even pull up their own socks by themselves and their bellies bulge so much that they cannot even see their own toes. For this reason, I call on him not to target ordinary members of the public anymore.

As regards the Home Affairs Bureau, I hope the Secretary can reply as to whether, for the sake of the harmony with a group, high-handed actions can be taken to play down the value of other professional organizations. How could the Secretary abuse his powers and authority by talking to the members of the Board of Directors concerned due to a complaint from a certain group, thus resulting in someone losing her job? President, this kind of behaviour must be put on record and condemned because this is a very dangerous precedent. Now, a certain Secretary can make a social worker lose her job due to the complaint lodged by an organization; in the future, the same ground of harmony can also be cited to make a school or hospital close down or even to put an end to a certain industry. This is a very dangerous precedent. How could a Secretary unilaterally use his authority high-handedly to make a social worker lose her job without carrying out any investigation or consultation, on account of the discontent or disharmony experienced by an organization? President, this kind of behaviour or idea regarding how the so-called harmony can be achieved should definitely not be allowed to prey on ordinary members of the Hong Kong public wantonly. Thank you, President.

**MR LEUNG YIU-CHUNG** (in Cantonese): President, I believe neither the Chief Executive nor the Secretaries of Department and the various Bureau Directors could have ever imagined that an environmental initiative would turn



out to be the most controversial issue following the announcement of the policy address.

Suspicious of the Chief Executive's transfer of benefits are not the only problem emanating from the drama involving compact fluorescent lamps (CFLs). What is even more absurd is that in the absence of any consultation, the Government has attempted to compel the public to accept tariff increases in exchange for cash vouchers for CFLs. This is not only a violation of the Scheme of Control Agreements signed between the Government and the two power companies but also an act of "robbery" on the public. In the absence of any extensive social discussions and consensus, the Government has tried to push through with force an initiative that affects the people's livelihood. President, I cannot accept this and must express my objection and condemnation.

Actually, the CFLs incident has also exposed the Government's incomplete understanding of environmental protection. President, why do I say so? Before rolling out the initiative of cash vouchers, the Government never really considered the pollution problems caused by the manufacturing and recovery of CFLs. This shows that the environmental policies of the Environment Bureau emphasize only the superficial results and the launching of projects to show the Government's achievements, to the neglect of other problems that may result from the policies concerned.

The present farce involving CFLs aside, people also find the establishment of the Environment Bureau two years ago much too ambitious and hasty. The plastic bag levy implemented this year and the proposal to ban idling vehicles with running engines are all examples of projects to show the Government's achievements. However, as can be expected, the Government has categorically denied such an allegation.

According to the latest statistics announced by the Government, the distribution of plastic bags has shrunk by some 80% since the implementation of the plastic bag levy. However, as a usual practice, the Government will disclose certain statistics only when it finds it beneficial to do so. It will simply conceal or withhold all those statistics unfavourable to it. With regard to the disposal and usage of small plastic bags, garbage bags and shopping bags made of other materials, has the Government ever disclosed whether there is also a drop of 80%, or whether there has been a huge increase instead? It is a pity that the Government has never made any such disclosure. It is obvious that the

Government's policy is nothing but an embellishment, one which cannot bring any actual benefits to society. It also reflects that the Government has never considered the whole thing fully nor conducted any adequate consultation before implementing the policy. The policy is clearly marked by inadequate consideration, and its effectiveness is still open to question.

The proposal to ban idling vehicles with running engines has likewise aroused very great controversies. Many people from the industries concerned have actually told me that the Government's proposal was introduced in total disregard for the practical difficulties faced by drivers in the transportation industry. For instance, during very hot days, taxi drivers or other professional drivers must still switch off the engines of their vehicles when stopped, so they can only keep their vehicle windows down. However, Members all know that roadside air pollution is very serious — we can notice from the announced statistics that roadside air pollution is indeed very serious. Drivers are forced to inhale exhaust fumes, so how can they protect their own health? President, this is not the end of the story. I think something else is even more miserable (I already asked the Government a question on this last year). In case it rains, what are they going to do? Will there be any exemption on rainy days? The Government has replied in the negative, stating that vehicle engines must be switched off all the same, or a penalty will be imposed. President, this really poses a problem. I do not know whether the Secretary has ever had the experience of having to switch off his vehicle engine and keep all windows shut while stopped. What will happen if he rolls down the windows? Secretary, have you ever had such experience? It will not be such a great problem if it is just drizzling. But what is a driver going to do when the rain is very heavy? Is he supposed to put on a raincoat or something? Has the Government ever considered such practical circumstances?

It can thus be seen that the Government has actually been pushing forward all these policies unilaterally without ever considering any enforcement difficulties and attaching any importance to resolving the associated problems. I hold that while the forced implementation of such policies is not necessarily so undesirable, they may not always be able to solve the problems really. As a matter of fact, the promotion of environmental protection hinges on changing people's mindset. In particular, it is most important for everybody to cultivate an awareness of protecting the environment in their daily life. I maintain that all environmental efforts must, most importantly, start with our way of life — a simple way of life. We must not encourage high spending on the one hand and

talk about environmentalism on the other. These two attitudes are frankly mutually exclusive, and things cannot work out that way. The encouragement of spending will necessarily generate huge quantities of pollutants, and it will be pointless to talk about protecting the environment in that case. If we do not champion a simple way of life, it will never be possible to solve the problem.

Therefore, I hope that when the Secretary seeks to promote environmental protection, he can go about the task with greater care. He must conduct an in-depth analysis and thorough consultation, rather than forcibly trying to make a mark or satisfy his own vanity, because this will not do much good to society.

President, apart from environmental issues, I also wish to discuss the problem of contaminated vegetable. Some organizations, Members and their staff have recently shot some footage that shows that authentic labels of origin are attached to vegetable not grown in the places indicated on them. We have repeatedly drawn the relevant government department's attention to this problem. But perhaps out of fear or for other reasons, they have never sent anybody to the Mainland to find out the real situation. They have listened only to the explanation of the Mainland, accusing Hong Kong people or the mass media of fabricating the footage concerned. This is a most irresponsible response.

As a matter of fact, this problem has not been exposed only once or twice. Nor has it been exposed just by one media organization. Rather, the camera crews and reporting teams of many media organizations have come up with the same finding on the Mainland. But the Secretary has still turned a blind eye to the situation, categorically denying all such reports. Does he have any respect for Hong Kong people? In particular, has he ever attached any importance to this very problem that affects people's health? We have repeatedly raised the problem. But he has turned a deaf ear to us all the time. According to news reports, some 300 kg of vegetable contaminated by pesticide has already been distributed to our vegetable market and purchased by the public. The problem has been exposed, but the Government has taken no action. This is simply incredible. How can the Government behave in this way?

I must once again express my hope here that the Government can squarely address this problem. Rather than being so fearful of the Mainland authorities, it must pay genuine attention to people's health. It must do its utmost to uncover the truth and gain a firm grasp of the situation, so as to ensure that the system of

labels of origin is always under supervision. Law-breakers must not be allowed to ship to Hong Kong any contaminated vegetable with false labels of origin. I think this is very important. If the Government still refuses to take any action, the industries concerned will escalate their actions. I hope that this will not sound like a threat to the Government. Rather, I hope this can serve to remind the Government that instead of watching the situation with folded arms, it must face up to the problem squarely.

President, I so submit.

**MS MIRIAM LAU** (in Cantonese): President, the policy address mentions a quality city and a quality life for Hong Kong people. However, Hong Kong has been enveloped in smog these days, with the Air Pollution Index (API) staying at high levels. Last Saturday, the API in Central stood at 174, the second highest record in years. Such poor air quality opposite and the beautiful vision mentioned above is certainly a dichotomy.

The Hong Kong Observatory often tells us that strong winds may alleviate our air pollution. However, I do not think that the Government should depend on the elements all the time, hoping that strong winds will blow away the pollutants. Rather, it should drum up the resolve to boldly formulate and implement a comprehensive and feasible environmental policy that is acceptable to society as a whole.

To deal with the serious pollution problem caused by old diesel commercial vehicles, the Government launched an incentive scheme in April 2007 to encourage vehicle owners to replace their pre-Euro and Euro I diesel commercial vehicles with Euro IV models. However, the result has not been satisfactory. As at July this year, only 21%, or 12 000, of all the pre-Euro and Euro I vehicles were replaced under the scheme. And, we must not forget that the scheme will expire in late March next year.

The Government offers a grant equivalent to 12% and 18% of the respective dutiable values of pre-Euro and Euro I vehicles. But the cost of vehicle replacement is exorbitant. Even with a government grant, the replacement of a vehicle will still cost several hundred thousand dollars or even more than a million dollars. At this very time when the freight transportation industry is faced with business difficulties and uncertain prospects, the

Government's small incentive relative to the big cost of replacement is unlikely to yield the desired result. Without any new incentive, I fail to see how there can be any impetus for expediting the replacement of vehicles.

As for the passenger transport industry (covering non-franchised buses and public light buses), the main concern is the mechanical problems with Euro IV passenger vehicles. In the past two years or so, the industry was all the time plagued by all these problems. Besides, the parts of Euro IV vehicles will develop problems very easily, so factory maintenance and replacement of parts are frequently required. The costs of maintenance and repairs are also very high. As a result, many passenger transport operators are very hesitant, not daring to replace their vehicles. Although there now seem to be some solutions to the mechanical problems with Euro IV vehicles, operators have still adopted a wait-and-see attitude, because these solutions are still being tried out and it is not at all sure whether the problems can be thoroughly solved. On the other hand, the incentive scheme is fast expiring in a few months' time. But in spite of the Secretary's appeals on expeditious vehicle replacement, people still cannot have any confidence in Euro IV vehicles.

For this reason, I think the Government should perfect the incentive scheme by, first, extending the period of the subsidy scheme, so that the industry can have more time to observe the performance of Euro IV vehicles, rebuild their confidence in them and replace their old vehicles without any worries. In addition, the amounts of grant should be increased to induce more owners who have financial difficulties to "write off" their old commercial vehicles at an earlier time. This proposal is in the same vein as the one made by Mr Paul CHAN just now. Actually, the provision of this \$3.2 billion grant is to serve one purpose only: replacement of old vehicles and improvement of air quality. The Government should make full and reasonable use of the incentive scheme to achieve this purpose, rather than simply saying, as soon as the validity period expires, "Not many people have replaced their vehicles, but this does not matter, as there are still other ways to deal with them." This is not a proper attitude.

Naturally, apart from replacing the above-mentioned commercial vehicles, the early replacement of old franchised buses is also vitally important. At present, some 4 500 pre-Euro and Euro II franchised buses are still running on our roads. They account for more than 75% of the franchised bus fleets. Sometime ago, when the Government conducted a public consultation exercise on its 19 environmental protection measures to improve air quality, it already

proposed to replace all the Euro II and pre-Euro franchised buses in Hong Kong before the end of 2014. It was estimated that this would necessitate a single-year bus fare increase of 15%.

I believe that it is impossible to make the public bear such a huge rate of increase alone. Last month, the Liberal Party conducted an opinion poll on this issue, interviewing nearly 1 500 people. According to the findings, close to 40% of the public agree that the resultant fare increase should be shared by the Government, franchised bus companies and the public. About one quarter of the respondents think that all the additional costs should be borne by franchised bus companies. And, those who think that the Government should bear all the additional costs amount to nearly 22%. The number of respondents who think that all additional costs should be borne by the public is the smallest, accounting for less than 3%. Besides, in the case of those who think that the additional costs should be shared by the Government, franchised bus companies and the public, 60% can accept a fare increase of 5% or less. I think these findings can provide very useful reference to the Government and franchised bus companies in their negotiations on how to achieve the early replacement of old buses.

I also wish to discuss the proposal to ban idling vehicles with running engines. According to the Legislative Programme, the legislation concerned will be tabled before the Legislative Council in the first half of this Legislative Session. However, the transportation industry has not yet reached a consensus on any specific proposals. The Liberal Party was practically the first one to express unequivocal support for the Government's proposed policy. But the Liberal Party also wishes to make it very clear that it can appreciate the practical difficulties faced by transportation vehicles and commercial vehicles. Therefore, in regard to the reasonable operational needs of the transportation industry, the Liberal Party thinks that Government should offer some reasonable exemption. This was the point made very clear by the Liberal Party from the outset. As a matter of fact, the industry has been very co-operative, making as many concessions as possible, with a view to supporting all government policies. But even now, after more than one year of negotiations, there are still a few differences in opinions. In August, my office conducted on-site tests at two taxi-stands in conjunction with the industry, and the findings were reported to the Secretary. As revealed by the tests, if the proposal is implemented in the current form put forward by the Government to the industry, taxi drivers may be subjected to very inhuman operating conditions. When taxi drivers are waiting at taxi-stands, they may have to endure a high temperature of 40°C or over.

And, as also mentioned by Mr LEUNG Yiu-chung a moment ago, if they roll down their vehicle windows, they will be battered by roadside or other kinds of pollutants. This is one of the problems.

The findings indicate that the proposal is not conducive to environmental protection because it will require drivers to switch off their car engines repeatedly. After a vehicle engine has been switched off and then re-ignited 10 or 20 times, the temperature around the vehicle will rise to some 40°C. The tests were conducted on a certain day in August, when the highest temperature was 32°C. This was the finding of the tests. The findings also show that a vehicle will in that case emit more exhaust fumes. And, the batteries of two of the vehicles were even found damaged immediately after the tests. In other words, the banning of idling vehicles with running engines will do damage to vehicles. As a result, it will be necessary to replace parts or even the vehicles concerned. And, it must be noted that the manufacturing of spare parts is not conducive to environmental protection. Therefore, due to all these considerations, the Secretary should really make further efforts, with a view to really catering for the practical needs of the industry.

Actually, the industry has all along hoped that it can support the Government. But I very much hope that the Government can understand that if the proposal is going to affect the normal operation of drivers, it will be very difficult for the industry to render it support. I very much hope that once we are able to narrow the differences, everybody can really do their very best to resolve the outstanding problems, so that the general public, the industry and the Government can all work with one heart to take forward this proposal. Some have criticized that this proposal will not do much help to environmental protection. However, even if we can only achieve a mere environmental awareness or just very few actual results, we still hope that at this very time when such a proposal has already been put forward, the Government can still take it forward seriously. It must not allow any practical difficulties to turn the proposal into a policy condemned by the public or the industry after its implementation. I do not wish to see such a situation.

Air quality aside, the waste disposal policy of Hong Kong is also in dire need of improvement. The Government has made strenuous efforts to recover waste in recent years, but it has failed to arrest the increasing trend of waste generation. In 2008, the total volume of urban solid waste disposed of at our landfills was as high as 3.46 million tonnes, a rise of 0.5% when compared with

the volume in 2007. As for the volume of industrial waste, it even increased by 11% to 1.23 million tonnes. All the existing landfills will reach capacity by 2015 at the latest. The Administration must therefore identify new ways of waste disposal.

The Liberal Party is supportive of the Government's proposal to build a super incinerator in Tuen Mun for the handling of municipal waste. Actually, the Liberal Party agrees in principle that the Government should adopt incineration as a long-term means of solid waste disposal. But it also maintains that the prerequisite must be the introduction of advanced incineration technologies to ensure that we can be as successful as other countries. The incineration process must be odourless and pollution-free. Efforts must be made to beautify the appearance of the incinerator. And, the heat generated in the course of incineration should be used for the benefit of nearby residents, for example, to be used to generate electricity for the public facilities in the local community, such as swimming pools, plants and parks.

The key to success in environmental protection must of course be the 3R's — reduce, reuse and recycle. But, at present, the overall waste recovery rate is only 48%, and the recovery rate for domestic waste is even as low as one third. This means that there is still much room for improvement. Apart from stepping up waste reduction and waste recovery, the authorities must also provide sound ancillary facilities, such as waste transfer stations, so as to reduce the costs of collecting recyclable waste and ensure the smooth operation of the various links of the recovery and recycling chain.

President, I so submit.

**MR ALAN LEONG** (in Cantonese): President, the Panel on Food Safety and Environmental Hygiene of this Council will shortly deal with an item on its agenda — the rents, air-conditioning charges and rates of public markets.

The President may remember that in June this year, the Government made a very hasty attempt in the absence of any prior consultation to make stall operators in markets under the Food and Environmental Hygiene Department (FEHD) accept new tenancy agreements. As a result, the stall operators in the public markets all over Hong Kong voiced their strong objection. In the end, the authorities announced a one-year postponement, so as to give themselves more



time to see how the matter should be handled. I understand that the authorities have already conducted some consultation in the meantime.

However, President, regarding the issue of public markets, the most important first step should be defining their role. Such a definition will determine what ancillary measures the Government should put in place for public markets. If the Government only talks about raising the rents of public market stalls to a certain percentage of the market rates in the paper it submits to the Panel one or two weeks later, the public will be very disappointed. And, I do not think that stall operators will accept such an approach either.

The President may still remember our discussions in June on the recommendations made in the No. 51 Report of the Public Accounts Committee (PAC). It is stated very clearly in these recommendations that we must pay proper attention to the historical origin of public markets, bearing in mind that years ago, perhaps for hygiene considerations, street hawkers were invited to move into public markets for operation. Such historical factors must not be ignored.

But, more importantly, whom should public markets serve in the very first place? What requirements or aspirations will their customers have? The answers are all very important. I am afraid that if discussions on rents are held before all these matters are sorted out, I am afraid the Government's only intention is just to increase rents and do "window-dressing" for their books, so that it can cope with questions from the Audit Commission or this Council. I do not think that this can serve as the ultimate solution to the problems relating to the role and direction of public markets. I very much hope Secretary Dr York CHOW can pay more attention to this.

President, when reviewing the overall policy on public markets, the Government must also make flexible, reasonable and satisfactory arrangements for those stall operators invited to move into public markets years ago, in addition to paying proper attention to the historical factors I have just mentioned.

The listing of The Link REIT in 2005 has caused significant changes in the grass-roots people's consumption. The rents of public markets under The Link REIT are now determined by the open market, thus indirectly boosting goods prices and harming the interests of public rental housing estate residents. Therefore, the Government should try to co-ordinate the Policy Bureaux under

Secretary Eva CHENG and Secretary Dr York CHOW at a higher level, so as to determine the role of The Link REIT after its listing and consider how to make use of public markets as a means of enabling grass-roots people to buy quality goods and services at inexpensive prices.

At present, the vacancy rates of many public markets are still on the high side. Even public markets with excellent geographical settings and locations are unable to attract any tenants. If I was indeed right in pointing out just now that the sole intention of FEHD bureaucrats is just to increase rents and do "window-dressing" for their books, so that they can cope with questions from the PAC and the Audit Commission, I must say that they have gravely miscalculated. If this is really their intention, they will certainly miss the present opportunity of properly handling the problem.

Two days ago, I met with a group of public market stall operators. They made a suggestion and hoped that Secretary Dr York CHOW could give it some thoughts. In case we were unable to formulate a far-sighted public market policy now, President, we might as well grope our way forward (as the Government likes to put in these days). Some stall operators have asked whether I can discuss with Secretary Dr York CHOW the possibility of selecting several public markets as the testing points of a pilot scheme, under which stall operators with 20 or 30 years of experience are invited to take part and offer advice. Statistics and findings under the scheme should then be collected to form the basis of finalizing the development direction in the future. Secretary Dr York CHOW may perhaps consider following such a process, so as to tackle the issue once and for all.

Several Members have mentioned the problem of attaching authentic labels of origin to vegetables not grown in the places indicated on them. I am likewise very concerned about this problem because it directly affects the health of those people who eat such vegetables. The frequent consumption of vegetables contaminated by pesticide, President, will lead to unimaginable consequences.

Next, I would like to spend a few minutes on a project that falls within the portfolio of Secretary TSANG Tak-sing — the West Kowloon Cultural District (WKCD) project. President, these days, we have been discussing the issue that the Hong Kong terminal of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) will occupy 3 hectares to 4 hectares of land in the WKCD. The Civic Party thinks that this is quite an inadvisable idea because it will mean that

in the interim to the completion of the XRL terminal (in 2015), the Administration will not be able to use the 3 hectares to 4 hectares of land. So far, the Administration has failed to offer any satisfactory explanation that can allay our worries. The Finance Committee will certainly continue to discuss and follow up this matter.

However, we are more concerned and worried about another issue. The Government has decided to spend \$21.6 billion in cash and more than a hundred billion dollars worth of land resources on building the WKCD. We naturally hope that the WKCD can foster the development of cultural and creative industries in Hong Kong, because the Civic Party thinks that the sound development of such industries can bring forth a pluralistic, tolerant and people-based cultural atmosphere, something that is very important to Hong Kong. However, what worries us is that it looks like the authorities' mindset is still marked by a sole reliance on cultural and arts performances as a means of taking forward the WKCD project. If I am to illustrate my point by an analogy, I would say that the method, approach and mindset adopted by the Government in regard to building the WKCD can all show us that it actually treats the WKCD as a cultural and arts theme park. What the Civic Party and I want to see most is a proper place of Hong Kong's WKCD in world atlas of cultural and arts centres. What kind of blueprint should we formulate for our cultural development? President, ideally, we should play a pioneering role, assuming the responsibility of tackling the most formidable challenges faced by the cultural and arts sector of the world and trying to do so with the help of the WKCD. This will be the ideal blueprint, as Hong Kong will thus be able to establish a very significant standing for itself.

It is a pity that we have not yet heard any expression of ideas on this. This is indeed worrying. The Hong Kong Arts Development Council has been operating for many years already. Can we find any relevant statistics from its archives that can enable us to know how Hong Kong can interface with the Mainland and even the whole world? But we have never come across any such research. For instance, will we send any students overseas for studies and work, so as to ensure an adequate supply of talents for the operation of WKCD in the future? We have never heard any such proposal either. Even the amount of capital to be spent on software is also a cause of controversies. We have heard some government officials say that the funding approved by the Legislative Council will not be spent on software, that the money will only be used for hardware provision, and that Secretary TSANG Tak-sing may have to allocate

money from his envelope for software provision. I do not know how true this remark is. If it is indeed true, the situation will be most worrying. The Civic Party's view is that if the Government is to build a world-class cultural and arts metropolis, it must spend more resources on software rather than hardware.

We have lots of worries. But owing to the time constraint today, I can only give an outline of our concerns. I very much hope that the Secretary can have more exchanges with us in the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project or on other occasions, so as to allay our concerns.

I so submit.

**MR WONG KWOK-KIN** (in Cantonese): President, environmentalism has become a very popular and appealing term in recent years. For this reason, I naturally agree to and support the environmental initiatives proposed in the policy address. I believe that the row over the cash vouchers for compact fluorescent lamps (CFLs) proposed in the policy address must be a total surprise to the Government. I really want to ask Secretary Edward YAU if he finds himself kind of stupid. The Secretary wants to show his goodwill to certain political parties. But when trouble arises, no one comes forth to say anything for him. I can well appreciate the Secretary's grievance.

President, I wish to read out one paragraph from an article and dedicate it to the Secretary. The author of this article is an academic called Ivan CHOY, whose political stance is very clear to all. Let me now read out one paragraph in this article, to this effect, "Another interesting aspect of this CFLs incident, as also mentioned by some newspapers, is that according to past information, promoting the use of CFLs is actually a consensus among many Legislative Council Members and green bodies. The Civic Party has long since recommended the distribution of cash vouchers for CFLs. Its proposal is exactly the same as the one found in the policy address. And, green bodies, such as Green Power and Friends of the Earth, have also advocated similar proposals. Some people now suggest that the Government withdraw the policy. I am no environmental expert, so I hope that a greater number of other people with expertise in the field can tell us whether the adoption of CFLs is worthwhile from the perspectives of policy implementation and professional expertise. But I observe that following the incident (not before it), they have all chosen to stay

clear. They have all stayed clear of an issue on which only green bodies are most qualified to speak. I think that if environmentalism is indeed their conviction, rather than just a fad or a means of currying favour, they should still come forth to utter a few impartial words, no matter how great the pressure may be." And, let me continue with the quote, "Nowadays, one does not have to incur any costs to bully the Government. Whether there is any justification, it is always so easy to win applause. In contrast, to say just a few impartial words for the Government will require very great moral courage, even if there are very strong justifications." (End of quote)

Secretary, I have attended many consultation meetings in the community and I can tell you that kaifongs and the masses are all very shrewd in judgment. Most of the people accept the adoption of CFLs and they are prepared to use them. But they oppose any tariff increases because tariff increases should not be used as a means of forcing them to switch to environmentally-friendly CFLs. Some people think that incandescent light bulbs are not the only devices that consume electricity; other appliances, such as washing-machines, refrigerators, television sets and air-conditioners, likewise consume electricity. Consequently, they do not think that tariffs should be increased solely because of the adoption of CFLs. I therefore strongly request the Secretary to amend the policy. He should listen to people's opinions and withdraw the proposed tariff increase. But we of course welcome the distribution of cash vouchers for CFLs.

The promotion of environmental protection policies should be based primarily on guidance and education. If a policy will affect many people, the authorities must communicate patiently with those affected, so as to work out solutions, rather than lightly trying to coerce people in the name of environmental protection. The proposed banning of idling vehicles with running engines, for example, will cause very serious impacts on the operation of commercial vehicles. The negative reaction of the industry is very strong currently. I wish to remind the Secretary once again that he should think twice. If the ban is forcibly put in place without any discussions with the industry and any attempts to deal with the difficulties and plight they have voiced out, very bitter public grievances will arise.

President, speaking of the promotion of environmental protection, we must of course mention one of the six industries discussed in the policy address — a green economy. I maintain that the promotion of a green economy must depend on concrete actions, rather than mere empty talks. The Government has been

advocating a green economy for a very long time, but it has made very few efforts to assist environmental industries. One notable example is the export piers for waste paper in Kwun Tong. There are totally 12 operators, and they are now forced to move out. For the sake of community harmony, they are willing to comply. But it is a pity that the Government has never shown any concern for them. It has not tried to identify any suitable site where the operators can continue with their present mode of joint operation. There is actually a practical need for joint operation, as the operators can thus reduce costs by sharing their piers and facilities as well as offering mutual assistance. This is very useful to their continued operation. They are prepared to move out, but they hope that they can retain the present mode of joint operation, so as to achieve costs reduction. It is a pity that the Government has not given any concrete reply to this very modest request. I hope that following the Chief Executive's advocacy of a green economy as a focus of the six industries, the Secretary can pay more attention to this issue.

President, I so submit.

**MR IP WAI-MING** (in Cantonese): President, on the issue of compact fluorescent lamps (CFLs), several Members and I have held dozens of residents' meetings to exchange views with them. People all say that they strongly oppose any tariff increases. Their focus is not the \$24 which the Government is thinking about, however. Rather, they think that it all depends on whether they are prepared to pay. Therefore, I hope that Secretary Edward YAU can listen more widely to the opinions of the public on this issue.

President, the policy address mentions the introduction of a Producer Responsibility Scheme for electrical and electronic equipment. We welcome this initiative. The volume of waste produced in Hong Kong has been on the rise, and the volume of solid waste has likewise been rising incessantly. The authorities say that a recycling centre will be built in phases to process commercial and industrial waste as well as food waste. In particular, it is said that food waste will be processed into useful resources such as compost and biogas. The Federation of Trade Unions (FTU) supports the proposal.

At present, more than 6 million tonnes of municipal solid waste must be transported to landfills for disposal every year. Last year, for example, Hong

Kong produced 1.36 million tonnes of putrescible waste, more than 70% of which came from ordinary households. We therefore think that the Government should expeditiously formulate a sustainable waste management strategy to cope with the situation of landfills reaching capacity in the future.

Some countries and places near Hong Kong have already implemented a policy of food waste recovery, and the results are very satisfactory. In Taiwan, for example, the recovery rate of food waste is as high as 35%. This is quite a satisfactory result. Following recovery and separation, food waste can be used for the cultivation of fungi and later the production of compost. We think that this is in keeping with the principle of waste reuse. Financially speaking, it is indeed true that enormous capitals are required at the initial stages of constructing and operating the facilities concerned. But it must be noted that with this approach, while food waste can be processed, it is also possible to reduce the expenditure on purchasing compost and transporting waste to landfills. What is more, many jobs related to the environmental industries can be created. We think that this can help increase employment opportunities.

As a matter of fact, many useful materials, such as glass bottles, wooden chopsticks and incandescent light bulbs, are now disposed of at our landfills due to the absence of a policy on waste separation and recovery. The FTU strongly advocates the formulation of an integrated policy on waste recovery and separation to reduce the pressure on landfills and obviate the need for their expansion. We maintain that this can also create more employment opportunities.

We are of the view that with satisfactory waste separation, there will be no absolute necessity for us to consider the construction of any obnoxious facilities such as incinerators. Taipei is a good example. We understand that all the landfills there have been converted into parks, and the existing incinerators can still have spare capacity to incinerate other types of municipal waste. Since this can be done in other places, why can't Hong Kong also make it? I think the Government should formulate an integrated policy on waste recovery and separation. And, it must also spend more time and efforts on taking forward such a policy.

Lastly, in regard to environmental protection, we must once again talk about the banning of idling vehicles with running engines because it has become

a pressing issue by now. I hope that the relevant government departments can seriously consider the opinions of the transportation industry players. Their practical difficulties must also be taken into account. It is especially important that their opinions can be fully considered in the course of drafting the legislation. I hope that the Government will not seek to describe the interests of the relevant industries and those of the general public as mutually exclusive every time when it tables this type of legislation before the Legislative Council. We hope the Government can realize that there are no conflicting interests between the relevant industries and society as a whole. And, we even hope that in the course of enacting any legislation, the Government can pay more heed to the practical difficulties faced by the industries. That way, while the industries can be assisted in complying with the requirements, everybody can make some contribution to the cause of environmental protection.

President, I so submit.

**DR LAM TAI-FAI** (in Cantonese): President, Secretary John TSANG, it can be argued that the Government has barely made any effort with regard to sports policies in the policy address this year, devoting only three paragraphs in the entire address to them. What is more, all the three paragraphs are on the East Asian Games (EAG), with no mention of any new policy at all. From my point of view, sports policies, strictly speaking, have been left untouched.

Secretary, I would like to express once again my strong support for the EAG. As you may know as much as I do that I strongly support the EAG. I certainly hope the EAG will be staged with great success and be organized in every way it ought to be and become an international event, thereby upgrading the international image of Hong Kong. However, the EAG will come to a close in December. Actually, the Government should not have adopted such a short-sighted approach and only mentioned the EAG in the entire policy address. Instead, it should have seized this opportunity to formulate a detailed annual plan or a multi-year plan and, leveraging on the public's zeal for sports, to promote sports and sports development, which will definitely bring more business opportunities.

Actually, Hong Kong may develop sports into a kind of industry, which will create business and employment opportunities for Hong Kong. The hosting



of more international sports events and conferences will definitely serve as a driving force for various trades and industries, such as the catering, restaurant, transport and retail sectors. Therefore, I think the Government should draw up a plan for the development of sports towards industrialization and formulate the relevant policies for implementation. Through hosting international sports events and conferences, we may not only enhance Hong Kong's position in the international sports arena but also awaken and arouse the interest of the entire population in sports, thereby facilitating the promotion of the development of elite sports and sports-for-all in Hong Kong. YUAN Weimin, former Director General of the State General Administration of Sport, also pointed out that "the time of us having to rely on the winning of more gold medals to prove the ability of Chinese people has passed ..... with sports in China, we have to actualize higher goals ..... to serve in improving the physical fitness of the entire population." Therefore, the SAR Government should effectively allocate more resources for promoting sports among the grassroots and implementing the scheme of sports-for-all, making sports activities more localized and popular, and encouraging more members of the public to participate in sports activities.

Actually, making sports development localized and popular can promote social harmony. Granting the opportunity, I very much hope to share with the Secretary ways of developing local football, which has gone through plenty of hardships with a lack of resources. I hope the authorities will show concern for this issue. Besides, I also hope the Secretary will show concern for the annual Hong Kong Festival of Sport and provide additional resources for it.

It takes a decade to grow trees but a century to cultivate people. I believe it is a common hope that there will be more outstanding athletes like WONG Kam-po, LEE Lai-shan, Rebecca CHIU, Sherry TSAI and Marco FU in Hong Kong's sports scene. Therefore, the Government must formulate targeted policies and allocate additional resources for training sporting talents, including athletes, coaches, trainers, sports psychologists and even sports administrators. There must be targeted support policies for these elite athletes and arrangements should be made for their studies, employment or even home ownership and retirement so that they can be free from any worry and fully concentrate on their training to bring glory and success to Hong Kong.

There are now many youth and student problems in Hong Kong. These problems include drug abuse, compensated dating, shop-lifting, unemployment

and the failure to pursue further studies. I dare say that these are indirectly attributable to the failure of Hong Kong to develop sports effectively. It is because sports activities will not only bring physical fitness to young people and students but may also provide them with the training, motivation and inspiration necessary for growing into persevering, assertive, disciplined, courageous, visionary and adamant people who value co-operation and team spirit, so that they will practise mutual assistance and care. I believe effective sports development with sound promotional policies can indirectly help the Government solve many problems in education, law and order, health care and employment.

The Government should provide additional resources for student sports and make vigorous efforts to promote sports activities. It should allocate additional funding for schools in order to help students and young people to learn the ropes of sports, participate in sports and appreciate sporting events. It should also allocate additional funding for the provision of incentives to students with outstanding performance and provide additional resources for schools to employ quality coaches and trainers in order to enhance the standard of student sports.

President, our country has already made remarkable achievements in sports development, which has picked up tremendous momentum after the Olympic Games. This is attributable to the professional operation of the State General Administration of Sports in which professionals are put in charge of professionals. At present, all leaders at the deputy director level in the State General Administration of Sports are athletes or people who started their career in the sports sector. The Hong Kong Government may draw reference from this and invite more athletes, including both current and retired athletes, and individuals with experience, enthusiasm and vision in the sports sector to join the Government's Sports Commission to offer the Government advice and solutions, formulate policies and promote and implement the relevant programmes.

In the long run, the Government may consider establishing a high-level standing authority of sports to focus on drawing up sports policies in a professional manner and make ongoing efforts to promote elite sports and sports-for-all. I believe Hong Kong will be able to achieve a great breakthrough and make great achievements in both of these aspects, by which time youth and student problems will be greatly reduced.

President, I so submit.

**MR TAM YIU-CHUNG** (in Cantonese): President, having seen Members discussing so heartily the CFL issue, I too want to say a few words. Although I do not have much time left, I still think that it is worthwhile to do so.

Some say that Secretary Edward YAU did not consider this proposal carefully before putting it forward, and this has dragged the Chief Executive into trouble. I believe that before this policy was rolled out, Secretary Edward YAU could never have imagined that there would be such a result. This scheme looks quite good at first glance. People just have to pay an extra \$24 a year to get a 100-dollar cash voucher. If we are not talking about the brand of CFLs distributed by the father-in-law of the Chief Executive's son, we should be able to buy four CFLs with \$100. In the past, we could even buy five. I learnt this from my wife — the ones we use are not famous brands, but they are still fine enough. Even now, we can still buy four CFLs with \$100. This scheme is basically very good. But the Secretary may not have been careful enough to realize that many people must pay more than \$24. They may have to many times more than that. Even with the cash vouchers, some people may still have to spend large sums of money before they can replace their incandescent light bulbs, because they must pay installation fees or replace the receptacles of their lamps.

At the very beginning, it was thought that the initiative would be well-received. But after thinking about it more carefully, we realize that it will lead to very great problems. Therefore, we think that before rolling out any environmental policies, the authorities must exercise extreme caution, because such policies may easily lead to controversies. They must therefore listen more widely to different opinions, especially those who will be affected. They must not work behind closed doors because this will often lead to trouble. Such a great problem has now emerged, leading to widespread objection in society. However, whoever started the trouble must end it. The Secretary must use his wits to clean up the mess.

As for the tariff increase, it must not be introduced. Members have already made this point very clear. This actually relates to the question of how the vouchers should be financed in the very first place. Besides, the use of cash vouchers should not so restrictive, limited only to the purchase of CFLs. Since there are now many new environmental products in the market, such as LED lamps, the Government may really need to widen the use of cash vouchers. We

do know that some new products are very expensive, and with \$100, we may just be able to buy half of a light bulb, so to speak. But we must at least give people more choices.

I also wish to take this opportunity to talk about why the public have reacted so negatively to the tariff increase. The answer is that the fuel surcharge has soared drastically recently. I do not know whether the Secretary has already got the relevant information. Some people do not understand why the fuel surcharge in electricity tariff should still be so high after all the drops in oil prices. What is the reason? This explains why the public have reacted so strongly to the Government's proposal to increase tariff. The Secretary must take note that the two power companies have recently increased their fuel surcharges very drastically. Why? Has the Government been monitoring the situation? I hope the Secretary can offer an explanation to us.

Another point I wish to make is that there are now many new environmental facilities and products in the market. Recently, a friend of mine has told me something. But I do not have all the details, nor do I know whether his information is accurate. According to him, there is now a kind of seaweed that can absorb carbon dioxide and freshen the air. If this type of seaweed is planted everywhere, the effect will be far greater than those of introducing environmentally-friendly buses and banning idling vehicles with running engines. There may be some simpler alternatives that can win applause more easily. Therefore, the Secretary must be on the lookout for new technologies. I do not know whether the seaweed can really work. Having learnt of it from others, I just want to tell the Secretary. I have not done any verification myself. This is I all want to say.

**MR VINCENT FANG** (in Cantonese): President, I am a bit apprehensive of the theme of this debate session: Quality City and Quality Living. Why? The reason is that in order to achieve this very objective, lopsided policies have been put forward in all the policy addresses in recent years. For instance, when it was said that air quality was poor, regulation was imposed on the volatile organic compounds (VOCs) released by consumables. When it was said that the volume of waste had increased, a levy was imposed. Scared by the mere mentioning of the "user pays" principle, the public no longer dare to replace their electrical appliances lightly. Everyone agrees that cutting electricity consumption is desirable, so the public are forced to accept cash vouchers for compact

fluorescent lamps (CFLs). Anyone who refuses to use the vouchers will only stand to lose because electricity tariffs will surely be increased no matter what. Cigarette smoking causes cancer, so the Government amended the legislation to impose a total smoking ban, forcing smokers to smoke in the streets or behind closed doors at home. Because of the avian flu, Malachite Green and Sudan Red, all the foodstuffs concerned must be banned. The lives of Hong Kong people are more precious than those of any other people, so a special nutrition labelling scheme for pre-packaged food must be tailor-made for Hong Kong. But can all these measures achieve any actual results?

The measures adopted in Hong Kong to regulate VOCs are all sterner than those implemented in the Pearl River Delta. But the Mainland's single measure of banning small cement plants is already more effective than all the measures adopted in Hong Kong to ban products with VOCs. In the future, vehicles registered in both places can only be repaired on the Mainland. The authorities' measure related to water-based paints may easily lead to a drastic decline of Hong Kong's vehicle repairs industry.

The Secretary for the Environment said in the past that the introduction of the plastic bag levy would reduce the use of plastic shopping bags by 800 million to 1 billion a year. However, as shown by the statistics announced yesterday, the reduction is just slightly more than 100 million plastic shopping bags a year. But then, how many more garbage bags have been used as a result? I believe the Secretary must have an answer. The Government now wants to target on electrical appliances. Consumers may be required to pay deposits, and distributors may be ordered to collect discarded electrical appliances. But apart from making laws, orders and verbal efforts to force the industries and the public to bear their responsibility, what else has the Government done to discharge its own responsibility?

Cash vouchers for CFLs, as I already mentioned yesterday, are a classic example of short-changing. When scrutinizing the legislation on energy efficiency labelling, we already said that if products with high energy efficiency could really help the public save money, there would be no need for any legislation, and people would surely choose energy efficient electrical appliances. Phase I of the Energy Efficiency Labelling Scheme at first covered CFLs, air-conditioners and refrigerators only. But during the recess of the Legislative Council, the Secretary announced the inclusion of dehumidifiers and washing-machines. If the Government really wants to distribute cash vouchers

as a means of encouraging the public to save energy, it simply should not choose one type of products only. Rather, all products with high energy efficiency should be included, especially appliances that are operated over long periods, such as refrigerators, and others that are highly energy-consuming, such as dehumidifiers. CFLs, which are used for only several hours a day, should not be the only type of chosen products. The Government should offer incentives to encourage the public to support environmental protection. If the public can save money, they will gradually change their habits. How can the Government ask the public to pay higher tariffs to the power companies simply because they may receive less revenue as a result of the cash vouchers? May I ask the Government if there are any businesses that are like the two power companies, whose business turnover will only increase because of profit guarantee? If there are any, I would also like to join them!

We must ensure the proper use of public money, and I believe everyone will support the spending of money on abating environmental pollution. Actually, many Members have expressed similar opinions. Besides, can we find any advanced countries in the world where there is no government participation in environmental protection efforts and environmental industries? Environmental industries are one of the six industries mentioned by the Chief Executive. But apart from some environmental measures, the Cleaner Production Partnership Programme and the expansion of the Government's green procurement, I cannot see any other concrete government plans. Actually, environmental industries are full of prospects.

President, the Liberal Party is totally supportive of environmental protection, and it also supports the development of environmental industries. But we also hope that the Government can play a more active role and formulate an integrated blueprint for developing these industries, especially in respect of the last two of the 3R's (reduce, reuse and recycle). The industrial and commercial sector will never ignore protecting the environment. We are very willing to co-operate with the Government, society and the general public.

I also wish to say a few words on another topic, although the handling of this issue has already been completed. I am talking about the smoking ban. The major considerations of the Government regarding the total smoking ban are increases in medical expenses and the public health problems resulting from passive smoking. The difficulties faced by business operators are not the concern of the Government at all. But I must point out that the Government's

measures on curbing the business of duty-paid cigarette traders have brought forth an expanding market for illicit cigarettes. Some medical doctors have pointed out that most illicit cigarettes are fake cigarettes containing undesirable substances that may inflict even greater harm on smokers. However, some in the tobacco industry have recently disclosed that rather than squarely addressing the harmful effects of fake cigarettes, the Food and Health Bureau has even approached the law-enforcement agencies, asking them not to join hands with tobacco companies to combat illicit cigarettes.

If this is true, I am really shocked. What kind of society has Hong Kong become? The Government imposes heavy regulation on law-abiding licensed operators, but at the same time, it allows law-breakers to enjoy so many opportunities of making money. As reported by the press, the business licence of a bar may be checked as many as three times one evening, and a bar may also be forbidden to sell alcoholic drinks after 2 am. On the other hand, operators of unlicensed bars do not have to worry about anything. They need not apply for liquor licences. They need not ban smoking. There will be no licence checks because their businesses are not licensed, and the Government simply has no right to enter their premises for any searches.

Also, many people carrying cases of eggs and fruit with no export permits can enter Hong Kong from Shenzhen. Since there is no control at the boundary, the Government cannot bar their entry. But if such foodstuffs find their way to the local retail markets and lead to problems, who must bear the consequences? Licensed import wholesalers again. Since anyone carrying foodstuffs can enter Hong Kong, may I ask the Secretary, "What is the point of introducing a law on food safety next year? Will it be possible to realize the noble legislative intent?"

Has the Government learnt anything from the experience of introducing the nutrition labelling scheme for pre-packaged food? Government officials might think that once there was a nutrition table and people could see some information, all would be fine. But they were completely ignorant of the fact that testing methods would vary with ways of food manufacturing, and this would greatly affect the nutrition information obtained in the end. The industry tried to support the legislative work with a responsible attitude, but it was repeatedly criticized by government officials for purposeful stonewalling.

I must make it all clear well in advance. After the commencement of the legislation on 1 July next year, I will invite the news crews of foreign media to

come to Hong Kong. I will show them all those famous foreign health food on the shelves and let them see how they are painted black and white here and there in order to comply with the laws in Hong Kong. I will let them see the "stupidity" of this law in this metropolis called Hong Kong. I will let them see what a "quality city" Hong Kong really is and how people from all over the world can live a "quality" life here.

President, I think that a "quality city" should be founded on "people-based" policies. "Quality living" must depend on the governance and administration of a people-based government.

I so submit. Thank you, President.

**MR WONG SING-CHI** (in Cantonese): President, while it is good to have a quality ("優質")<sup>2</sup> city and quality life, it is no good for the Government to be ("憂質"), which means that the Government is terrified of being questioned, for this can really be fatal!

The Secretary, Dr York CHOW, was gravely worried that he would be "questioned" by vegetable traders, alleging that many of the vegetables were imported from improper sources into Hong Kong under the disguise of authentic labels. As a result, he joined many other people in accusing the vegetable traders of making false statements. I have to be frank with the Secretary here that it was a colleague of mine and a District Council member with whom I am acquainted who went to the Mainland to investigate and follow up this matter. They would definitely not lie. What the vegetable traders found most disappointing was that Mr WONG Yung-kan even shouted, in this Council, that some people were making false statements even though he was unable to produce any evidence and he had not conducted any investigation. In other words, he was saying that some people had made up all this. Regarding this, I just received some phone calls from vegetable farmers who requested me to return to this Council immediately to speak .....

(Mr WONG Yung-kan raised his hand in indication)

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<sup>2</sup> "優質" and "憂質" are pronounced the same in Cantonese.



**PRESIDENT** (in Cantonese): Mr WONG Yung-kan, what is your point?

**MR WONG YUNG-KAN** (in Cantonese): President, Mr WONG Sing-chi accused me of having no evidence and making this up.

**PRESIDENT** (in Cantonese): If you wish to clarify the accusation made by Mr WONG Sing-chi regarding your speech, you have to let him finish his speech before you can clarify.

**MR WONG SING-CHI** (in Cantonese): The vegetable farmers asked me over the phone to protest immediately in this Chamber and express dissatisfaction to the comments made by Mr WONG Yung-kan just now. They also hoped arrangements could be made expeditiously by the Secretary for them to produce evidence to the Secretary and hold detailed discussions to find out what the whole process is all about and what problems there are. They even invited the Secretary and officials of the Customs and Excise Department to agree on an evening and a place to inspect vehicles passing through customs clearance and take immediate actions to prosecute and arrest them for the purpose of finding out what are the problems. Therefore, I hope the Secretary can look squarely at the fact that Hong Kong is a place where quality food is offered, not a government that is afraid of being questioned by people.

As regards the Secretary for Home Affairs, Mr TSANG Tak-sing, I think I still have to stick to the gambling problem today because a number of gambling policies were launched last year and it was suddenly decided that additional race meets would be held for a couple of days. At present, many betting centres are found situated near schools — I learnt this from the information I have looked up. Actually, they should not be located near schools. Let me cite an example. This morning, I went quietly to Yat Tung Estate, Tung Chung, and found a betting centre on the ground floor, just below three kindergartens. Two primary schools and three secondary schools could also be found nearby. In other words, the betting centre is surrounded by many schools. How can this betting centre be allowed to continue to operate, as this is in violation of the Gambling Ordinance? I hope the Secretary will, in the future, care about young people, do something to prevent them from becoming gamblers, and perform his

gate-keeping role properly in implementing gambling policies, so as to truly implement the policy of "discouraging gambling". Thank you, President.

**MR WONG YUNG-KAN** (in Cantonese): President, just now, Mr WONG Sing-chi described me as a liar .....

**PRESIDENT** (in Cantonese): Mr WONG Yung-kan, we cannot turn elucidation into an extended debate. You only need to briefly repeat what you had said just now.

**MR WONG YUNG-KAN** (in Cantonese): Just now, I was talking about the problem of smuggled vegetable when I read from my script that some people had made up all this. I also pointed out that the Mainland authorities would step up interception starting from 1 November. I have not offended you, Mr WONG Sing-chi, have I?

**MR JAMES TO** (in Cantonese): President, I must say that this remark about some people writing, directing and performing in a show by themselves has many implications. Colleagues from the DAB may later on ..... perhaps Mr WONG Yung-kan can further elucidate this point. Because we heard a colleague say that some people had made up the whole case. Do you mean that WONG Sing-chi's staff were writing a show and then directing it, getting some imported "unlicensed vegetables", and putting on a show, pretending that they had detected such vegetables? If some people are alleged to have made up all this, President, it means that colleagues are questioned for making false claims. This is actually similar to those people who are good at falsifying accounts as referred to by the Independent Commission Against Corruption before. If the colleague concerned does not mean this in his remarks about some people making up the case, I urge him to clarify this point, for this is a very serious allegation.

President, let me come to another topic in this debate session. We were talking about food safety earlier. Now I would like to talk about environmentally-friendly compact fluorescent lamps (CFLs). President, I am

not the spokesman on environmental issues of the Democratic Party, but I have received from too many members of the public their opinions on this issue. So, I would like to study this issue with the Secretary and the Government from an angle which has not been adopted by other colleagues.

As I said in the press, this measure is similar to the levying of an environmental tax, and if such a tax is really necessary or any mandatory step has to be taken, it would be necessary to submit the proposal for passage by the Legislative Council. Why do I say that this measure is a *de facto* environmental tax? Because the distribution of free coupons, or the \$100 cash coupons, has indeed given me quite strong a reason to believe that this measure could eventually become a factor for the power companies to consider increasing their tariffs under the existing regulatory framework. In that case, the Government would actually be making the public pay in return for \$100-worth energy conservation devices for the purpose of environmental protection. On the other hand, insofar as the agreement signed by the Government on the public's behalf with the power companies is concerned, this measure can become an additional factor for the Government to permit the power companies to consider a certain amount of tariff increase. As "the fleece comes off the sheep's back", members of the public may ultimately be made to bear the cost.

If this logic is highly likely to stand, it would mean that the Government is forcing the people to replace light bulbs. I am not saying that other governments, countries or jurisdictions have never made their people do certain things for the purpose of environmental protection and saving the earth. They may even replace certain products and chemicals through joint agreements and the people may be made to pay more. But if such a step is necessary, it may require the making of legislation to make such a step mandatorily, rather than adopting the present approach of a clandestine swap of concepts and using dubious means to make it look as if the power companies are distributing cash coupons for CFLs but the truth is that it is recovering the cost from the public. This is tantamount to taking money from someone's pocket and making him replace light bulbs. This is why this approach is questionable.

Earlier on Mr TAM Yiu-chung said that let him who tied the bell on the tiger take it off. It should actually be changed to this: Let him who started the light bulb issue resolve it. The Government should consider reversing this policy, especially as I consider that the Government may be stigmatized in the

event of any person filing a judicial review against it. The Government has, to a certain extent, circumvented the Legislative Council. Of course, there are actually many precedents of it circumventing the Legislative Council, and many of these cases have not been challenged. But I think as the current situation is critical, coupled with the reports on information about the father-in-law of the Chief Executive's son, I think there is a chance for the Government to lose, and if the Government loses, I think the political consequences will be serious.

We in the Democratic Party support the Government implementing this measure with public coffers or by providing other incentives, rather than digging into the pockets of the people and making them pay for it. Certainly, one can say that the Treasury is where the public revenue accumulates and so, even though the Government is paying for this, it still means that the public is paying. But I think at least conceptually the cost is borne by the Government and this does not constitute a ground for the filing of judicial review by the public, since this has been a long-standing practice. I hope that the Government can listen carefully to the public's views.

Mr Vincent FANG drew our attention to the problem of illicit cigarettes. I personally have heard of something, too. Certainly, I would look at this issue from the security angle. I have even been told that there is a "secret order" that a lax approach should be taken, so as not to clamp down on too many of these activities. This allegation is rather serious, but this is really what Mr Vincent FANG and I ..... which means not only one Member has heard of this, but two Members have both heard of this. If this is true, I hope the Government will handle this issue cautiously in respect of enforcement actions taken by the Customs and Excise Department or other areas of work.

Lastly, President, I would like to talk about the incident relating to the handling of a social worker in Tai O by the Secretary for Home Affairs. I think this incident has far-reaching implications. The implications are far-reaching because even if I accept the best version told by the Government or the Secretary for Home Affairs (that is, the best version given by the Government in response to my oral question some time ago) — I mean, even if I understand this issue from this best version given by him, he actually has to shoulder an important political responsibility ultimately. Because when he found something wrong, and when somebody complained to him about instances of disharmony or issues that warranted concern, he himself should have looked into such complaints or found out sufficient information to convince himself that a certain organization or

a certain social worker or a certain team of people really had a problem which, in the view of the Government or the Secretary, had affected harmony in society or in that district. If, after thorough investigations, he really considers that the incident has jeopardized harmony, and that it has incited hatred or even ethnic conflicts, then he has every reason to raise his concern.

Having said that, this has to do with how the Government or the Secretary interprets harmony. For instance, some front-line social workers will normally carry out their duties according to the Memorandum of Understanding signed between their organization and some subvented bodies (such as those signed with the Social Welfare Department or others such as the Urban Renewal Authority). As such, in the course of these so-called community teams (which can consist of a certain social worker or a whole team of people) expressing views in order to fight for public interest or to fight for improvement of facilities, have they done something which far exceeds what they should do as social workers, or are they promoting certain values and ideas which are unacceptable to the Government or inciting certain ethnic conflicts or confrontations which are unacceptable to society? Or, is there the case that the social worker or the whole team of people have acted purely from the angle of the residents and in order to better express their view, they have, to a certain extent, put pressure on the Government but in fact, this is giving a stern warning and a well-intentioned reminder on the administration of the Government, or even a channel for giving vent to grievances? If that is the case, I think a mature government or Director of Bureau should have the breadth of mind, the right set of values, and the vision to clearly look into whether this is the case and whether they should intervene in such a way.

I hope that the Secretary and even other government officials will really handle this incident very carefully, or else it would not be possible for work to be carried out continuously. Think about this: Those community teams have been working in this way since a decade or two ago, and some veteran social workers have been working in this way for decades, targeting those hillside squatter huts and rooftop structures that have existed for over a decade, and even flats affected by urban renewal projects. They always come into contact with the disadvantaged who come from the lowest strata of society and who are subject to exploitation. They work for the interest of these people, helping them to state their cases in the best way, or organizing protests, petitions and demonstrations for them at appropriate times, or making representations to the Legislative Council, and even arousing the interest of the media in making focused reports on what they consider to be unfair. In fact, in a mature society, and where

diversified values and norms prevail, these acts are absolutely permissible. What is more, the Government must actually thank these people. The Government must do whatever it is capable of doing, or else it should provide subsidies for these teams to do it. Only when the Government has done so can there be a chance for society to achieve a very high level of harmony. The Government should not just sweep everything under the carpet, and if that is the case, there is no way for society to achieve healthy development.

I hope that the Secretary can reflect deeply on this incident. Other government officials should also do the same, because I can tell you that I personally think that this incident has become very serious. If anyone intends to give a warning by punishing the social worker, so as to make certain social workers in the front line and people fighting for the public's interest (whether in respect of human rights, improvement to the community environment or improvement in any other area) feel intimidated and apprehensive, and to make the organizations concerned feel nervous whenever they bid for government funding or government contracts and hence become cautious in choosing the teams to be hired or even consider it necessary to urge their supervisory staff to keep an eye on their subordinates, and if the Government really wishes to achieve this purpose, then I can say that it may have succeeded this time around. However, I hope that the top echelons of the Government will think about this clearly. Even if they can really achieve this purpose, there is not going to be harmony in whatever way as a result. On the contrary, the Government will gradually lose many mechanisms which can give reminders to the Government, and channels for the Government to conduct soul-searching, to reform and to improve.

**MR LAU KONG-WAH** (in Cantonese): President, first of all, I wish to give a brief response in respect of the case mentioned by Mr WONG Yung-kan in his speech earlier about some people writing, directing and performing in a show by themselves. It has not targeted anyone specifically. So, we could do nothing if colleagues have to take these remarks personally.

Recently, cases of imaginary fears appear to be particularly common. The incident relating to harmony or whatsoever as referred to by Mr James TO earlier is also a case of imaginary fears. I think it is not desirable to target people instead of the issue. It is also not quite desirable to kick up a fierce row over a trivial issue, and this can indeed lead to disharmony. I think Hong Kong should not allow depletion of energy caused by internal conflicts, and too many

imaginary fears will cause everyone to feel intimidated and to point fingers of blame at each other, which will do no good to Hong Kong at all. Hong Kong is now at a crossroads. In order to achieve development and progress continuously, we must get rid of some bad habits and move forward. But regrettably, society nowadays has made many Hong Kong people feel gravely concerned.

President, let me come back to some policies in the policy address. After the delivery of the policy address, although many people think that there are inadequacies, I personally consider it pragmatic as it shows the public what prospects for development and new industries there will be, so that not only this generation but also the next will enjoy prospects of employment and economic development. This is very important. Certainly, this cannot be achieved by mere lip-service. The key lies in how steps can be taken to realize it.

On environmental protection, many colleagues have mentioned compact fluorescent lamps (CFLs) and so, I do not wish to dwell on this any further. However, I think the Secretary will listen to the views of Members. In fact, those measures for environmental protection, including the promotion of "bring your own bag", have come a long way. Before introducing the "bring your own bag" campaign, the authorities had done a lot in collecting information and conducted plenty of discussion. They had also listened to the views of many members of the community, and a consensus was reached in this Council on the implementation of this measure. I think the proposed initiative of CFLs can similarly be improved and fine-tuned and collective wisdom can be drawn on, with a view to achieving the Secretary's or the Chief Executive's objective of environmental protection.

Electric vehicles are a world trend, and this new energy will definitely continue to develop. Recently, MyCar which is researched and developed by The Hong Kong Polytechnic University (PolyU) has been officially launched for sale. Many Directors of Bureau, including Rita, had shown up to give their support. I think the vehicle looks quite good but according to the person in charge there, the Government has not placed any order, even though many organizations, such as the Airport Authority and the MTR Corporation Limited, have made purchases. On hearing that the Government has not placed any order for this vehicle, I think many Hong Kong people, like me, will feel a bit sad, because this electric vehicle is researched, developed and manufactured by Hong Kong people, and we are indeed very proud of it.

We have introduced electric vehicles from Japan and the Mainland respectively, but why do we not give support and encouragement to home-grown electric vehicles in Hong Kong? There may be many difficulties and restraints that we may not know but despite these restrictive circumstances, can we still give it an appropriate measure of support and encouragement? This is very important to supporting the continuous development of Hong Kong.

I then talked to the professor of PolyU. I think he is a person with great enthusiasm. He is dedicated to improving the vehicle, and he is even going to elevate the vehicle to a higher level by transforming it from a two-seater to a four-seater. Its speed may be a bit slow now, but it may be improved in future. The battery may run a shorter time now, but it will run longer in future. He will make ongoing efforts in research and development (R&D). Can the Government provide him with more support, particularly as he very much hopes that Hong Kong people or factory owners who are interested can set up a factory in Hong Kong?

What problems will he encounter? What about land? We are talking about the six industries and releasing industrial buildings for revitalization. But President, it is impossible to manufacture automobiles in industrial buildings. So, can the Ecopark provide some assistance? Although this is not an intended purpose of the Ecopark, can the Government respond promptly in the light of new developments, especially as this is such a good project in which Hong Kong people can take pride? In respect of R&D and production, especially in gaining access to the Mainland market, what kind of support and encouragement should be given? I think the Government can do something in these respects.

On conservation, the policy address proposes the conservation of Central which has won the praises of many people. But when we visit districts other than Central, the residents there have asked why they are not taken into consideration and why their districts do not need to be conserved. I particularly made a visit to the North District where floods had occurred some time ago. The residents there asked me why the Government could gild a lily but not send in charcoal in snowy weather. We do hear these voices, and we certainly appreciate them. However, all the 18 districts in the territory have to be conserved, including Tuen Mun and Sha Tin, as stressed by our Chairman TAM Yiu-chung. Another example is Tai Po. I have heard that the descendants of WEN Tianxiang have a temple in Tai Po which is taken care of by their village. The temple has been well managed, except that the lavatory is plagued with



hygiene problems. They have discussed this with the Government for a very long time but to no avail. What is involved here is just a lavatory.

In this connection, when it comes to government resources, while they can certainly be pooled together for conserving Central under the present proposal but in respect of other districts — we are talking about developing the border area but we cannot always just talk about where buildings or houses will be developed, as reported in the newspapers today — it is all the more necessary to consider the entire design of conservation.

Therefore, if the Government considers that there is a shortage of manpower or resources, I would like to put forth one proposal. I think community wisdom and civic power are essential and the 18 District Councils (DCs) can absolutely be very helpful to the Government. If they can be provided with a fund or finances to undertake design and conservation projects in their respective districts, they will certainly know where conservation is necessary, which toilet needs to be repaired or how trees should be planted in certain places. So, Secretary TSANG Tak-sing can actually co-operate with the Development Bureau and engage the 18 DCs in the process as early as possible. I trust that with the 400-odd DC members putting their brains together, it is definitely better than the brain of one Director of Bureau. If there can be public involvement in the conservation policy at an early stage, I believe it is better than racking our brains only at the very last minute.

For this reason, I hope that Secretary TSANG Tak-sing will encourage the DCs by giving them some resources to commission experts for the planning work. The DAB has compiled several very successful reports before but sometimes, after a report was submitted to the Government, as our Chairman, Mr TAM, has said, it would disappear without a trace and we would hear no news about it since then. Yet, I think follow-up actions must be taken. There are experts in the community, and there is wisdom in the community.

On creative industries, the Government has established the Create Hong Kong, and we have high expectations of it. In fact, the DAB has recently visited a dozen or so cities in the Pearl River Delta (PRD). The cities that we have visited maintain that when compared with the Mainland, Hong Kong is still at the forefront in terms of creativity. Therefore, they very much wish to co-operate with Hong Kong. From the angles of the market and an industrial base, I think it is inadequate to focus only on the creative industries in Hong Kong. We must

ask this question: To whom do we provide the service? We are a city providing quality services, including services in creative industries, but to whom do we provide these services? It is not enough just to serve a market of 7 million people.

In Zhongshan we saw the lighting industry in Guzhen. I wonder if the Secretary has been there before. Their products now have a share of 70% in the world market, but they expressed the wish to have the assistance of creative talents in Hong Kong for improving the quality of their products. We also visited Dongguan where the people held the same view.

However, how can we act as a match-maker to bring them to work together? Recently, the Hong Kong Science and Technology Parks held an exhibition to showcase the creativity of many students. Recent media reports on the exhibition have also been quite attractive. But given the creativity, where will production take place? To whom will the products be sold? How can this be industrialized? I think these are the most important issues. I, therefore, propose that the Secretary should co-operate with some Mainland cities and even maintain close ties with some professional service points or bodies to find out what their needs are and what Hong Kong can provide to them, and then serve as a meeting point to link them up. I think the Secretary should be able to take up this role.

In fact, Hong Kong is a supermarket offering an array of quality services. Any Mainland industry seeking quality services in Hong Kong can get what it wants anytime, just that the mechanism, including that of the creative industries, is either lacking or inadequate.

President, I would like to talk about culture and sports. In fact, Secretary TSANG Tak-sing has a lot of good news to break, including news about WONG Kam-po, and Hong Kong has shown very good performance in the National Games. Certainly, this is not enough. We are all concerned about whether WONG Kam-po has any successor. This is also the case with us who engage in politics as we often ask whether or not there are successors to take over. The case is just the same. If we do not make an effort, it would be very difficult to groom successors. The case of the sports sector is the same. It is most important to assure them that they do not have to worry about their future. We can see that those junior cyclists who team up with WONG Kam-po are very young and they are going to dedicate their life in the next decade or two to

cycling, but what will happen after that? So, we must ensure that they do not have to worry about the future. Just now I wrote a note to Dr LAM Tai-fai. The soccer circle has been quite active recently, but some members in this field have told me that Hong Kong alone cannot support a more prosperous soccer market. Some people have asked whether Hong Kong can participate in the China Premiere League and if we can, this will greatly stimulate its commercial appeal. I wonder if the Secretary has ever explored this.

The West Kowloon Cultural District (WKCD) project is in the course of consultation. A lot of people are certainly involved in the hardware, but we fully agree that problems will emerge if we still do not embark on the design of software. Over the past year or two, I have attended performances or events of the Arts Festival and I consider them very successful. I have made enquiries about the relevant records and learnt that in recent years, the audience attendance rate of the Arts Festival has reached over 90%, which I believe is rare in the world. The Silk Road Arts Festival recently organized by the Leisure and Cultural Services Department (LCSD) has also registered an audience attendance rate of over 90%, which is indeed encouraging. Two decades ago I was leading some drama troupes and engaging in this field. Few people were interested in drama two decades ago and we had had a hard time. We had to explore ways to nurture an audience and promote drama in schools. Two decades have passed and today, we can see very high audience attendance in many drama performances. So, it is very important to start nurturing an audience now. Should the Secretary choose from the many methods of nurturing an audience the good and sound ones? I think some may not be feasible but some others, such as providing training through arts festivals — I have questioned why the Arts Festival is held only in spring but not in autumn and learnt that this has to do with resources — Can the Government provide subsidies for building up a larger audience? Universities have provided subsidy schemes for university students. University students are in fact very important, because they will have the means to buy tickets after they have graduated from universities. In this connection, can the subsidy scheme for university students be restored to attract them to participate in cultural and arts activities? This is a very important way to nurture an audience.

I am also quite interested in museums. What theme should be adopted for the museum in the WKCD? If it is purely Hong Kong-themed, there are already such museums in Hong Kong, but I do not think that this can cater to all the visitors to the museum in WKCD. If it will be a China-themed museum, people

will ask why foreigners do not go to museums in China instead. If it is going to be western-themed, people will ask why visitors do not go to museums in foreign countries. Hong Kong has the characteristics of being a melting pot of the East and West and a place for exchange of the two cultures. In fact, the Silk Road Arts Festival organized by the LCSD recently has precisely adopted this theme. I think the Silk Road is a most appropriate theme, because for thousands of years in history, there had been continuous exchanges between China and Persia, India, Greece and Rome. Today, I think the exchange and blending of the Chinese and Western cultures in Hong Kong can be a very good selling point. Therefore, can the Secretary or colleagues responsible for the WKCD project give consideration to the theme of the museum, because it is only after a theme has been decided that the design work can commence.

President, lastly, I would like to talk about Chinese medicine. I think Chinese medicine cannot become an industry simply by setting standards for the 200-odd Chinese medicines. This is not possible. Apart from the fact that each Chinese medicine has its own standard, Chinese medicine is different from Western medicine in that the former is a mixture of medicines, or an integrated medicine. Furthermore, as there is no venue available for clinical application in Hong Kong, it is therefore very important to promote the integration of Chinese and Western medicines in hospitals. The policy address has encouraged this area of work, but can a Chinese-cum-Western hospital be developed on one of the four private sites? I hope that the Secretary can provide more facilitation in this respect. The Chinese medicine sector is a chain of industries. It involves not just one single discipline and so, results cannot be achieved in one go. Also, I very much agree that the six industries are just at a start. They must grow bit by bit, rather than being pushed ahead in full steam altogether, in which case all the efforts would only become futile. However, I think there is a need to develop these six industries and so, we must work in concert. I, therefore, very much hope that follow-up work can be carried out in two areas for promoting the six industries. First, I think there should be an overall strategy for development, so that the efforts made in each and every area, including Chinese medicine and creative industries, can align with the Mainland and be taken forward in line with the policy of pilot implementation of various measures in the PRD. An overall strategy for development does not come by as a matter of chance. Experts in the relevant fields can be recruited to provide input. Second, I think there should be a steering committee. The naming of a direction alone is not adequate, and it is most imperative that measures must be implemented, and I stress, measures must be implemented, earnestly implemented. Under this steering committee, six

expert panels can be set up with the Government playing the role as a facilitator. An annual report should also be furnished to the Legislative Council. This, I think, is a way to show the resolve in taking this cause forward.

Is the development of these industries meant to rescue Hong Kong? I do not see it this way. Many people in this Chamber had criticized before that the Government attached importance only to the financial services and real estate industries. So, the proposal to develop more industries is, in our view, worthy of support, and we must not kill them in one stroke. Of course, according to what I have heard and seen, Honourable colleagues do not at all oppose or resist this proposal. However, we have made a very important point and that is, we all have doubts or misgivings about whether the Government has the determination to realize this. This is actually a good attitude, for it means that we have expectations. I, therefore, hope that the Government can work together with — I have contacted many members of the industries; they are all very competent but sometimes they complain to us that while they had submitted many feasible proposals to the Government, these proposals just disappeared without a trace. Therefore, I think the Government should take concrete follow-up actions by providing assistance in the implementation of feasible proposals, including those relating to the industries that I have just mentioned. I hope that these six industries can make some achievements and lay a good foundation for our next generation. Thank you, President.

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

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I had just returned to the Chamber and heard Mr LAU Kong-wah's speech, and I found it really laughable. He said that the Hong Kong soccer team can participate in the Chinese Premier League. Does he not know that "match-fixing" exists in the Chinese Premier League? Even the netizens on the Mainland are discussing this very heatedly. Could it be that he wants our soccer team to take part in "match-fixing"? So, one should not shoot his mouth off about something that he does not know.

Second, with regard to District Councils (DCs), he advised Secretary TSANG Tak-sing to provide subsidies to the DCs. There used to be a Regional

Council in Hong Kong and many Members of the DAB had participated in it. It had independent financial resources and yet it was eventually scrapped. TUNG Chee-hwa said at the time that some compensation would be given to the DCs after the two Municipal Councils were scrapped and so, everybody supported this move, and so did the DAB. However, there had been no compensation whatsoever in the end. Now that he has raised this again, talking about the descendants of WEN Tianxiang — I wonder if they are Members of the DAB too — I am also very much concerned about whether it is the case that only an aqua privy is provided there. The former publicly-elected Municipal Councils were financially independent and they should have done this long ago. So, please do not talk about this anymore. He was one of the supporters for the scrapping of the Municipal Councils back then and now, he is begging for something to be given back to him.

Third, the case of compact fluorescent lamps has nothing to do with him. Let me warn Donald TSANG now that he should be prepared for a judicial review. If he does not withdraw this proposal, he is set to face a judicial review, and he will lose again. I am not saying this to you. I am saying this to Donald TSANG. He is set to lose, and I hope that he can back off as soon as possible.

Then, the question of electric vehicles. Electric vehicles certainly cannot be promoted successfully in Hong Kong because there is already this product in China. This is exactly where our problem lies. The development of all creative industries must depend on whether China or wealthy people in Hong Kong are interested. The DAB is awesome indeed, and it should support universal suffrage. I have listened very attentively to their speeches and what they have said is more concrete than what Donald TSANG has said. They are teaching the Government what to do. I wonder if there are consortiums or master hands from China behind them, telling them what to do. Chinese organizations are certainly there, for they have already taken over Hong Kong. Just look at the Hang Seng Index. Is the China Merchants Group not taking up over half of the constituent stocks?

Strangely enough, it does not support the implementation of dual universal suffrage in 2012. If you can make it as wonderful as LAU Kong-wah has put it or as appealing as Mr TAM Yiu-chung has said (Mr CHAN Kam-lam is even like a replica of John TSANG), I would vote in support of you. But I can do nothing about this. Buddy, I am sorry.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please face the President when you speak. Do not face your buddy when you speak. *(Laughter)*

**MR LEUNG KWOK-HUNG** (in Cantonese): President, you are also a member of the DAB, so you are also a buddy. Well, I do not wish to waste my time. I would like to talk about the constitutional system.

What is this Council doing? I do admire the DAB. They have spoken at great length expressing so many views and yet, they do not have a part to play in governance. This is like sharing only the shame but not glory, as you once said. How could it be like this? They should support the implementation of dual universal suffrage expeditiously. I am very fair. If the DAB is right, I would support it. As Chairman MAO said, the idea of "better troops and streamlined administration" was put up by LI Dingming, and since LI Dingming had a point in proposing this idea, he would follow it because it was his duty to serve the people. The DAB is really pitiful now. They have spoken in a way so pleasing to the ear, suggesting high-sounding ideas in almost all aspects, but it turns out that they have no part to play in governance and what is more, even they do not support that they be given a role to play in governance. What does all this mean? We had better leave it to a later time. It is pointless to dwell on this further. This world has become a mess ..... Alas!

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, the part for Members to speak in the second debate session ends. We now proceed to the part for designated public officers to speak. As Members may know, the Secretary for Development cannot attend the meeting and so, the Secretary for the Environment will deal with the response of the Secretary for Development in his speech. As four designated public officers will speak, they may speak up to a total of 60 minutes. I now call upon the Secretary for the Environment to speak first.

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): President and Members, I am grateful to a number of Members for commenting on the environmental policies set out in the policy address just now.

In the policy address this year, there are about 20 paragraphs on policies about the environment, not less than those in the past two years. The focus of the public is mainly on the Distribution of Cash Coupons for Compact Fluorescent Lamps Scheme (the Scheme) stated in paragraph 66. The Scheme has induced heated discussions in the community and I also agree that, as a number of Members put it, this is out of my expectation. After all, when the policy address was announced, many details of the Scheme had yet to be confirmed. As a policymaker, I will listen to the views of members of the public carefully and consider them seriously, with a view to doing an even better job. I wish to take this opportunity to review the background of this policy and give an account of our thinking.

In fact, Hong Kong is not the only place that adopts the policy approach of phasing out incandescent light bulbs (ILBs) to tackle the problem of global climate change. This is a topic that frequently cropped up in my exchanges with overseas officials in charge of environmental protection during my visits overseas in the past few years. The reason is very simple. Despite the small size of ILBs, indoor lighting accounts for a sizeable proportion of household electricity consumption — in Hong Kong, lighting accounts for as much as 16% of our household electricity consumption. ILBs consume 70% more electricity than compact fluorescent lamps (CFLs). Since most of the energy of ILBs is used to generate heat, the use of ILBs will also raise indoor temperature, thus causing indoor electricity consumption of air-conditioning to rise as well. In view of this, in paragraph 101 of last year's policy address, we proposed for the first time that the Government would study whether or not to introduce a restriction on the sale of ILBs. It is against such a background that the Scheme proposed in the policy address this year came into existence.

In the short span of two weeks after the delivery of the policy address, there were unprecedented discussions in the community on ILBs and CFLs. I have made a rough estimate based on data obtained via the Internet and found that from 15 October to the present, there are probably almost 1 000 articles and reports on CFLs in local newspapers and magazines. The issues covered range from the energy efficiency of ILBs, the impact of mercury in CFLs on the environment, the energy efficiency of LED lights, to whether or not the



development of such products are mature. There are also a lot of discussions on the radio, television and even in forums on the Internet. Indeed, in this period of time, the public have had extensive and in-depth discussions on ILBs, other energy-saving lighting devices and their effects on climate change. Taken in a positive light, the discussions in the past fortnight may to some extent serve to raise our understanding of energy conservation and emission reduction.

However, I certainly do not wish to see members of the public negate the phasing out of ILBs in Hong Kong or even the efforts in tackling climate change on account of the imperfections of the present Scheme; or see the determination of society in improving our environment wane; or even see the progress in our response to the issue of environmental protection compromised on account of this debate.

Insofar as the phasing out of ILBs is concerned, a more important underlying issue is how to cope with the increasingly pressing issue of global climate change. To tackle this problem, we must have a clear understanding of the situation here in Hong Kong. Regarding our total carbon emission, 55% of it is generated by building-related power consumption. For this reason, reducing power consumption by buildings or enhancing energy efficiency inside buildings is the most effective way to reduce carbon emission in Hong Kong. I believe the public has already recognized this point. We will carry out the work in this regard on two fronts. The first is to use cleaner energy sources in the generation of electricity and one way is to increase the supply of natural gas from the West-East Natural Gas Pipeline. On another front, many people have noticed that in fact, there is a lot of room to introduce energy-saving measures in each company, each building and each family to achieve a win-win situation, benefiting the environment on the one hand and reducing the electricity bills of users on the other.

In the budget published early this year, we allocated \$450 million to finance the majority of buildings to engage in energy conservation. Since the implementation of the relevant scheme, about 900 applications have been received, so the response is excellent. In addition, early this year, the Legislative Council also approved the funding for the construction of a District Cooling System at Kai Tak to reduce future carbon emissions from this new district. We will also introduce the Buildings Energy Efficiency Bill into the Legislative Council in the near future to set a minimum building energy efficiency standard for all buildings in Hong Kong. If this measure is

implemented, carbon emission can be reduced by 2 million tonnes in the next decade. These policies will all contribute to the gradual implementation of specific emission reduction measures in Hong Kong and are gradually winning the support of the Legislative Council and even the public.

Apart from the above measures, we have also considered how best to make every member of the public and every household pursue a low-carbon lifestyle. As I said just now, many countries or governments, such as Australia, the United States, South Korea, Canada and the European Union, have taken legislative measures to restrict the sale of ILBs which do not meet minimum energy standards. For this reason, in 2008, the SAR Government conducted some studies on the phasing out of ILBs and explored how they can gradually be replaced by more energy-efficient lighting products and whether or not statutory regulation on the sale of ILBs should be introduced. The problem that we face is whether or not, before the introduction of legislation, we should take a further step to introduce measures to make energy-saving lighting devices more acceptable to members of the public and enable importers and retailers to adjust to the relevant legislative arrangements in advance.

At the conceptual stage, we have considered a number of factors. First, in the past several years, the SAR Government has, through the use of public funds or the energy efficiency schemes of power companies, launched initiatives in energy conservation and emissions reduction designed for the common areas of commercial premises or residential properties and even for some commercial electricity users. They include the aforesaid \$450-million matching funds. If such measures have been introduced into such common areas as the lobbies of buildings, the next strategy is naturally to see which aspect of them can be introduced into households, so that households can also enjoy the benefits of energy conservation and take part in efforts to reduce emission.

Second, since switching to CFLs can bring about savings in electricity tariffs for every user, we have also considered whether or not further measures can be taken, so that domestic users can switch from ILBs, which do not meet energy efficiency requirements, to energy-saving devices and starting from a light bulb, extend this measure to other energy-saving household devices.

Third, since every year, the two power companies promote energy efficiency and conservation through various initiatives, programmes and measures, we are considering whether or not, on the basis of the energy

conservation schemes introduced by the two power companies, we can use the user networks of the two power companies to get in touch with over 2 million domestic users in Hong Kong and improve the market penetration rates of the Scheme, so as to get even better results?

Finally, we have also considered the fact that an initial network for the recovery of CFLs has been established currently. In the long run, after stepping up the control on ILBs, the demand for the recovery of CFLs will surely rise accordingly. We are now considering whether or not the approximately 3 000 light bulb outlets throughout Hong Kong can be utilized to expand the recycling network for CFLs.

After the delivery of the policy address, we have noticed that the public at large are very much concerned about the Scheme and have also voiced many views. Here, I will give some responses.

Concerning the source of funding, in designing the Scheme, our idea is to implement the Scheme through the energy conservation initiatives of the two power companies. Although the relevant arrangement may have some limited impact on electricity tariffs within a short period of time, say for a year, compared with the long-term and sustained effect of electricity tariff reduction resulting from the use of CFLs and the value of the cash coupons for CFLs, we think that this arrangement is ultimately viable. Since the delivery of the policy address, the public have expressed strong views on this part of the idea. Some of these views relate to whether or not the Scheme should be allowed to have an impact on electricity tariffs and whether or not there should be the freedom of choice. All these are issues relating to principles. We have heard them and will surely consider them carefully when devising the details of the Scheme. In view of this, President, we will actively consider how to address the concerns of the public about electricity tariffs, including whether or not methods not involving any increase in electricity tariffs can be adopted when implementing this measure.

Many members of the public raised the point of whether or not the products to be redeemed under the Scheme should be confined to CFLs alone. Since the introduction of the scheme, the question of whether or not other energy-efficient lighting products can also be included in the products to be redeemed has also been raised. Here, I can give an explanation on this point. The reason for our proposing CFLs in our initial proposal is that CFLs are gaining popularity.

There are 14 major categories and 761 product models. Moreover, from 9 November, under our Energy Efficiency Labelling Scheme, each kind of product will be required to carry an energy efficiency label. However, we have to reiterate that the Government will be happy to see more energy-efficient products being introduced into the market. In fact, in the design of the future New Central Government Complex at Tamar, the Government has taken the lead in using LED lighting. However, given that it is a comparatively speaking new product and since the specifications of this product in the market are still not well-developed, we really have to look into the actual situation to see if we should include a basket of other products in the Scheme. For this reason, we will further review the supply, regulation and standards of various energy-saving products in the market and give consideration to these products when implementing the Scheme.

Separately, many people have pointed out that CFLs may give rise to pollution. President, in fact, this is precisely an area that can be addressed through the Scheme. At present, CFLs can be recycled under the Fluorescent Lamp Recycling Programme and delivered to the Chemical Waste Treatment Plant for treatment. To tie in with the Scheme, the Government will require registered retailers taking part in the Scheme to put in place collection facilities to facilitate the collection of used CFLs from the public for disposal. In other words, once the Scheme is implemented, our recovery points will increase from some housing estates or several dozen recovery points at present to thousands of retail points. We can also raise the capacity of the Chemical Waste Treatment Plant in treating CFLs to ease the disposal problem.

Concerning the issue of fair participation, the plan conceived now will allow the about 3 000 known shops which are retail points of CFLs throughout Hong Kong to register voluntarily for participation in the Scheme according to the principle of openness and fairness, so long as they meet the two conditions spelt out by us just now. The Scheme does not impose any restriction on the number, type, brand or combination of CFLs that can be redeemed by holders of cash coupons. For this reason, various brands of CFLs will be able to participate fairly and share the business opportunities.

President, I hope my foregoing remarks can address the doubts of the Legislative Council and the public about the Scheme. Certainly, insofar as the details of this scheme and the specific arrangements are concerned, there is still a lot of room for improvement but on the overall direction, achieving emission

reduction through the reduced use of ILBs, which have low energy efficiency, remains our policy objective. I hope and also believe that society as a whole will agree with this point and we will continue to make endeavours in this direction.

President, the debate being conducted today is on this year's policy address. Originally, I should have taken this opportunity to talk more about other areas. I wish to give a brief account of the environmental policy of Hong Kong in my response.

In retrospect, since the establishment of the third SAR Government, I think that on our efforts in environmental protection are on the whole moving forward. In the policy addresses of the past three years, the Chief Executive expressly stated that Hong Kong must move in the direction of sustainable, balanced and diversified development in order to turn Hong Kong into a quality metropolis. In particular, the policy address mentioned the need to work hand in hand with neighbouring regions in forging the PRD Region into a green and quality living area, develop the six industries with clear advantages, including the environmental industry, expand the Cleaner Production Partnership Programme to water quality projects and formulate and promulgate specific arrangements for the participation of Hong Kong enterprises in Clean Development Mechanism projects on the Mainland. The Government itself will also set an example by expanding green procurement. All these efforts will bring new business opportunities. These business opportunities are not confined to the industries or trades alone but may also be found in some nascent service industries. The aim is to combine environmental management with economic development. Of the numerous proposals, many have addressed the demands and suggestions of various business associations, companies and even some Members seated here.

Moreover, in order to improve air quality in Hong Kong, we are now proceeding with public consultation on Hong Kong's Air Quality Objectives. In order to introduce a more environmentally-friendly mode of transport, we are now bringing in electric vehicles and the relevant complementary facilities. Meanwhile, on the conservation of nature and the ecology, we are glad that the Hong Kong Geopark has successfully acquired the national geopark status with the approval of the Ministry of Land and Resources.

President, in the past two years or so, I have been pleased to see that with the support of the Legislative Council and the community, a number of

environmental protection policies, legislation and infrastructure were implemented successively. In my contacts with people from all walks of life, I appreciate that environmental protection is an issue of concern across various social strata and sectors. Often, both inside and outside the legislature, I can hear the voices from members of the public bidding us to move forward in improving the environment. Of course, sometimes, when implementing specific measures, it is inevitable that the affected sectors would voice some reservation and demand that the Government make some adjustments to its work.

In the face of the various discussions in this pluralistic society, sometimes, I would ask myself if the environmental policies in Hong Kong are running too far ahead or they are still lagging behind. On the efforts to improve the environment, have we done too much, too fast or too little, too slowly? In any event, we know clearly that in environmental protection, there is still a lot to be done. Without profound and extensive support in society, in fact, it will be difficult to take these policies or measures forward. We can only try our best to do an even better job in each area and I do not wish to see efforts in environmental protection stall on account of this.

President, concerning issues relating to the Development Bureau raised by Members, I will now reply on behalf of the Secretary for Development. I heard many Members voice their concern and support for heritage conservation. I believe the Secretary for Development will also be happy to learn about the views voiced by Members. As Secretary Carrie LAM is indisposed and cannot attend the meeting today, I will read out the response prepared by her in advance.

In the last two years, the Development Bureau has introduced many heritage conservation initiatives, such as the implementation of the "Revitalizing Historic Buildings Through Partnership Scheme", the implementation of the heritage impact assessment mechanism, devising financial incentives for the conservation of privately-owned historical buildings and extending financial assistance in maintenance to privately-owned graded historical buildings. On the whole, rather good progress has been made with these plans and policies.

The Chief Executive proposed "Conserving Central" in the 2009-2010 policy address. The idea of conserving Central is premised on our respect for the history of the district. We hope to strike a balance between protecting the environment and providing quality space, which is a growing public concern, and relieving the shortage of office in the central business district. The

Development Bureau, having examined Central's future development holistically has put forward a series of revitalization projects that will add a new dimension to Central. We hope these projects can preserve a good deal of the social, historical and architectural merits in Central and inject new life and vibrancy into the district.

Here, on behalf of the Development Bureau, I thank Members and society for their positive responses since the announcement of the concept and project to conserve Central. The Development Bureau will launch the preparatory work for the project as soon as possible and continue to keep in touch with various stakeholders.

I so submit. Thank you, President.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I wish to thank Members for their suggestions on those aspects of "Quality City and Quality Life" relating to the portfolio of the Commerce and Economic Development Bureau.

Creative industries are one of the six industries identified by the Task Force on Economic Challenges for further development. In last year's policy address, the Chief Executive already advocated the promotion of creative industries, and he also proposed the establishment of a dedicated office for expediting the development of these industries. As a result, a dedicated office named "Create Hong Kong" was formally set up in June this year to provide creative industries with "one-stop" services and to work with the relevant trades to promote the development of local creative industries. Following consultation with the industries and the Legislative Council, "Create Hong Kong" has swiftly formulated a seven-point development strategy for its work in the future, with the aim of promoting and helping the local creative industries in a comprehensive and omnidirectional manner. The seven-point development strategy is very similar to the suggestions made by Members on the work relating to the issue.

The CreateSmart Initiative formally commenced operation in June with a funding of \$300 million. So far, nine projects have been approved, involving a total funding of about \$15 million. The approved funding will be used for supporting the organization of a regional robotics design competition in Hong Kong and for financing the hosting of an exhibition and a forum by the Hong

Kong design sector in Shanghai during the World Expo next year. The aim is to display the achievements of the Hong Kong design sector and support local winners of advertising awards in participating in overseas advertising competitions. We will continue to encourage the industries to apply for funding, so that creative and innovative ideas can be applied to add to the value of enterprises. In this way, more and greater business opportunities can be opened up. The success of enterprises will not only drive the development of the industries as a sector but also create more employment opportunities and economic gains for Hong Kong.

Our advertising sector has recently written a glorious page in the international arena by winning the highest design award in the International Advertising Festival held in Cannes. Besides, it also won several major awards in Spikes Asia, a large-scale advertising competition in Asia. All this can show that creative talents in Hong Kong abound. We will assist all such creative talents in expanding their footings beyond Hong Kong and give full play and expression to their outstanding potentials. While developing their personal careers, these talents will also help upgrade the international reputation of Hong Kong creative industries.

Apart from embarking on overseas development, our creative industries also attach very great importance to opening up the vast Mainland market. We have been holding negotiations with the State Ministry of Commerce and the relevant departments on the liberalization measures for Hong Kong creative industries under the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), with a view to assisting Hong Kong creative industries in developing new business opportunities on the Mainland. For example, under Supplement VI to CEP signed earlier this year and just implemented this month, we have succeeded in getting liberalization measures in respect of audio-visual services, post production of Mainland films, Internet games and printing and publishing services, and all these measures will enable Hong Kong industries to expand into the Mainland market. Under this Supplement, the post production of Mainland films can be processed in Hong Kong after obtaining the approval of the relevant Mainland department. Besides, the relevant departments on the Mainland have also formulated a performance pledge on the time required for vetting the contents of Hong Kong Internet games. Under this performance pledge, vetting will be completed within two months. All these liberalization measures will gradually open the door to business opportunities on the Mainland for the relevant Hong Kong industries. We will continue to hold negotiations



with the relevant authorities on the Mainland to secure further liberalizations measures for the creative industries.

In regard to films, thanks to the liberalization measures under CEPA, the local film industry has achieved unprecedented results in terms of production volume, scale and box office records over the past few years. The film "McDull Kungfu Ding Ding Dong", which was produced with financial support of the Film Development Fund, was able to achieve a surprisingly high box office record on the Mainland. And, in the past few years, films achieving the highest box office records on the Mainland were mostly the co-productions of China and Hong Kong. We will continue to open up the Mainland and Southeast Asian markets for the local film industry. In December last year, the Hong Kong Film Development Council launched a large promotion project called "Hong Kong Film New Action", under which promotion drives were held not only on the Mainland but also in Singapore, Malaysia and Taiwan, with a view to introducing the new generation of Hong Kong film directors to these markets and driving the long-term development of the Hong Kong film industry.

In order to sustain the effects of "Hong Kong Film New Action", the Hong Kong Film Development Council organized an exhibition in Beijing in July this year, with the aim of assisting the new generation of Hong Kong film directors in marketing their film production plans. There are also plans to again hold similar exhibitions in Guangzhou and Hong Kong, with a view to assisting the new generation of Hong Kong film directors in marketing their film production plans to investors from the Mainland and other places. This type of exhibitions can help Hong Kong nurture film talents and increase the production volume and overall box office records of the Hong Kong film industry. They are conducive to the long-term development of the Hong Kong film industry.

Besides, to cope with the development of digital films, the Government will, with the help of the Digital Media Centre of the Hong Kong Cyberport, launch a pilot scheme for the establishment of a hyperspeed telecommunications transmission system platform. The aim is to provide the film industry with a highly efficient and safe channel of receiving the digital transmission of film copies directly from overseas film suppliers for onward transmission to local cinemas and post production companies.

So far, 15 film production plans and 35 projects related to the development of the film industry have been approved under the Film Development Fund,

involving a funding of \$41.7 million and \$52.3 million respectively. The latter funding will be used for financing the hosting of the Entertainment Expo Hong Kong, the Hong Kong-Asia Film Financing Forum, the Hong Kong Film Academy Award, the Asian Film Awards and Hong Kong's participation in the International Film Festival.

As at 30 September 2009, there was a balance of \$213.9 million in the Film Development Fund. We have conducted a review of the operation of the Fund and consulted the views of the industry. In the next few months, we will brief the relevant panel of the Legislative Council on the review findings and put forward our recommendations, with a view to enabling the Fund to better meet the needs of the industry.

The development of creative industries hinges on the availability of talents. And, the nurturing of talents must begin with the youths. With the assistance of the Hong Kong Comics and Animation Limited, the Hong Kong Productivity Council and the Curriculum Development Division of the Education Bureau, we have produced a teaching kit for senior secondary students. The aim is to enable our teenage students to get to know the film and animation cultures and cultivate their interest in and appreciation of the arts of films and animation. In the long run, this project can nurture talents for the film industry, thus promoting the development of Hong Kong creative industries.

In order to meet the demand for film talents, the Hong Kong Baptist University has established the Academy of Film. With effect from September this year, four higher diploma programmes with emphasis on theoretical and practical training are offered.

Moreover, to encourage our young people to give expression to their creative talents and engage in innovation, the Government will organize a large-scale regional forum named "Make A Difference (MAD)" in Hong Kong in late January next year. The slogan "Dream It, Do It" will be adopted to stimulate young people's creativity and entrepreneurial thinking.

In the context of the policy address this year and also the one announced last year, we notice that public are very interested in the government proposal on revitalizing the two buildings of the former Hollywood Road Police Married Quarters by converting them into venues for promoting creative industries. The uses we have in mind include the exhibition and sale of local creative products.

To sustain the development of this project, we would consider the provision of some commercial services such as restaurant and catering services, so as to attract and retain visitors. We will preserve the site of the former Central School as part of the efforts to support the policy of promoting creative industries and revitalizing historical buildings.

Finally, I wish to say a few words on the Shanghai World Expo. The World Expo will be held from 1 May to 31 October in Shanghai next year, with the theme of "Better City, Better Life". More than 240 countries and international organizations have already confirmed their participation in this world event. And, the organizer expects a turnover of 70 million visitors. This world event will present Hong Kong with an excellent opportunity of exhibiting the achievements of its creative industries. We will put in the best of our efforts in the World Expo. During the six-month duration of the World Expo, we will rely on telecommunications as the link, and local creative talents in Shanghai and Hong Kong will organize a series of separate and joint activities to display the achievements of our creative industries and promote Hong Kong as a quality city with a quality living.

With these remarks, President, I call upon Members to support the original motion.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, a number of Members have spoken on food safety and environmental hygiene earlier. Ensuring food safety and environmental hygiene is indeed indispensable to the promotion of "Quality City and Quality Life", and it is also a key area of work of the Food and Health Bureau. I would first give an account of the key initiatives that we will be taking forward continuously in the coming year before I respond to some proposals made by Members earlier.

I would first talk about food safety and the food safety law. The protection of food safety has been strengthened since May this year, that is, in the last Legislative Session, after the enactment of legislation on the recall of food, and we are going to table the Food Safety Bill before the Legislative Council in the current Session. The successful implementation of the Food Safety Ordinance as a whole will, most importantly, hinge on the support of the trade. For this reason, we have been consulting the views of the trade, members of the

public and other stakeholders, while commissioning consultants to assess the implications on the business environment. We will listen to more views of the trade in order to ensure the practicability of the new food safety controls.

Moreover, the regulation on the nutrition labelling system will take effect on 1 July 2010 as scheduled under the law. Recently, I have had an opportunity to join Mr Vincent FANG in meeting with representatives of the trade and learnt that they have carried out a lot of preparatory work for the implementation of the new nutrition labelling system. While they have encountered difficulties in respect of some details, they said that they would be well prepared to cope with the new statutory requirements. In view of this, I must particularly express my commendation to the trade here. In fact, many popular brands in the market, including local famous brands of food items, have already affixed compliant nutrition labels to their products.

A series of measures has been taken to complement the trade adaptation of the new regulation. The Centre for Food Safety has provided technical guidance and hotline enquires service to the trade. More than 10 workshops have also been organized for the purpose, and the small volume exemption system introduced to help the trade has, at the suggestion of the trade, began to accept applications earlier than scheduled. The Centre for Food Safety has so far received more than 6 000 applications, of which close to 4 000 have been approved and about 140 have been rejected due to non-compliant nutrition claims, while the rest are still being processed.

President, we will continue to liaise with the trade closely and listen to their views, so that we can work in concert to tackle the problems.

Members also mentioned the future of the Poultry Slaughtering Centre (PSC). Given the changes that the relevant trades have undergone after the voluntary surrender scheme for the live poultry industry was launched by the Government in July last year, the PSC is expected to operate on a much reduced scale. In view of the fact that some Members have expressed reservations about the development of a slaughtering centre, we will be extra cautious in our work and have commissioned a consultant to conduct a study to reassess market interest in operating the slaughtering centre and project the trend of market demand for live chickens. Upon completion of the study, the Government will consult the Legislative Council before making a decision. Our most important

work is to assess the trend of market demand for live chickens, and review the risks of avian flu and the impact on the trade and the public.

As for provision of public columbarium facilities, I already answered many questions from Members last week but most importantly, we will keep an open mind in the hope that more sites can be identified for constructing columbarium niches. They can be rural areas or other suitable sites in urban districts, and they are all worthy of consideration. However, it is most imperative that the locations are acceptable to various sectors of the community and the public. This is most crucial.

Columbarium facilities aside, we have been actively promoting the alternatives of scattering the cremains in gardens of remembrance or in designated Hong Kong waters. For instance, we have produced a promotional CD-ROM and organized talks, and also published promotional pamphlets which are available to the public at hospitals, cremation booking offices and offices for applications for various permits. We have also worked closely with non-governmental organizations to jointly promote the options of scattering cremains in gardens of remembrance and designated Hong Kong waters. Moreover, to further promote the scattering of cremains at sea and streamline the relevant procedures, we will look into the provision of ferry service to ensure greater convenience to the public in scattering cremains at sea.

Some Members mentioned public markets. As Members all know, we submitted a paper to the Panel on Food Safety and Environmental Hygiene in July to explain our preliminary thinking on issues involving the positioning, functions and usage of public markets, and the rental adjustment mechanism. At the request of the Panel, the Food and Environmental Hygiene Department (FEHD) has recently consulted market trader organizations and market management committees on the preliminary thinking and collected different views from market traders. We understand that public markets are popular places for the mass public and grassroots to buy fresh provisions and they also provide employment opportunities and means of living. While resistance from some traders to the rental adjustment mechanism and measures for improving tenancy is understandable, as pointed out by the Director of Audit Report and the Public Accounts Committee, it is indeed imperative to solve the problem. In this connection, we will report to the Panel next month on the views collected, and after listening to Members' opinions, we will decide on the next step forward.

I will now answer a number of questions raised by some Members today, and I think these questions warrant a bit more explanation. Mr WONG Yung-kan has all along been very concerned about the development of the agricultural and fisheries industries in various aspects, and I very much appreciate his efforts in spending 30 minutes discussing this topic every year. I must stress that insofar as the development of the agricultural and fisheries industries is concerned, the Administration has all along been promoting the sustainable development of the agricultural and fisheries industries through the following five-pronged strategy: First, assisting the local agricultural and fisheries industries to move towards sustainable development; second, communicating and co-operating with the Mainland and foreign governments; third, supporting the industries in technical upgrading and professional training; fourth, assisting the industries in developing quality brand names; and fifth, providing financial assistance and emergency relief to the industries.

The Agricultural, Fisheries and Conservation Department (AFCD) spends no less than \$100 million per annum on supporting the development of the agricultural and fisheries industries. With regard to the aquaculture industry which is of concern to Mr WONG Yung-kan, we will launch a pilot fish hatchery scheme which is quite large in scale next year to promote the further development of the aquaculture industry. We also propose to brief the panel at a later time of the year on our work in supporting and promoting local agricultural and fisheries products.

Besides, there is the issue of pet shops mentioned by Mr Fred LI. The Government is going to revise the licensing conditions for animal traders involving the trading of dogs with an objective which is consistent with the view of Mr LI. There are at present 180 licensed animal traders operating pet shops involving the trading of dogs. After consulting animal welfare groups and organizations in the pet trade, we propose to revise the licensing conditions for animal traders operating pet shops. The objective is to further regulate the sources of dogs of pet shops and combat illegal pet breeding business.

Moreover, the AFCD will step up inspection of licensed pet shops and investigations into compliance with the regulation by pet shops and breeders. Investigations will be conducted following reports by the public on activities of suspected illegal sale of dogs or illegal activities carried out through advertisements on the Internet. Prosecution actions will be taken once there is sufficient evidence.

I would also like to talk about alfresco cafes mentioned by Mr Tommy CHEUNG. As Members all know, alfresco cafes have become increasingly popular. As at the end of June 2009, approval has been granted to over 200 alfresco cafes. As alfresco cafes operated by catering establishments will involve food safety, environmental hygiene and land use, and may cause nuisance to residents in the vicinity, the FEHD will, upon receipt of an application, consult the relevant departments in accordance with the established procedures to ensure that the application meets the requirements in respect of land use, building safety, fire safety, planning, transport and hygiene. Besides, the Home Affairs Department will conduct public consultation in the district concerned on the application by the catering establishment for providing an area for alfresco dining. Views will be collected from District Council Members and Area Committee members in the district where the proposed alfresco cafe will be located, and also from nearby residents. These stringent application and vetting and approval mechanisms will ensure that the catering establishments granted approval to operate alfresco cafes can meet the requirements of the relevant government departments and that these cafes are generally accepted by residents in the district.

The FEHD also attaches importance to whether the catering establishment will fully comply with government requirements in operating the alfresco cafe after obtaining approval for operation. In this connection, actions will be promptly taken once a complaint is received. Anyone found to be in breach of the regulation will be prosecuted under the Food Business Regulation of the FEHD. A specified number of points will be recorded against the food premises upon conviction, and when a certain number of points are accumulated within a specified period of time, the licence may be temporarily suspended or permanently revoked. So, I hope that the trade and the local residents can adequately take actions in respect of the operation of cafes and environmental hygiene, so as to ensure sustained operation.

On the issues relating to the processing of applications and handling of appeals by the Liquor Licensing Board raised by Mr Tommy CHEUNG, I understand that Mr CHEUNG has already referred these issues to the Government. The Chief Secretary for Administration will give a response in this respect.

Lastly, I would like to briefly speak on the question of vegetables mentioned by many Members. As Members all know, we are very much concerned about the safety and sources of food and meanwhile, we will notify the

relevant Mainland authorities of any problem detected with food imported from the Mainland. On the allegation that vegetables are imported from improper sources into Hong Kong under the disguise of an authentic label, we have immediately reflected this to the State General Administration of Quality Supervision, Inspection and Quarantine as well as the Entry-Exit Inspection and Quarantine Bureau of Shenzhen and Guangdong, and they have carried out investigations expeditiously. It is most regrettable that although we have, through the Customs and Excise Department, urged the persons who made such allegation to produce evidence, as far as I know, they have not yet produced any evidence as at the end of last week.

Members will understand that prompt and speedy actions are essential to combating illegal activities and at the same time, such operations must be kept confidential. Operations conducted in a high profile will not achieve any result. We all understand that if political parties and I launch an operation against these activities in a high profile, we can never succeed in catching anybody. This is not something that a responsible government or a government genuinely committed to enforcing the law will do. So, if Members receive such complaints from the trade or the public, and if the complaints concern the Mainland, I hope that Members can pass the details to the Mainland authorities or to us as soon as possible, so that we can convey these complaints to the Mainland authorities for them to conduct investigations promptly. This is a more constructive thing to do which can also solve the problems. If Members can deal with these problems through this channel, we believe the problems will not deteriorate further.

In fact, the Mainland, particularly Guangdong Province, has since 1 November enhanced the regulation of vegetables, making the trade assume certain responsibilities. There is no reason for the trade to hastily engage in some illegal practices which can render their business affected. Yet, we still have to particularly keep a watch on this. The FEHD and the Customs and Excise Department will carry out investigations and surprise operations against these illegal activities at Man Kam To on a daily basis. So, I hope Members can understand that in order to safeguard food safety in Hong Kong, especially the safety of vegetables, both the Hong Kong Government and Mainland authorities have put in a great deal of efforts and resources. Over the past few years, we have been able to ensure safety of over 99% of vegetables in Hong Kong and this is attributable to co-operation from the trade with the relevant government departments.



Here, I wish to thank Members again for their input on these issues, and I understand that the many issues raised by Members will be followed up continuously at meetings of the panel in due course.

Thank you, President.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): President, with regard to the comments on cultural, arts and sports development made by Members in their speeches, I would give a response in the remaining speaking time.

The promotion of cultural and arts development in Hong Kong is conducive not only to the promotion of local cultural and creative industries, and its prime objective is to enrich the quality life of Hong Kong people. In this connection, the Home Affairs Bureau will make sustained efforts to actively maintain a free environment for creation, boost the resources for cultural development and creativity in Hong Kong, and open up the local and overseas markets for culture.

We will take measures to uphold and promote the traditional culture, and also encourage creation and incorporation of the contemporary culture. We are very pleased to know that the United Nations Educational, Scientific and Cultural Organization (UNESCO) has approved to inscribe Cantonese opera on the UNESCO's Representative List of the Intangible Cultural Heritage of Humanity. We will support more initiatives of promoting and preserving Cantonese opera and also provide venues for Cantonese opera performance.

We will continue to plough in substantial resources in the coming year to sustain our subvention to the major performing arts groups in Hong Kong, and also support the small- and medium-sized arts groups and budding groups or artists. We have all along attached great importance to the development of small- and medium-sized arts groups because they are pivotal to ensuring a healthy and vibrant arts scene in Hong Kong.

The Home Affairs Bureau and the Hong Kong Arts Development Council have put in place a number of funding schemes to cater to the needs of artists and arts groups of different sizes, nature and development stages. In this respect, a provision of \$114 million was made for this purpose in 2008-2009. We will

continue to enhance our support for the development of small- and medium-sized arts groups through these schemes and funds.

Moreover, the Leisure and Cultural Services Department (LCSD) has organized and sponsored performances by small- and medium-sized arts groups, such as allowing arts groups to use venues under the LCSD at concessionary rent, and assisting in the presentation of programmes for arts groups and providing other administrative support services. In 2008-2009, a total of about \$161 million was allocated, inclusive of \$91 million cash support and \$70 million non-cash subvention, such as waiving venue rental and ticketing cost. A series of measures was also announced at end-May this year to provide relief to small- and medium-sized arts groups which face difficulties under the economic downturn, and close to \$10 million government funding was involved.

Meanwhile, we will further support the upgrading and development of thematic events such as the Hong Kong Arts Festival by, among other things, presenting high calibre international performers and commissioning new works by local artists, with a view to developing quality arts programmes and hence attracting more audience participation locally and also from the Mainland and overseas countries.

The LCSD will collaborate with the Education Bureau to step up the promotion of youth participation in cultural and arts activities, and arts will be promoted in schools through the new senior secondary school curriculum. Efforts will also be made to enhance opportunities for internship as arts administrators and curators. Co-operation will be fostered with the cultural and arts sectors and community organizations to popularize cultural and arts activities on a territory-wide basis for the purposes of audience nurturing and building.

In respect of the West Kowloon Cultural District (WKCD) development, the three-month public engagement exercise was launched on 8 October. I hope that the public and various sectors of the community will take part in the public engagement exercise enthusiastically. The views collected from various sectors of the community will be helpful to the WKCD Authority in identifying more clearly the basic direction of the WKCD development, and also to the consultants in drawing up the three different conceptual plans to be available by mid-2010, with a view to better meeting the expectations of society.

As for the series of recommendations made by the Committee on Museums as mentioned by Mr IP Kwok-him, we have already put them into practice gradually, and we will revert to the Panel on Home Affairs in due course.

In respect of sports development, we will host the 2009 East Asian Games (EAG) in December this year. This will be the first large-scale international multi-sports event hosted by Hong Kong, and it is very important to the sports development in Hong Kong as well as our position as an events capital. In the next month or so, we will continue to conduct drills and test events, and step up our publicity and marketing efforts, with a view to making the event a resounding success. We will make continuous efforts to improve various arrangements in the run-up to the event.

Winning a total of seven medals, consisting of two gold, one silver and four bronze, Hong Kong athletes have made very good achievements in the 11th National Games in Shandong. This is also proof of the efforts actively made by Hong Kong athletes.

We will continue to encourage more local people to take part in sports and provide greater support to elite athletes, in order to enhance their prospects of winning medals in international competitions and facilitate the staging of more major sports events in Hong Kong, thereby strengthening Hong Kong's profile as a sports events capital.

I share Dr LAM Tai-fai's view that the EAG is a milestone in the sports development of Hong Kong, and we do have the conditions to propel sports development in Hong Kong to a new phase after the hosting of the EAG.

We will make greater efforts to promote the benefits of regular participation in physical activities to the public, while studying the provision of more diversified sports activities and facilities, with the objective of increasing public participation. For better results in the promotion of sports at the community level, we have earmarked funding for building new facilities or purchasing new sports equipment by the National Sports Associations and District Sports Associations. We will continue to invite sponsorship from business enterprises to enable the less privileged groups to attend sports events.

We will continue to co-operate with the stakeholders to thoroughly understand the needs of elite athletes and provide support on all fronts, including direct financial support, sports training, education and career counselling, and re-employment training, so as to assure elite athletes that they do not have to worry about their future as full arrangements have been made for their retirement from their sports career.

Furthermore, subsidies will be provided for athletes' preparation for and participation in major games, and cash rewards will be given to Hong Kong athletes with outstanding performance in major sports events. We will support the relevant sports associations to develop more effective feeder systems, with a view to encouraging more young people with potentials to pursue a sports career.

President, I shall stop here. Thank you.

**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 three policy areas and they are: Manpower; Welfare Services (including social enterprises and family matters), and Security (anti-drug policy).

Members who wish to speak will please press the "Request to speak" button.

**MS EMILY LAU** (in Cantonese): President, this debate session is about manpower, welfare and security issues, and we will also touch on the anti-drug policy. I must say that I am forced to speak in this session. It is because I wish to speak on women's rights, and according to what I was told when I made enquiries with the Secretariat, this topic will not be discussed individually, and as it depends on which Director of Bureau's ambit a topic is put under and in this case, women's rights are under the ambit of the Secretary for Labour and Welfare — President, how respectable the status of this topic is. So, there is nothing I can do. In fact, this topic should be brought under the purview of Secretary Stephen LAM, for he is responsible for human rights issues. But I am not sure how responsible he has been insofar as these issues are concerned. After much checking, the Secretariat told me that I could only raise this topic in this session.

I must make this clear, or else you, President, may rebuke me for breaching the rules later. Anyway, it really does not matter which Director of Bureau is in this Chamber, but I must make a protest. Why should women's rights come under the policy area of welfare? I must say that this is most undesirable.

President, I wrote to Secretary Matthew CHEUNG in September. He said in the Women's Commission that the authorities had done a lot for the development of women in Hong Kong, citing the example that — as he wanted to promote gender mainstreaming, he cited many examples to prove that the authorities had done a lot. What have they done? President, you can never guess it. What they have done is improving the design of the bullet-proof vest for female police officers. This is, in their view, their greatest accomplishment ever.

President, he did not even dare to mention water closet compartments. Why? In fact, the authorities have followed up the issue of water closet compartments for many years. I also wrote a letter to reflect to him that the provision of water closet compartments for women is problem-riddled. President, you will understand it if you go to a shopping mall. You will always see long queues of women waiting for their turns in female washrooms. The same happens even at female lavatories in government buildings. Secretary Matthew CHEUNG did write in reply and he later published an article in a newspaper, pointing out that the female-to-male water closet compartment ratio has been improved from 1.5:1 to 2:1. President, I wonder if you can understand this, or all you can understand is that when you go shopping with your girlfriend or future wife, you always have to wait for her while she waits in the washroom. So, if women have to wait in long queues, it actually does no good to men either.

The problem is that Hong Kong has discussed gender equality for many years, and as the Secretary said in his letter of reply, in 1995 and 1996 when Hong Kong was under the British rule, the Sex Discrimination Ordinance was enacted and the Convention on the Elimination of All Forms of Discrimination Against Women was extended to Hong Kong. In 2001, the Women's Commission was established. But what is the work of the Women's Commission? President, it is tasked to advise the Government on a strategic overview of women issues, and develop a long-term vision to ensure the advancement of women.

What advice has the Women's Commission given to the authorities? Members should really read his article and then they will know. That is so outrageous indeed. On what policies has the Women's Commission advised the Government? This is exactly what the Secretary said: To review key policies relating to women. What do they include, President? They include health care service, welfare service, family service, and services for victims of domestic violence and sex violence.

President, what are the topics of our debate for these three days? We have an array of topics including education, housing, information technology, economic development and manpower, but not those areas that the Women's Commission is tasked to advise on and review. No wonder this topic is put under welfare. I believe the policymakers in the Women's Commission are also restrained by the policy of the Government. Why? Because this is put under the ambit of welfare. That is, it is all about health, victims being abused and assaulted, women awaiting assistance, and so on, and that is welfare. I must ask: Is this insane?

President, in fact, the United Nations also proposed the setting up of a central mechanism for reviewing policies, the provision of funding, legislation, and so on, which can be referred to as gender budget. But the Secretary's reply is that many people around the world are conducting relevant studies, and the Government will continue to keep a close watch on them. He added that gender stereotyping has been improved a lot, as can be seen from the marked increase in the number of female students studying engineering, technology, medicine, accountancy and law in universities. However, do Members know about a press release published by The Hong Kong University of Science and Technology (HKUST) in March this year? One of the paragraphs in it said to the effect that among students aged from eight to 11, male students are good at logical thinking whereas female students are good at organization and expression. It does not say that we are good at cooking! I am certainly not good at that and so, it does not say so.

**PRESIDENT** (in Cantonese): You are good at it, too.

**MS EMILY LAU** (in Cantonese): President, now I know that you are following what I say. I really must thank you for listening to me, because very often, Members only doze off here. This is why I would sometimes say something deliberately to test if Members are listening or not. I have once made a speech in the HKUST and when mentioning the champion cyclist, I said "HUNG" Kam-po. Some people jerked and asked, "What did she say about "HUNG" Kam-po? I, in a smile, then said that now I knew they were listening.

President, do you know what happened then? After the article was published, female professors in the HKUST protested and revealed that of the 40 professors in the Department of Electronic and Computer Engineering of the HKUST, only two are females. They further pointed out that the number of male employees is predominant in the HKUST as females account for only 23%. What does this show?

Besides, the United Nations are very concerned about the participation of females in public services. The authorities said that a target is set in one aspect and that is, the percentage of females in the membership of advisory and statutory bodies. The Secretary must have thought that he himself was clever and smart when he said that a decade ago, this percentage in Hong Kong was only 16.8% and it had increased to 27.6% in June. But he never would have thought that the United Nations has set the target at 50%, which means that males and females should each constitute half of the membership. However, the percentage in Hong Kong is only 27.6%. We could say that the Secretary has been doing not bad, as the target a few years back was only 25% and the current percentage has already outperformed it. That said, the most reasonable standard is a much higher percentage and so, we urge that the target be set at a higher percentage. But he refused to do so. In fact, since the percentage already stands at 27% now, why can the target not be revised as 40% or 50%?

We think that the authorities are totally ignorant and neglectful in many issues. What it is like in the Legislative Council needs no further explanation. Of the 60 Members, only 11 are females. What comments have been made by the United Nations' committee on women's convention? It says that as members returned in functional constituency elections are often males, judging from the proportion, too many male Members will lead to indirect discrimination against females. What have the authorities done in this connection? Nothing at all. Worse still, they even treat the functional constituencies so valuable that they want them to exist eternally.

Moreover, I have read a report compiled by the Hong Kong Institute of Chartered Secretaries. They conducted a survey in 2006 and interviewed over 100 listed companies. President, they found that females accounted for only 6% of all independent non-executive directors of these companies, and there was no female independent non-executive director in 87% of the surveyed companies.

As the Secretary may know, in Scandinavian countries, there is even the requirement of 40% or 50% female participation in the boards of directors of companies in the business sector. In view of this, we must make greater efforts to enable females to pursue development in politics, business, and so on. We do not mean to overtake the males, President. We are asking for equal opportunities of development, but this Women's Commission just cannot achieve this. We in the Democratic Party approached the Women's Commission in September and asked for some information for reference, including information on the progress of gender mainstreaming, what checklists there are, and what results have been achieved. We asked for such information but they said that there was nothing that they could provide to us, because the scope was too extensive and so, it was impossible for them to provide us with anything. A couple of days ago I saw Chairman KAO of the Women's Commission. She said to me that the Government was very improper in making such a reply without notifying her, and that she had no idea why they would give me such a reply. I said that I really had no idea about what they were doing, or whether they were passing the buck to each other or whatever. All I know is that the Women's Commission has achieved nothing. Apart from brief mention of the bullet-proof vest issue, they do not even dare to mention water closet compartments. President, I think it is sad that this topic has to be raised in this session but since it has to be done this way, I hope that the Secretary, on behalf of the entire SAR Government, can give a response, a response to half of the population.

**MR TOMMY CHEUNG** (in Cantonese): President, there is not much mention of social and livelihood issues in this year's policy address, but it does not mean that they are unimportant, and in particular, the youth issues do warrant our concern.

Firstly, I would like to speak on the problem of youth drug abuse which is an issue of grave concern to society. According to the latest figures of the Census and Statistics Department, a total of 2 398 youngsters aged below 21 were



arrested for the offence of trafficking psychotropic substances last year, representing nearly a three-fold increase over 2005. The number of reported abusers of ketamine also increased frantically by 218 times during the decade from 1999 to 2008. In view of the severity of the drug abuse problem, it is the consensus of the Government and the community that resolute and effective measures must be taken to vigorously combat drug abuse.

At present, the preparation for the voluntary trial scheme on school drug testing in Tai Po is nearly finished and the scheme will be launched in December to conduct drug tests for students. The authorities also plan to subsequently extend the scheme to schools in other districts extensively. We certainly wish to see that this school drug testing scheme can produce satisfactory results and help student abusers quit drugs early. However, many members of the community still have great misgivings about the effectiveness of the scheme.

To achieve the objective of drug-free campus, the Liberal Party considers that the Government should not just take one single measure by relying only on implementing this voluntary drug testing scheme in schools. To eradicate the youth drug abuse problem, the Government must adopt a multi-pronged approach which includes fostering cross-boundary co-operation, combating the drug abuse problem at source and imposing heavier penalties on the relevant offences to achieve stronger deterrence.

According to the sentencing guideline, the trafficking of 600 g to 1 000 g of ketamine should be sentenced to imprisonment for 12 to 14 years, whereas the trafficking of the same quantity of heroin is nevertheless liable to imprisonment of 20 to 23 years, with the latter being almost double the former. This will inevitably lead to a misconception that trafficking in non-traditional drugs is less serious, thus prompting people to breach the law. We, therefore, consider that the Government should look into introducing legislative amendments to narrow the sentencing gap between trafficking in ketamine and heroin or impose the same penalty for them.

Moreover, the Government should step up its support for anti-drug initiatives, and it is most imperative to improve the funding system under the Beat Drugs Fund because, for example, even though the drug abuse problem has become unprecedentedly serious this year (2009-2010), the amount of approved funding is only \$22,869,000, which is even 30% less than last year's \$32,940,000. This may be due to unsatisfactory investment return because of the financial

tsunami and so, the amount of funding is less. However, the Liberal Party considers that the policy of linking the provision of funding to investment return is problematic. Rather, funding should be linked to the severity of the drug abuse problem.

Meanwhile, to enhance anti-drug publicity in schools, the Liberal Party hopes that the Beat Drugs Fund can encourage more applications from schools and accord priorities to schools in processing applications. In fact, the Liberal Party has long been concerned about the learning needs of children of families in poverty, and we have proposed that the Government should provide additional special allowances under the Comprehensive Social Security Assistance (CSSA) Scheme to meet the monthly Internet subscription fees for CSSA households with children studying in schools, so that these children can enjoy equal learning opportunities with other students, thereby upgrading their competitiveness and preventing inter-generational poverty.

Regrettably, the policy address has not mentioned how the Government would solve the problem of Internet access faced by school children in poverty, and it has made no proposal at all. I hope that the Government will not cause further delay and expeditiously provide support for online learning to children from deprived families.

Caring for the youth and school children aside, we are also very concerned about an "old issue" and that is, the needs for elderly care services among the elderly. In the policy address this year, it is proposed that the Government will provide five new residential care homes for the elderly in the next three years to cater for the demand. This does merit support but regrettably, the commissioning of all the five new homes can only provide an additional 500 places. Compared with the current waiting list of over 25 000 elderly people, this is downright inadequate to meet the demand.

Furthermore, the policy address also mentions that the proportion of nursing home places in residential care homes for the elderly will be increased from 50% to 90%. This may slightly ease the demand for nursing home places of over 6 300 elderly with a severe level of impairment who are incapable of self-care. However, it turns out that the Government's approach is one like "pulling down the eastern wall to patch up the western wall", because it is not going to provide additional nursing home places on top of the general care places. Instead, it is going to take away some general care places and make them nursing

home places. This would mean that the over 19 000 elderly people on the waiting list for general care places would have to wait for an even longer time. This does give the impression that the Government is juggling with figures.

As pointed out in the policy address, our ageing population will create greater demand for subsidized residential care places. We hope that the Government will expeditiously draw up practical and comprehensive measures in respect of elderly care services to meet the needs of the elderly.

President, since the Secretary for Education and the Secretary for Labour and Welfare are both in this Chamber, I would like to talk about pre-primary education. I have already raised this issue for many years, but there is nothing I can do and I still have to go on talking about it. Let me reiterate that in providing education services, we should respect parents' right to choose. In the market there are different parents and it is only natural that they have different expectations of education provided to their children. Pre-primary education in Hong Kong used to be provided on commercial principles. It had been operated very well under a flexible, diversified and market-oriented approach, providing a wide variety of kindergartens and child care centres to precisely meet the different needs of parents.

The authorities have nevertheless distorted the development of the market by introducing the education voucher system. It has drawn a rigid division line to stipulate that parents can benefit from the education voucher system only if they choose non-profit-making kindergartens charging school fees below the prescribed ceiling. Apart from forcing private independent kindergartens to be excluded from the subsidy scheme, this has caused teachers of private independent kindergartens to receive less training allowances than their counterparts in non-profit-making kindergartens subsidized by education vouchers. Under such an unfair system, these teachers are forced to switch to non-profit-making kindergartens.

If things go on like this, I am afraid that there would only be non-profit-making kindergartens left in Hong Kong, with all kindergartens charging the same level of school fees. In that case, it would be difficult for kindergartens to be developed with different characteristics to meet the different demands of parents. This would be committing the same mistake as that of primary education in Hong Kong before the introduction of direct subsidy scheme schools, because the absence of competition can only lead to a lifeless situation.

I urge the authorities not to prolong this mistake further. This is not a policy made by the Secretary, just that the buck is passed onto him. He should seize the opportunity to review the pre-primary education voucher system this year and assess how far private independent kindergartens have shrunk since the introduction of the education voucher system and the feasibility of extending the education voucher system to private independent kindergartens, so as to expeditiously rectify the mistake, thereby serving the intended purpose of the education voucher system and truly achieving the objective of "money follows parents".

President, I so submit.

**MR FREDERICK FUNG** (in Cantonese): President, I will first analyse the overall social and economic situation today. After that, I will comment on the relevant parts of the policy address and focus my discussion on issues relating to people's livelihood and welfare, so as to elaborate concrete proposals put forth by the Hong Kong Association for Democracy and People's Livelihood (ADPL).

President, let me heave a sigh here first. I can say that no matter what a profound lesson we have learnt from the financial tsunami, how proactively countries all over the world have carried out intervention, introspection and reform of the free market, and even how fiercely the public has criticized the greed of the senior management of enterprises, our SAR Government simply remains apathetic and content to operate under the curse of "big market, small government". The philosophy of "letting business take precedence before the people" has all along been the overall mentality adopted by the governance team. They secretly choose to "avoid mistakes by doing less", dragging out an ignoble existence and enjoying the peace of not doing anything at all.

The SAR Government has all along been bragging about and boasting of its success in adopting the *laissez-faire* policy in the market. However, it turns out to be the chief culprit for the lack of justice and harmony in society. In Hong Kong, the extreme disparity between the rich and the poor, the seriously tilted social system, the uneven distribution of public resources, the deep-rooted conflicts among different social strata and the severe hindrance in moving up the social ladder, can all be attributed to the biased philosophy of governance of the SAR Government, which has already been bogged down by its blind faith in the free market. Regrettably, the governance team of the SAR has failed to grasp

this once-in-a-century opportunity brought about by the financial tsunami to conduct a comprehensive review of the overall philosophy of its governance. On the contrary, in the policy addresses of these two years, the ruler simply followed established rules, completely lagging behind in the global economic and political trend, and missed such a golden opportunity to address the deep-rooted conflicts in the social structure. This is really most disappointing and regrettable.

President, regarding the overall economic and social situation in Hong Kong, since the onset of the global financial tsunami triggered by the United States' subprime mortgage crisis in 2008, which has dealt a heavy blow to the global economy, various countries have been forced to adopt some extraordinary measures to rescue their collapsing economic and financial systems. Against this background, Hong Kong economy is inevitably being subject to the serious impact brought by the external situation. Since the second quarter of 2008, our Gross Domestic Product (GDP) has started decline for several quarters in a row. In the first quarter of this year, there was even a substantial drop of 7.8%.

As the measures taken by various countries to bolster their economy have gradually seen results, the external economic situation has been stabilizing. It seems that the Hong Kong economy has started recovering from recession as well. According to the latest statistics, the GDP of Hong Kong, after recording a substantial decline in the first quarter, has been relieved in the second quarter and the drop has been narrowed down to 3.8%, with the downward trend over the past four consecutive quarters arrested. Moreover, there are also obvious rebounds in the stock and property markets.

Nevertheless, another set of figures has revealed some hidden worries. In Hong Kong, the value of export products in August has dropped by 13.9% as compared to that of last year. Although the drop is smaller than that in July, such value has been on the decline for 10 consecutive months, showing that the demand for imports of advanced economies is still very sluggish. Moreover, the latest unemployment rate in Hong Kong for the period from July to September is 5.3%. It is expected that this rate will continue to stand at above 5%. In particular, the unemployment rate among youths is the most worrying, for the unemployment rate of youngsters aged 15 to 19 is as high as 25.7%.

Moreover, prices in Hong Kong are still high. Although the inflation rate has gone down earlier on, with no more relief measures being implemented by the

Government, the latest Consumer Price Index has started rising from the decline last month, with an increment of 0.5%. Some academics even anticipated that rents and expenses on food will lead to inflation again. In particular, being subject to the impact brought about by inflation in the Mainland and appreciation of Renminbi, inflation in Hong Kong will become more obvious and the living of the lower strata will be even harder.

In the medium and long term, as a result of the United States' quantitative easing policy, the continually weak US dollar, which is evident in the new lows recorded repeatedly in the exchange rates of US dollar to a basket of currencies and the US Dollar Index, which is used to measure the performance of US dollar relative to other currencies, and since Hong Kong dollar is linked to US dollar, the weak trend of US dollar will not only bring about an upsurge in asset prices, but also induce an imported inflation to the Hong Kong market which mainly relies on imports, resulting in a hyperinflation. By that time, the living of the grassroots will be even more difficult.

President, I would like to turn to household income. There has been an incessant decline in household income. The latest median household income has dropped 2.3% to \$17,000, which is the lowest since the third quarter of 2007. The number of poor households with an income below \$4,000 has greatly increased by 4.1% to 197 700. Such figures have reflected not only a rising number of low-income households, but also a trend of the middle class and high-income households moving downward. In the second quarter, the number of households with a monthly income below \$10,000 is 649 200, which is 27 600 more than that in the first quarter. As for households with a monthly income above \$40,000, they have dropped by as much as 10.5%. The above figures show that the lagging effect of the economic recession is now surfacing. Therefore, even though the Hong Kong economy is recovering steadily, we should not be too optimistic.

At the same time, there has all along been a growing polarization in society. The disparity between the rich and the poor is deteriorating. The Gini Coefficient in Hong Kong rose from 0.518 in 1996 to the latest one at 0.533 in 2006, which was also a record high since 1971. Such a rise shows that the disparity between the rich and the poor has been deteriorating during in the past decade. The household income of the grassroots remains at a low level and the share of their income in the total is declining. In other words, the grassroots,

being the first to be affected in an economic recession, can hardly be benefited when the economy is recovered. Rather, they have to bear the hardship brought about by the persistently high prices.

Talking about governance, it seems that the SAR Government is incapable of breaking away from this quagmire. Though examples can in no way be set out exhaustively, earlier on, there were the incident of pay cut of civil servants, the disputes on remuneration for the disciplined services, the school drug testing, the storm in a teacup among Members of the Executive Council as well as the recent incident of compact fluorescent lamps. All these minor issues can become big troubles. This has in fact revealed the lack of transparency, inadequate consideration, wrong assessment of the situation and even failure in policy implementation of the Administration. Frankly speaking, in implementing various policies and plans, different levels of difficulty and reasons for failure may be involved. However, they are basically attributed to the closed political system, which has given rise to a lack of recognition, thus impeding administration.

President, in face of the above overall situation, this year's policy address should suit remedies to the ills. Regrettably, in handling such important issues, the Chief Executive opted for the approach of nearly doing nothing. He simply turned a blind eye to the difficulties currently encountered by the public, adopting the strategy of "sitting on its hands only". The policy address, which should set out grand plans and policy initiatives, turns out to be a briefing on some trivial projects. Surprisingly, some projects can be detailed in such an exhaustive manner. For example, the plan on conserving Central can take precedence over other major projects and become the focus of promotion. Moreover, even the trivial project of distributing \$100 coupons for purchasing compact fluorescent lamps has to be set out in such great details. I of course have no objection to these plans on conservation and environmental protection. However, it also reflects that there is a complete lack of substance in the policy address. Is it the case that "in the country of the blind, the one-eyed man is king"?

Perhaps, the authorities may argue that the policy address has already proposed the six industries as the new direction for development in Hong Kong. The ADPL and I of course support the development proposal of industrial diversification in Hong Kong. This is also fully in line with the ADPL's view of developing a diversified economy, with a view to, through diversification of industries, reducing our over reliance on the existing economic pillars and

dispersing the risks, and at the same time, providing more comprehensive opportunities of employment. However, after all, new industries can in no way be developed overnight. This involves injection of resources and planning by the authorities in the medium and long runs.

Each year, the policy address is mainly aimed at drawing up the administration blueprint for the coming year on various aspects, including concerns about economy, society, people's livelihood and the constitutional system. However, since day one of the consultation, the Government has employed every means to take the development of the six industries as its theme, intending to over dominate the mass media and targets of the consultation as well as override the public expectation and control their opinions, with a view to distracting and suppressing their keen requests of urging the Government to alleviate the difficulties they are now facing. The ADPL and I have great reservations about such a tactic of manipulation.

As a matter of fact, the so-called development of the six industries put forth in the policy address is only "all thunder but no rain". Measures in the policy address only put emphasis on facilitating entry of these industries and the short-term injection of resources. Moreover, the Government also stressed seriously that it would adhere to the principle of "big market, small government". President, I have to reiterate once again that this obsolete "golden rule" has in fact made the public find the development of these new industries not at all optimistic. It is doubtful whether the Government will get involved as it always chooses to stay aloof from it. After all, we have to rely on the free market to develop on its own.

President, how would those businessmen, who have all along been mercenary and putting emphasis on the benefits in front of them, be willing to invest in these new industries which are high-risk and can only yield low returns over a long period of time? Moreover, as for the planning and objectives of these new industries, such as the GDP they will account for in future and the number of posts to be created, in particular employment opportunities for the grassroots, no assessment has ever been made. We can thus imagine that the authorities' commitment to these new industries is nothing but empty talk.

Put it bluntly, the authorities still stick to the market-led mentality in the past and even want to fully rely on the market. If they go on in the same old rut in promoting the development of new industries, including setting up funds,



making some minor policy adjustments or even only making some capital investments at the very beginning, and still adhere to the market principles of awarding contracts to bidders offering the highest tender prices and bidding, I can say that the development prospect of these new industries is not optimistic at all. In the past, the EcoPark is a good example of failure.

In fact, according to the actual experience of other countries, sole reliance on the market-led approach is not a feasible way of developing new industries. On the contrary, it may be very effective if the Government can lead such development or even get involved directly. Therefore, the ADPL and I hope that in promoting the development of new industries, the authorities should change their mentality in a fundamental manner. In particular, when the free market fails to bring its function into play, the authorities should think afresh and define the role of the Government and point of intervention. It does not matter the Government may eventually have to get involved directly in the development and operation of these new industries or even effect intervention in the short and medium run.

President, there may be something to write home about in this year's policy address as finally, the authorities are willing to face up to the long-standing problem of our unitary economy and develop towards diversification. But very regrettably, as for another even more deep-rooted problem in our society, that is, the disparity between the rich and the poor, the authorities simply put it on the shelf and sit with their arms folded. There is no mention of poverty in the whole policy address. Does the Chief Executive intend to follow Mr TUNG's practice in the past, that is, not mentioning "85 000" means that there is no such problem? And now, not mentioning poverty means that there is no poverty at all. Perhaps, the Government sticks to the old rut, thinking that if the pie is made bigger, the poor can share the economic fruit naturally. President, history tells us that such an approach is only its own wishful thinking, which is completely ridiculous.

The ruler always says that "with the recovery and continuous growth of our economy, the poverty problem can be resolved naturally". Such an argument can hardly stand the test of facts. Actually, the correct version should be "there is no causal relationship between economic growth and alleviation of poverty". We have checked the statistics gathered in the 2006 Population Census. If households in Hong Kong were divided into 10 classes according to their monthly household incomes, the median monthly income of the lowest class (as calculated

according to the market price in 2006) had dropped from \$2,952 in 1996 to \$2,888 in 2001, and even to \$2,400 in 2006. During this period of time, the Hong Kong economy had experienced ups and downs. However, the median household income of the lowest group had all along been on a decline rather than a rise. In view of this, how can economic growth help the impoverished households to solve their financial problems?

President, as we may remember, whenever some overseas institutions and organizations announce that Hong Kong ranks high in terms of the freedom of its economy or business environment, our Secretaries of Departments or Directors of Bureaux are always eager to make responses and blow their own trumpets. However, as cited by the *Business Weekly* in the United States lately, according to the *Report on Human Development in Central America* newly released by the United Nations Development Programme, the problem of disparity between the rich and the poor in Hong Kong is the most serious among advanced economies in the world. President, we rank the first again. However, our Secretaries of Departments and Directors of Bureaux did not come out and say something. To date, there has been no response at all. Is it a kind of acquiescence or shame, or they simply think that overseas powers are trying to stir up troubles?

President, as I have mentioned just now, the Gini Coefficient in Hong Kong rose from 0.518 in 1996 to the latest 0.533 in 2006. This is a fact cast in iron, one that can neither be covered nor neglected. In the past, the Government argued speciously, not only querying that the Gini Coefficient had its own restrictions, but also pointing out that it had not taken the impact of tax and social transfer into consideration. President, even if we take a step backwards and compile a post-tax post-social transfer Gini Coefficient, the original 0.533 in 2006 can be adjusted downwards to 0.475. But it is still much higher than the warning line at 0.4 which is commonly adopted in other countries, showing that remedial measures adopted by the Government cannot narrow the disparity between the rich and the poor. On the contrary, let us take a look at other countries. Canada and the United Kingdom also compile a post-tax post-social transfer Gini Coefficient, but they are able to suppress it from the original level of above 0.5 to below the warning line at 0.4. Why are they able to do so but we cannot? Why can we still not make it even we have also put in efforts as others? Is what we have done adequate? Is the vigour strong enough to alleviate the problem of disparity between the rich and the poor? The figures have time and again told us that our SAR Government cannot make it. Why does the

Government resort to sophistry and refuse to face up to the problem of disparity between the rich and the poor?

President, the disparity between the rich and the poor is deteriorating and the number of low-income households is on the rise. According to the figures released by the Hong Kong Council of Social Service earlier on, taking 50% of the median household income in Hong Kong as the poverty line, it is anticipated that the poor population in Hong Kong has already increased to 1.23 million. Such a situation is indeed critical. Regrettably, the policy address simply turned a blind eye to it. Subsequently, the Chief Executive even argued for the sake of arguing, insisting that the amount of CSSA payment should be taken as the poverty line. He refused to face up to the reality that behind these ice-cold figures, there were in fact many people living in great hardships and dire straits. These people are our grassroots, who are living not only in Sham Shui Po, Kowloon West, but also in Kwun Tong, old Hung Hom district, Wan Chai, old Tsuen Wan district and Tin Shui Wai.

President, with rapid development of global economy, the problem of urban poverty is, on the contrary, deteriorating. On the one hand, the mainstream labour force, having knowledge and technology, will enjoy a more superior status brought about by economic development and become richer. On the other hand, the grass-root labour force, being in lack of competitiveness and opportunities, will be excluded from the mainstream society and become unable to survive in the market.

In fact, governments of various countries all over the world have started putting forth a lot remedial and relief measures to solve the problem in respect of the competitiveness of low-skilled labour and their lack of opportunities of development. However, in Hong Kong, with economic transformation and development towards high valued-addedness, the gap with the market of grass-root labour force is widening. Not only does the Government fail to bridge the gap, but also uses the so-called free market as an excuse to refuse to allocate resources for development of the grass-roots industries. It even argues that the problem can be solved by the free market and completely overlooks the blind spot of the free market where the grassroots are ignored. I think all of us should know that the free market is not incapable, only that it is not willing to do so. Moreover, in formulating policies, the Government always tilts towards the business sector with vested interests and overlooks development opportunities for

the low-skilled workers, resulting in the complete narrowing of the channel for the grassroots to "climb up and upgrade". I am worried that in allowing different strata in society to climb up, the Government is only thinking about the middle class, without giving any consideration to the grassroots at all.

Therefore, the ADPL and I consider that the short-term relief measures, such as implementing the Transport Support Scheme, creating employment opportunities for the grassroots and waving rentals of public housing flats, can solve their urgent and immediate problems. As for the long-term strategies to alleviate the disparity between the rich and the poor, the Government should take up the role of allocating resources in a more proactive manner and review afresh the impact of the *laissez-faire* policy adopted in the past on the disparity between the rich and the poor. Moreover, it should take the initiative to improve the seriously tilted economic structure. In view of this, the ADPL and I consider it necessary to set up afresh the Commission on Poverty, comprising the Chief Secretary for Administration, officials from the relevant bureaux as well as members of the public. The Commission should, starting from the macroscopic perspective and the economic structure, conduct fundamental reforms of the system and tackle the problem at root. It should also set clearly the objectives of alleviating poverty, and promote and co-ordinate various bureaux to work on poverty alleviation. Moreover, it should establish a review mechanism to assess the adverse impact of policies to be implemented on the disparity between the rich and the poor. Under the unstable economic conditions presently, the authorities should make use of the platform provided by the Commission on Poverty to explore and put forth specific measures, so as to help the grassroots to face up to their financial difficulties at present.

President, moreover, as for employment, the ADPL and I support the Government to provide employment opportunities through promoting infrastructure construction. However, we hope that the volume of public housing construction can be increased to 20 000 units each year, so as to assist those low-income households who cannot afford to rent private housing to improve their living, and at the same time, increase employment opportunities. Moreover, the ADPL holds that, apart from developing social enterprises as well as improving and relaxing the existing Co-operative Societies Ordinance, job opportunities should also be created directly at the community level, so as to provide additional development opportunities for the disadvantaged groups, which can address the shortcoming of the free market in ignoring the grassroots.

President, very regrettably, talking about social enterprises, the policy address only mentioned that a Social Enterprise Advisory Committee would be established to advise the Government on the further development of social enterprises. I am worried that this Advisory Committee will lack bite, resulting that "there is much more said than done". The ADPL and I opine that as social enterprises have encountered difficulties in development in Hong Kong, including inadequate start-up funds and poor experience in business operation and management, they cannot put their social objectives into full play. The ADPL and I propose that the Government should set up a social enterprises head office, with a view to promoting the development of social enterprises and co-operative societies to benefit from economy of scale.

The Subcommittee on Poverty Alleviation under the Legislative Council has just conducted a duty visit to South Korea and Taiwan. We find that both places have promoted the development of social enterprises. Their governments have allocated funds to provide subsidies to social enterprises, so as to enable them to open up and operate their own businesses. More importantly, they have a basic objective, and that is, only if social enterprises can assist some people in society to solve their problems, though they may not be able to achieve 100% self-financing at the end, the governments and even the business sector will still support their survival. It is because, if these social enterprises fail, their service targets will in fact suffer. For example, a social enterprise has employed 50 unemployed people, so if it fails to continue its operation, these 50 unemployed people may turn to the governments for unemployment assistance. Therefore, the governments prefer subsidizing 10% to 20% of their capital, so as to enable social enterprises to continue their operation.

We have come across another example of social enterprises, which is the Beautiful Store in South Korea. Shops are offered by the business sector at low rentals, which enable social enterprises to start up their business at specific locations in 10 to 20 large shopping malls. What do they sell? They do not sell high-class products. Rather, they sell second-hand goods. There are 10 to 20 shops of this kind. Korea can make it, and so does Taiwan. But why do we still provide subsidies of about \$1 million to \$3 million each time and then sit back with folded arms? Social enterprises have to depend on themselves for survival. In case they fail after two years, they have no alternative but to fold. This is completely not an approach of operating social enterprises.

I hope that our official-in-charge, Secretary TSANG and the Advisory Committee to be set up in future — I hope that it is not just an advisory committee but a committee with solid powers — can promote social enterprises and make reference to the approach adopted by other countries all over the world which have social enterprises. Social enterprises in Spain have employed 24% of its working population, accounting for 7% of its GDP. The United Kingdom has run social enterprises for five years, accounting for 1 % of its GDP. Korea has started running social enterprises recently. Last year, there were 250 social enterprises and 10 000 workers were employed. Hong Kong has about 250 social enterprises, but only 1 500 workers are employed. Though the number of social enterprises is the same, the number of workers employed is only one tenth. I think such an approach cannot effectively promote the functions of social enterprises.

President, I hope at the community level and the social enterprise level, the Government can take up a more proactive role to assist people from the middle and lower strata. What I mean is not offering money to them, but giving them employment opportunities. President, during our duty visit to Korea, the Minister of Labour told us that to a worker, his welfare is a job, not a sum of money.

Thank you, President.

**MR IP KWOK-HIM** (in Cantonese): President, I will speak on manpower affairs on behalf of the DAB. Recently, the unemployment rate in Hong Kong has been alleviated with the slight recovery of our economy. And the unemployment rate in the construction industry is declining, showing that the major and minor works implemented by the Government, especially the "Operation Building Bright" campaign, has gradually achieved the result. However, as there are still uncertainties in the prevailing economy, not all sectors in Hong Kong can benefit from the economic recovery. I think we should pay attention to this point.

According to the information, the unemployment rate of young people aged 15 to 19 has dropped substantially. However, the employment situation of those aged 20 to 24 shows no improvement at all. It is believed that the substantial drop of the unemployment rate of young people aged 15 to 19 is attributable to the fact that they choose to pursue their studies in order to avoid becoming

unemployed. Therefore, we should not be optimistic about the unemployment situation of young people.

In fact, it is known to all that the unemployment rate of young people is generally higher than the overall unemployment rate. The DAB has gathered some information on the employment training schemes implemented in some places all over the world for young people who are unemployed and unable to pursue further studies. We find that those being implemented in Hong Kong and overseas countries are more or less the same. This shows that insofar as enhancing the employability of the new generation in the international community is concerned, though a lot of resources have been injected, the result is still not very effective.

The development of the six industries is the main theme of the policy address. Therefore, the training of talents in future should no longer, as in the past, based on a "non-individualized" education system for industrial development. Rather, a tailor-made teaching environment should be fostered for transformation to the knowledge-based economy.

President, we can also see that the unemployment situation in the construction industry in Hong Kong over the past 10 years has all along been serious. With the lack of prospect and the serious problem of wages in arrears, coupled with its manual labour nature, the volume of new blood joining the construction industry has been on the low side in recent years. With the commencement of a series of major infrastructure projects in future, there is a severe manpower shortage in the construction industry in Hong Kong. Apart from recruiting talents through various measures, the DAB considers that the SAR Government should in fact make reference to overseas experience and examine how the professional status of construction workers in Hong Kong can be upgraded, so as to attract young people to join this industry.

President, the Legislative Council is now scrutinizing the Minimum Wage Bill. The DAB considers that the legislation on minimum wage should ensure that Hong Kong's competitiveness and employment opportunities of socially disadvantaged workers will not be seriously affected.

According to the practice adopted overseas, apart from stipulating the standard level of minimum wage, many countries have also set a minimum wage for young people. The DAB considers that a separate level of minimum wage

should be stipulated for young people. In this connection, we hope that the Government can explore this. And we believe that, if such a level can be stipulated, it will provide an incentive for employers to hire young people and provide on-the-job training opportunities for them.

**DR JOSEPH LEE** (in Cantonese): President, in today's debate on the policy address, we are now turning to "Investing for a Caring Society" in this session. I would like to talk about, in respect of the topics relating to elderly policy, mental health and rehabilitation of people with disabilities, the present situation and whether adequate efforts have been made the Government.

First of all, let us take a look at the elderly problem. In fact, over the past years, I think the Hong Kong SAR Government has simply regarded the elderly problem as a welfare issue. I have also stated on various occasions that the elderly problem cannot be resolved merely from the welfare perspective. And precisely because the Government has regarded the elderly problem as a welfare issue, many other problems relating to their health and social life are overlooked. I will talk about this later.

However, this policy address mentions that the elderly all want to live and work in peace and contentment. With the policy address, can the housing need of the elderly be really solved to enable them to lead a peaceful life? The Government proposes to work proactively with the Hong Kong Housing Society (HKHS) to launch the Senior Citizen Residences Scheme in Tin Shui Wai or some urban areas. In this connection, I hope that results can really be achieved.

However, Tin Shui Wai is so far away. If the Government really wants the elderly to live and work in peace and contentment, in implementing this special Senior Citizen Residences Scheme in such remote areas, I also hope that it can consider seriously to see if various ancillary facilities in those districts, including medical, social facilities and transport, are easily accessible to them or not. Otherwise, after moving into those areas, only the elderly will live there whilst the youngsters and their family members or friends will not visit them. In my opinion, this may not achieve the objective of enabling the elderly to live and work in peace and contentment.

This example has clearly shown that in Hong Kong, the elderly policy is not merely a welfare issue. The Government cannot enable the elderly to lead a



peaceful life by merely injecting some resources to construct some buildings jointly with the HKHS. In fact, this is a matter of ancillary facilities, in which various policy aspects will be involved. I hope the Government can address this situation.

Talking about the housing issue, the Hong Kong Housing Authority (HA) has also launched the Special Scheme for Families with Elderly Persons, hoping that the elderly can live with their family members and youngsters. This scheme is very good. But now, after launching this scheme ..... the Secretary for Transport and Housing is not here ..... of course, this scheme is related to the elderly. If I were a young man and want to live with the elderly, I will choose some public housing flats nearby. However, I am not allowed to choose flats in the urban areas. I can only choose those outside the urban areas. To the young people, they may not be willing to accept such an arrangement because of the change in their work environment. The Government expressed the hope that the elderly can lead a peaceful life and live with the youngsters. But how can this be achieved? We therefore note that on policies, we cannot just focus on welfare. Other segments should also be taken into account.

However, there is also a piece of good news in this policy address. We have discussed for years whether it is possible to effect drug management at various residential care homes for the elderly (RCHEs) now. I think the President may also note the frequent occurrence of drug and medical incidents in the past. How can we solve this problem? The Government has done a good job this time. I am very delighted as the Government has really injected resources into its policies to support the provision of pharmacist services in RCHEs. This is very good. Our sector has discussed this issue for a long time. This has brought us a piece of good news.

Of course, given such a policy direction, I think the Government, in implementing this policy, should be mindful of the issue of ancillary measures. Do pharmacists working in RCHEs have any supervisory power as well? In case they find that there is something wrong in the drug management of RCHEs (no matter private or subsidized ones), what will be their powers? With the formulation of all these measures, can the quality of distribution or management of drugs in RCHEs at present be assured? Otherwise, if we still remain at the stage that though such a policy is made, no strategy will be in place upon implementation, the objective can hardly be achieved.

As for this scheme, let me see how the Financial Secretary will deal with it when he announces the budget. It does not matter whether pharmacist posts in RCHEs are taken up by pharmacists in the community or the in-service ones in the Hospital Authority. They can assist in drug management in the existing private or subsidized RCHEs. Some unnecessary risks will be greatly reduced and the elderly can rest assured when taking drugs. This is very important. We welcome this very much.

Talking about RCHEs, there is one point that must be mentioned, and Honourable colleagues have also touched upon it. The Government has introduced some new measures, which we call measures to "enhance efficiency". When we find that some private RCHEs are left vacant or some RCHE places are not suitable, we will increase the ratio, hoping that the waiting time can be shortened. Moreover, we also hope that in the coming three years, five more RCHEs can be built.

In fact, talking about RCHEs, there is one more point that should be mentioned. The number of places may have been increased by several hundreds. However, so far, neither the Government nor the Secretary has given us any direct response to a question. Do they have any indicator similar to the one of the three-year waiting time adopted by the HA? Can the Government ensure that the elderly can be placed at nursing homes or RCHEs within three or even two years? If there is no such indicator, it is very hard for the elderly to anticipate how long they have to wait. As for those elderly who have passed away before placement, I think there are a lot of such reports in the community. This is a tragedy. If this is really the case, how can we believe that the elderly policy currently proposed by the Government can enable the elderly to enjoy their twilight years comfortably?

Therefore, I hope the Secretary will not evade this question anymore. Rather, he should give us a reply seriously. Over the years, has he ever considered that the measure proposed this time will be fully welcomed by us? Regarding the waiting time for placement at subsidized homes for the aged or RCHEs of four different grades, is there any indicator to tell the elderly how long they have to wait? This is what we expect to hear.

Turning to the number of RCHEs, we have received a piece of good news. As advised by the Government, the number of places has been increased by over 500. I also expect that the Secretary can tell us how long the elderly have to wait before being admitted. However, there is also a point in this policy address

which makes us feel disappointed. Apart from the number of places, how about the quality? This is very important. Of course, a certain number of RCHEs would be provided for the elderly. But what is the quality of living? The quality of RCHEs will in no way be assured by simply providing a resident pharmacist.

As we can see now, the classification of RCHEs into four different grades by the Government is in fact outdated. With the change in policy in 2000, when being admitted to RCHEs, many elderly can no longer "take care of themselves" as in the past. Rather, many of them have a high degree of dependency and their health conditions are not so good. That is to say, according to our rough estimation, approximately over 70% of the elderly living in RCHEs need personalized care. Due to their poor mobility and various kinds of chronic illnesses or physical impairments, they have a high degree of dependency on admission to RCHEs. However, reviewing the existing licensing or regulatory system, we can see the ratio of one nurse having to take care of 60 elderly persons. I have consulted the Secretary about this. He replied that this ratio was already in place before he had assumed office. Perhaps, we should put it this way. There was such a ratio 10-odd years ago. Therefore, I consider that we should review this system once. After the review, we should also examine whether the Social Welfare Department or the Department of Health have put in full efforts in performing their regulatory functions now. Very often, we find that some RCHEs have exploited the loopholes in law. I think the Secretary also knows that some private RCHEs will exploit the loopholes in respect of quality, saying that they have 58 or 59 places and are not required to hire qualified nurses. What is the shortcoming? In the past, the elderly were able to take care of themselves and there would be no problem. However, in case they have a high degree of dependency and poor health conditions, are those unqualified nurses really able to take care of them? As for quality assurance, this policy address has not mentioned it at all.

I hope there should be quality assurance, in both subsidized and private RCHEs. The Government is duty-bound to regulate them. In particular, nowadays, the legislation is already outdated — perhaps only I think it is outdated whilst the Secretary does not think so — however, it does not matter. We can discuss in the Legislative Council on how such a review can be conducted. This also serves as protection for our elderly. No matter what kinds of RCHEs they are being admitted and whether there will be an indicator in future or not, or

whether the waiting time can be shortened, we should enable them to live in quality RCHEs, rather than just providing them with a dwelling place without any quality assurance. If the latter is the case, we will be very worried. Being a trade practitioner, a professional, I think RCHEs provided for the elderly should be a good place to live. Apart from places, there should also be a certain level of quality assurance, so that the elderly can live comfortably. This is very important. However, we are disappointed about this for the time being.

As I have just mentioned, RCHEs are an important segment. However, looking back at the elderly policy as a whole, I have to tell the Secretary that according to a survey, among 1 000-odd elderly persons interviewed, 80% cannot rest assured at being admitted to private RCHEs. This survey has revealed that at present, the elderly lack confidence in private RCHEs, thinking that their quality is not so good. Why is there such a situation? In view of this, there is a need for us to review and amend the regulatory and licensing legislation. I hope the Secretary can put in more efforts. Although this policy address has not mentioned anything in this regard, can the authorities make more efforts to address this problem which is particularly important to the elderly? As the overall population in Hong Kong is ageing, I, the Secretary or the President may have to live in RCHEs as well. We also hope that RCHEs can at least have quality assurance. In this way, after being admitted to RCHEs, the elderly will not query why their quality is so bad. Or though the waiting time is not so long, after being admitted to RCHEs, they then discover that their quality is so unsatisfactory. This is very worrying indeed.

Of course, there are some private RCHEs of good quality. Recently, a friend of mine has moved into a RCHE at a monthly rate of about \$38,000. He has chosen a single room with a full package of care services. But how many Hong Kong people can afford a monthly payment of \$38,000 in the long run for living in such an Grade A RCHE? Of course, we do not request that every elderly has to live in this kind of RCHEs. However, we should at least have some RCHEs with quality assurance. This is very important to the elderly. I hope the Secretary can address this problem squarely. Although it is not mentioned in the policy address, the Secretary should squarely address it.

Another survey also reveals that the Government has regarded its policy on the elderly or care for the elderly as a kind of welfare policy. It only puts emphasis on taking care of their physical needs. That is to say, it thinks it is fine

as long as they are given a place to live. As I have pointed out just now, if RCHEs are of good quality, it is of course fine as there will be no problem upon admission. However, as revealed by a survey, according to the statistics in 2007, there was a substantial rise in the number of suicide cases committed by the elderly aged over 60. On the whole, the suicide rate of the elderly is 35% at present. There are many reasons for the elderly to commit suicides, including chronic illness, depression and even lack of care. This reflects that the existing elderly policy lacks an overall perspective. We should in no way suppose that the elderly can enjoy their twilight years comfortably with mere provision of housing and RCHEs for them to live.

There is a need for the elderly to receive comprehensive care, including care of their physical, psychological, social and spiritual health. Has the Government taken care of their social health? Are they peaceful and healthy? Have we ever paid attention to this point? All these are important considerations. If we want to enable the elderly to enjoy their twilight years fruitfully and comfortably, in terms of the overall elderly policy, this cannot be achieved by just mentioning in the policy address an increase in the number of RCHE places.

What I have mentioned are all important issues. I hope the Secretary can consider them seriously and allocate more resources to follow up policy-wise.

The Chief Executive stated in the policy address that a Happy Family Campaign would be launched, in the hope that with the launch of this Campaign, the elderly can be more cheerful and the whole family can be happier, achieving that "having an elderly person at home is like having a gem" which has not been mentioned for a long time. However, looking back at the past, in order to have healthy and happy families, no achievement could be made by simply providing RCHEs or passing the issue to the Family Council to handle. Since its establishment in 2007, the Family Council has all along been designated to conduct some educational and promotional activities, without ever genuinely exploring the role of the elderly in nuclear families. I hope with the Family Council and the Happy Family Campaign mentioned by the Chief Executive this time, we can genuinely explore how the elderly, being a member of their families, can enjoy their twilight years comfortably in happy families. This is an important topic, and I hope that they can be enabled to enjoy their twilight years in a positive manner.

Lastly, insofar as the elderly are concerned, there may be a taboo. Very often, the elderly have various kinds of diseases and may not prefer living in RCHEs. However, due to the living environment and financial situation of their family members at present, they have no alternative but to live in RCHEs. But some of them are eager to enjoy their twilight years or even pass away at home.

At present, the hospice service in Hong Kong is most inadequate. If the elderly have chronic illnesses, with the consent of their family members, arrangements can be made to allow them to pass away at home. But such service is very inadequate. Take New Territories East as an example. There are only two hospice nurses in the whole New Territories East for provision of outreaching hospice services. In such circumstances, even the elderly, with the support of their family members, want to pass away at home, as there is a lack of resources or professionals, they have to go back to hospitals, thus indirectly imposing pressure on the public medical system. In this connection, if the Government wants to enable the elderly to enjoy their twilight years comfortably and fruitfully, we agree that the elderly should have the right to choose to live at home until they die, provided that their family members also agree them to this arrangement. Therefore, the Government should consider allocating additional resources for provision of hospice services. Regarding services for the elderly, discussions can never end. Anyway, I think I have to stop here today.

Next, I will talk about the issue of mental patients. It is also mentioned in the policy address that additional resources will be allocated for rehabilitation services, no matter for mental patients or people with disabilities. We welcome this very much. It is because apart from increasing the number of places and shortening the whole waiting process, service quality can also be enhanced. Moreover, the Secretary also advised that he would consider introducing a licensing regime to effect regulation. This is also a very good arrangement. With this, both people with disabilities and discharged mental patients can enjoy a certain level of quality assurance when receiving services at these residential institutions. It is because we also had some bad news in the past. These socially disadvantaged groups, due to their physical disabilities, intellectual disabilities and even mental illnesses, may be subject to a higher chance of being abused in these institutions. Since they do not know how to tell their family members, or are incapable of telling others, there is no way of knowing whether they are being abused or not feeling well. I think the Bureau has done a very good job in this regard. However, we should not forget one point. Let me

repeat it once again here. The whole process of rehabilitation means not only the provision of a place for them to live. Rather, there should be a multi-disciplinary team to take care of this group of people. The policy address has only mentioned the issue of quantity, without touching upon the issue of quality. Shall we put in more efforts to provide, no matter for people with disabilities or discharged mental patients, a comprehensive package of ancillary facilities and additional resources in the community? For example, more professionals from various sectors should be pooled, including occupational therapists, physiotherapists, nurses and social workers, to form a team to help this group of people. Apart from enabling them to be admitted to residential institutions expeditiously, they can also enhance their self-care abilities, especially those mental patients. We believe that they can make contribution to society. Shall we provide additional resources to enable them to adapt and integrate into society expeditiously? Therefore, put simply, the Government should provide additional resources and make it a point to train or recruit a group of professionals to form a team to take care of this group of people, no matter they are discharged mental patients or people with disabilities. In this way, they can integrate into society more easily and better adapt to their living in residential institutions.

Talking about discharged mental patients — excuse me, I have to mimic the Chief Executive and help myself to some water. However, I will not argue whether that verb should carry an "s" or not — the Government has also mentioned that resources will be allocated, hoping that this can help them. As we can all notice, the policy address has particularly mentioned that social workers will be employed. Certainly, we welcome the recruitment of social workers. The sector is of the view that there is an advantage in recruiting social workers, as more problematic cases of discharged mental patients will be identified. However, the question remains, once there are more cases, other ancillary facilities may not be adequate to cope with them. In other words, if more problems are revealed, but there is no additional manpower in doctors, nurses and occupational therapists, or we are not sure whether there is any additional manpower or not, what can we do?

In a community, we have to bear in mind — perhaps, the Secretary is not so familiar with it, and it so happens that Secretary Dr York CHOW is not here — the cost for mental patients having rehabilitation in the community is very high. The Government should inject adequate resources. It does not work if it just provides housing for them or appointing social workers to comfort them.

Very often, it is most crucial to have a multi-disciplinary team. At present, there are only 133 community psychiatric nurses in Hong Kong. But they have to take care of 100 000 discharged mental patients in the community. How can they cope? Of course, I hope that they can do so. However, if the Government only increases the manpower of social workers, it is impossible to cope. It is because the number of cases may increase to 150 000, but there are only 133 community psychiatric nurses. How can they handle these cases? The risk involved will be very high. I do not want to see that, as a result of tilt in policy by the Government some parties are being ignored, resulting in the community being subject to a higher risk posed by these mental patients or discharged mental patients. We do not want to see such a situation arising. The Government should put in more efforts to tackle this problem.

Another issue on discharged mental patients is that, as shown in an investigation or a survey, it may not be the best approach to dismiss them from hospitals and let them integrate into the community expeditiously. In the past, there were half-way houses. And now, the Castle Peak Hospital has a special scheme named as "EXITER", meaning that those people who cannot live independently in the community can be put up in a half-way place. A group of professionals will take care of them, so that they can work outside during the daytime and go back for rest at night. Its operation is different from that of a hospital. This is a very good scheme. However, I know that this scheme is not subsidized by the Government and has to cease its operation soon because of lack of funding. If the Government wants to implement such kind of schemes, I think, as the first step, it is not necessary to put all discharged mental patients back to the community. Rather, it may arrange for them to live in some half-way houses of a nature similar to that of "EXITER", so that they can adapt and recover gradually. Coupled with adequate resources for different professional teams, it can assist them to integrate into the community more easily, thereby reducing possible conflicts between society and these discharged mental patients. The Government should squarely address problems in this regard.

Lastly, in this policy address, we find that there is an area which is better than before, and that is, the Government has put in more efforts to take care of the elderly, mental patients and people with disabilities. However, I also hope that when we can be provided with ancillary facilities or funding in the budget, there will be sufficient resources to put those appropriate policies in place. Otherwise, we will still be stuck in empty talks without any solid actions. Thank you.



**MR ALBERT CHAN** (in Cantonese): This session is about "Investing for a Caring Society". President, the Government has been advocating care and investments for years, but very often, it is only lip-service.

Upon the release of this policy address, three pieces of important information have been announced one after another. If we were in a country returned by election, this government would certainly be overthrown by its electors because of such information. These three pieces of information are something disgraceful, showing that there are serious blunders in the administration of the Government.

The first one is the poor population in Hong Kong announced by the Hong Kong Council of Social Service, which has increased from 600 000 to 700 000 since the reunification in 1997 to 1.23 million, with a substantial increase of over 50%. These people are living below the poverty line. They are poverty-stricken and living in dire straits. The public are forced to live below the poverty line because of blunders in the administration of the Government. The poor population has not decreased. Rather, there has been a substantial rise. This is obviously due to serious blunders in the administration of the Government, which should be condemned. It also shows that this Government is unscrupulous and shameless in respect of its policy objective and attitudes.

President, the second figure is that Hong Kong ranks number one in terms of the disparity between the rich and the poor among developing regions. The Hong Kong Government is always proud of its ranking the first. As far as I can remember, when I assumed office as a Member in the 1990s, the Government always said that the container port in Hong Kong ranked the first in the world; that we had overtaken Singapore; and that our shipping industry and freight forwarding industry also ranked the first in the world, stating a lot of such figures. In each year's policy address, especially upon the release of the budget, it will say that Hong Kong is the freest city in the world, ranking number one. It always blows its own trumpet on how outstanding Hong Kong is. And Hong Kong is really outstanding now, for the disparity between the rich and the poor in Hong Kong ranks the first among developing regions in the world. But this is disgraceful, a shame on the people of Hong Kong. As for administration, a policymaker, when he sees this figure, should feel ashamed and extremely embarrassed. The phenomenon of the poor becoming poorer and the rich becoming richer in Hong Kong is attributable to our taxation system as well as the policy objectives and economic policies of the Hong Kong Government.

Even Stanley HO found it hard to remain silent, criticizing that some people had grown so fat that they could not pull up their socks. Even such a rich man in Hong Kong has made this comment.

President, the third figure is the Prosperity Index just announced yesterday. Hong Kong's ranking has dropped substantially to the 18th place. Fortunately, it is not the 19th place; otherwise, it will sound even more unpleasant. Originally, we rank the eighth. But now, we have dropped substantially 10 places to the 18th. This is also attributed to blunders in the administration of the Hong Kong Government. Hong Kong's Prosperity Index has all along been dropping whilst that of other regions has been on the rise. The Hong Kong Government is a "prodigal son". I already made such a comment many years ago. President, almost 10 years ago, I already pointed out that the Hong Kong Government was really a "prodigal son". On governance, no matter TUNG Chee-hwa in the past or Donald TSANG now, coupled with the Secretaries of Departments and Directors of Bureaux, all of our money has been wasted, resulting in a substantial drop in Hong Kong's Prosperity Index. Being the Secretaries of Departments and Directors of Bureaux, do they not feel ashamed when seeing these figures? Have Members of the Executive Council dozed off? They should have given advice to the Government, shouldn't they? If the Government does not listen to their advice, should they not take the blame on themselves and resign? As for policies under their purviews, if the Chief Executive does not listen to their advice, resulting in the performance of their purviews getting worse and the public being suffered, should they not take the blame on themselves and resign? Their conscience will also tell them not to be sentimentally attached to these powers and positions as well as the annual salary of several millions dollars. They should take the blame on themselves and resign. This is the call of conscience. They should do so.

However, the situation is not like this. Rather, they continue to blow their own trumpets. In giving responses later, the Secretaries will also brag about how good Hong Kong is and what they have done. But looking back at the objective facts and data, we will notice that under the administration by these well-remunerated senior officials, the living quality of people in Hong Kong is deteriorating. At present, 1.23 million people in Hong Kong are living in abject poverty.

Therefore, President, under such objective situation and environment, if Members still opt to vote for this policy address, their conscience may have vanished completely.

President, I would like to discuss with the Secretaries again several individual policies. The first one is about the problem of Tin Shui Wai. As far as I can remember, when I returned to this Council in 2000, I had time and again talked about the problem of Tin Shui Wai on various occasions, including during the debates on the policy addresses and budgets as well as at the meetings of the relevant panels. However, it seemed that the Government was deaf and had not listened to me at all. Until a mother had committed suicide with her two daughters, did the Government then awake as if from a dream. I had also discussed with Secretary Matthew CHEUNG several times and told him that in addition to the existing problems in Tin Shui Wai which were already known to us, there was also another problem which had existed for many years. In fact, a few years ago, I had also mentioned that the youth problem in Tin Shui Wai would explode seriously, and Tin Shui Wai would also be a district with the most serious youth problem in the history of Hong Kong. This is a crisis.

The reasons are very simple. There are a lot of broken families in Tin Shui Wai. The youth population in the district has surged suddenly, but facilities are particularly inadequate there. Let me draw a simple comparison between Tin Shui Wai and Kowloon City. The youth population in Tin Shui Wai is 44 000 and that in Kowloon City is 40 000. Kowloon City has three natural turf soccer pitches while Tin Shui Wai has one only; Kowloon City has seven basketball courts while Tin Shui Wai has four only; Kowloon City has three swimming pools while Tin Shui Wai has one only; and Kowloon City has 11 self-study rooms while Tin Shui Wai has eight only. I have not compared it with Kwun Tong. Kwun Tong has altogether 22 soccer pitches (including natural turf and hard-surface ones), but in Tin Shui Wai, these facilities are sorely inadequate. In this regard, we have to "thank" Anissa WONG, who had made a substantial cut in her capacity as Director of the Leisure and Cultural Services Department in 2000. In view of the fiscal deficit at that time, construction of all such facilities was stopped. Some of them were projects of the two former Municipal Councils, which had all been cancelled. As a result, residents in Tin Shui Wai have no place for leisure. With the lack of community facilities in Tin Shui Wai, coupled with its remote location from the urban areas, youngsters have difficulties in finding jobs. Even if they can get a job, the transport fee is particularly high. Moreover, many youngsters in Tin Shui Wai come from broken families. Their parents' educational level is not high. As a result, the educational level in that district is relatively lower than that of other districts.

Many reasons explain why youngsters in Tin Shui Wai have particularly numerous personal and family problems. Worse still, as community support and community facilities are inadequate, even if they want to take part in activities, there are no activities available to them, or they have no money to join them at all. When problems arise, support in the community is even scarce. Such problem with new towns has been discussed for 10 to 20 years. Once people moved into a new town from the urban areas, they, very often, have to sever ties with their friends and relatives, as the transport fee is very expensive and the time taken on travel is very long.

Today, if the Government, as I have mentioned earlier on, continues to sleep and dream, youngsters in Tin Shui Wai have no alternative but to fend for themselves. However, this will impose a very serious impact on society. In the era of the Hong Kong-British Government, as a youth riot broken out in the 1970s, the Government released a report to stipulate the youth policy expeditiously. But most regrettably, the existing youth policy is under the charge of the Secretary for Home Affairs, TSANG Tak-sing, who has all along been stressing the importance of "harmony". Ms Emily LAU has criticized earlier and queried why policies on women are under the purview of the Labour and Welfare Bureau. In fact, I do hope that the youth policy can be brought under this Bureau. At present, the youth policy is under the purview of the Home Affairs Bureau. However, this Bureau is of a nature similar to a co-ordinating institution, which is designated to promote recreational activities and extol the good times. Definitely, it will not be in a position to assist youngsters to solve problems and tide over difficulties. Therefore, I very much hope ..... let us make a swap, as Ms Emily LAU does not prefer to put women affairs under the purview of the Labour and Welfare Bureau, perhaps, the youth policy may be passed to Secretary Matthew CHEUNG, so that he can implement more services related to youngsters with the Social Welfare Department. In this way, youngsters in Tin Shui Wai can be provided with more support, development opportunities and assistance. In doing so, we may not be able to tide over this crisis, but at least, this bomb will not explode so fiercely.

In fact, I had put forth this view one or two years ago. I had also submitted an official paper to the authorities, proposing that a youth commissioner be appointed to co-ordinate the youth problems. At present, a lot of incidents have really occurred in Tin Shui Wai. Many Policy Bureaux and organizations have made efforts for Tin Shui Wai. However, due to the lack of

co-ordination among various parties, competition and wastage of resources are resulted. No one knows what they are doing as they fail to offer genuine assistance to youngsters who are in need. Very often, services are affected because of gaps and problems in communication. On the problem of Choi Yuen Tsuen, the Government has also dealt with special cases with special means, making some special arrangements to resolve the whole compensation issue. Why can the youth problem in Tin Shui Wai not be taken as a special case and handled with special means? As for this question, either by launching a pilot scheme or setting up a joint committee, the authorities should make some efforts expeditiously in respect of this crisis, so as to prevent the problem from deteriorating.

Another issue in welfare is the implementation of the Lump Sum Grant subvention system (LSGSS). The Secretary is also very clear about my attitude. Right at the outset, I had pointed out what the problem was. As shown by the facts, some problems with the implementation of the LSGSS in the social welfare sector pointed out by me at that time did emerge eventually. If the Government continues with this, the problem will only deteriorate continually. Although we know that a committee set up by the Government has made 36 recommendations, I think the best option is to simply abolish the LSGSS, as it is useless to just make some technical adjustments. For example, how can a person with congenital disabilities be trained into a brilliant athlete? This is impossible. Therefore, we should abolish the LSGSS, so as to enable the social welfare sector to start all over again before its services can be improved.

President, as for the problems faced by mental patients, the Panel on Welfare Services, in fact, has had a lot of discussions over the past year. We are very worried about the inadequacy of community support for discharged mental patients in Hong Kong. This is attributed to poor communication among departments, districts and service institutions and lack of resources, resulting in discharged mental patients having to face great hardships. Moreover, the problem of discharged mental patients will also affect the community and other families. Therefore, we should carry out a comprehensive reform of this service as soon as possible and stipulate a service model which is acceptable to all of us. This can not only enable discharged mental patients to obtain appropriate care and services in the community, but also enable the community to accept them, resulting in a win-win situation. Otherwise, the resultant problem will be extremely serious.

Another point is about the elderly problem, which many Members have already. The Government said that we should make investments for the elderly and care about them. But in Hong Kong, very miserably, many elderly persons are not being taken care of as their children have financial problems. Due to the lack of community support, many of them have to live in residential care homes for the elderly (RCHEs). However, each year, thousands of elderly pass away while they are waiting for admission to these RCHEs. Does the Government, being a service provider and a policymaker, not feel ashamed at all? Same things happen year after year, clearly showing that services are inadequate. Hoarding tens of billion dollars of reserve and so many vacant lands at that time, why did the Government refuse to release its lands and utilize the remaining surplus to build RCHEs for the elderly? Does the Government feel ashamed? It is not the case that there is a lack of money, land or talent, only that the Government allocates its resources to those big consortia. It prefers granting tax rebates and rates waivers to providing the elderly with a place to enjoy their twilight years comfortably. Are these senior officials human-beings? Does this Government have any concern for the people? It prefers letting the elderly wait until death to providing them with these basic services. Is it a humanitarian government?

President, if the Government continues to act like this, the problem of disparity between the rich and the poor will only be deteriorating; the number of people living in abject poverty will be on the rise; Hong Kong's Prosperity Index will continue to drop; but the remuneration of officials will keep spiralling. What society is it? What system is it? This is a small-circle government in which the Chief Executive is returned by only 800 people, or perhaps 1 600 people in future. They support and flatter each other. Their relationship is very good. They have dinner together and drink fine wines at dinner. Secretary Henry TANG, in particular, loves red wine very much. He is also very proud of promoting the red wine centre, selling a bottle of red wine at a price of over a million dollars. This has also been widely reported in newspapers — which is the prosperity in Hong Kong. However, sorry, I have to tell you that Hong Kong's Prosperity Index is dropping. Rich people continue to find no place to spend their money and senior government officials continue to work for them after retirement, which is a transfer of benefits, harbouring each other. This is the phenomenon in Hong Kong.

Therefore, without democracy in Hong Kong, Hong Kong people, especially those poor ones, have no alternative but to seek help from these

officials and political parties. Indeed, they have to fend for themselves. I hope the public can wake up to the need of staging confrontation, objection and rebellion.

**MR RONNY TONG** (in Cantonese): President, many senior officials find that the remarks made by Mr Albert CHAN just now are unpleasant to the ear, but others can actually understand why he is furious. I believe the senior officials sitting here can also understand that.

The previous session is about quality life. President, for those Hong Kong people who regard every day as a challenge, a hard nut to crack, the policy address's reference to quality life is actually rubbing salt into their wounds. President, the United Nations announced again last week that Hong Kong still had the most serious disparity between the rich and the poor among developed regions. Year after year, Hong Kong still ranks first and the figure this year is 0.434, higher than the alert level. President, the word "poverty" does not appear in the policy address. Sometimes, I really doubt if the Chief Executive is living in a different city and a different space from ours. Why can he not sense our helplessness and fury? President, the poverty problem is not mentioned throughout the policy address, and in only Page 54 of the policy agenda (Chinese version) is mention made of implementing short-term food assistance services and co-ordinating efforts across the Government in poverty alleviation through the Task Force on Poverty and monitoring progress in implementing the recommendations made by the then Commission on Poverty. President, it is the then Commission on Poverty, so the Commission is no longer in operation.

In the eyes of the Government, and the Chief Executive, poverty does not exist in Hong Kong. Two weeks ago, the remark made by the Chief Executive during the Question and Answer Session astonished all of us — our mouths were in O-shape. He said that households with incomes lower than the monthly payments received by Comprehensive Social Security Assistance households should be considered impoverished. For this reason, he had a long verbal fight with Honourable colleagues on that day, and we argued about how many impoverished households there were in Hong Kong. President, the definition by the Hong Kong Council of Social Service (HKCSS) is modelled on other countries' definition of the poverty line, that is, incomes lower than 50% or 60% of the median incomes; the European Union and the Organization for Economic Co-operation and Development have two different methods of calculation but the

discrepancy between them is not great. According to the HKCSS's calculations, the median income should be \$10,000, so those with incomes lower than \$5,000 should then be regarded as poor. President, using this method of calculation, the report published by the Oxfam Hong Kong in 2007 presented that working people with monthly incomes less than \$5,000 had increased from 222 800 a decade ago to 418 600 last year. President, the number has doubled within 10 years and the rate of increase is 87%; and there is one working poor person in seven to eight working people on average. The working poor are no longer found among technical workers but also among clerical staff and members of the retail trade. Mr Albert CHAN just now asked if the officials were ashamed; President, I am really ashamed.

Why has the poverty problem in Hong Kong gone round and round without being solved and deteriorated with an increasing number of poor people instead? This is because the Government has all along been unwilling to give poverty a clear definition. Without a definition, how can targeted strategies be introduced to improve the situation? How can we get rid of the bad name as the place with the most serious disparity between the rich and the poor in the world? President, there is not a single paragraph in this policy address about the worsening poverty problem and there is not any recommendation on how we should face this important issue despite the fact that many people in Hong Kong are affected. President, as I said yesterday, the Chief Executive blamed the media for making purely empty allegations, and I would like to ask him to consider the large log in his eye. The Chief Executive has turned a blind eye and a deaf ear to all this.

President, besides working poverty, we are discussing a caring society in this session. How caring is the SAR Government? Yesterday and today, many Hong Kong people gathered outside this building requesting the SAR Government to expeditiously set up a universal retirement protection system. It is really humiliating for a colleague to say that his sight has been blocked and he cannot see other Honourable colleagues. For many years, we have been fighting for universal retirement protection and academics have suggested a number of calculation methods, but the Government has still turned a deaf ear to us. President, the policy address has still not mentioned how the Chinese spirit of "taking care of one's own aged parents first and then extending the same care to the aged people in general" can be upheld and how a caring society can be fostered. If a caring society does not start with respect for the elderly and maintaining their dignity, where should we start?



President, I feel ashamed and I will not ask the senior officials here if they feel ashamed for I do not think that is necessary. The policy address has only mentioned residential care places for elderly people in less than 150 words in paragraphs 97 and 98. However, what is the realistic situation? At our meetings in the past few years, we raised the problem of a serious shortage of residential care places for elderly people almost every year. I will show you some figures, President. There are currently 74 500 residential care places for elderly people in the territory, equivalent to 8.2% of the population aged 65 and over. At present, 57 200 elderly people have taken up the residential care places for elderly people, of which 26 000 are places subsidized by the Government. In other words, around 31 500 elderly people have taken up places in private elderly homes while around 20 000 places in private elderly homes have yet to be taken up. Why? Because many elderly people have worries about the quality of services of private elderly homes and they would rather wait for subsidized residential care places.

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

The demand for residential care places for elderly people has always exceeded supply. As at end March 2009, 17 948 elderly people were waiting for subsidized care and attention home places with an average waiting time of 32 months while 6 220 people were waiting for subsidized nursing home places. Deputy President, these figures sound very cold but they are about living people. There are 23 000 elderly people waiting for residential care places each year. In the past five years, 19 000 elderly people died while waiting; it looked as though they were waiting for death and they had waited until they died. On average, 2 200 elderly people waited until they died each year. Deputy President, these figures appeared to be very cold, but they are about living people and their families.

What has the Government said? It said that it would increase by 50% to 90% the places in subsidized residential care homes for the elderly. The quality will no doubt become better but it is not conducive to increasing places. It is also stated that five new homes will open in the next three years to provide additional subsidized places. If an elderly home has around 80 places on average, five elderly homes will only bring 400 places in the next three years; and that is still a far cry from the number I just mentioned. In other words, there will

still be elderly people waiting until they die each year. Infinite royal grace has already been extended, and those two paragraphs reveal that the so-called responsibilities for caring have already been fulfilled fully.

Deputy President, I do not want to talk too much for I need to leave some time for the political reform, nevertheless, I must say that other than these measures, we have made a lot of suggestions at the panel meetings, for example, allowing elderly people who are not so frail to continue living in their community environment and take care of other elderly people, so as to relieve the pressure on the public coffers and create opportunities for employment in the communities. Why is this not done? Why can groups in the form of co-operative societies not be formed to serve and provide neighbourhood care for the frail elderly in the communities and take care of them mentally and physically? Why can this not be considered? These suggestions are not made by us, but by non-government organizations including professionals. Why has the Government still turned a deaf ear to them?

Deputy President, I said in the last session that the policy address was not up to scratch in the economic aspect; it is also not up to scratch at all insofar as this session is concerned.

**MR TAM YIU-CHUNG** (in Cantonese): Deputy President, over the past 20 minutes, the Secretary has been humiliated harshly, almost skinned by the sharp criticisms. I also feel sorry for him. Perhaps, the word "sorry" may not be so appropriate. Anyway, I hope the Government can do even better, as I do not want to use such kind of words to criticize it.

Regarding the Chief Executive's policy address, I also wish to raise two points to express the views, arguments and analyses of the DAB on these issues, hoping that the Secretary can take them into consideration. In the policy address, the Chief Executive has mentioned that in the digital age, our younger generation increasingly uses the Internet and electronic tools in their learning activities. The Government will examine options to provide convenient and suitable Internet learning opportunities for students in need, so as to mitigate the impact of the digital divide on the quality of learning. This comment is absolutely correct, almost a consensus in society. But regrettably, no further implementation has yet been made. Therefore, we hope the Government can

expeditiously provide subsidies on Internet learning for children of poor and CSSA households. In particular, the Internet charge should be included in the textbooks allowance for those students in need. This is the most direct way to give them more chances to use the Internet in their daily lives, so as to cope with the learning need in society nowadays.

Moreover, another point I wish to raise is that in the policy address, he has put emphasis on family values and tried to figure out a direction to alleviate various social problems at the family level. The DAB fully agrees to the direction of putting emphasis on family values. In particular, in Hong Kong, being a Chinese community, it is still very effective to promote the core values and culture of families in society. In face of the transformation of Hong Kong society from big families in the past to nuclear families at present, the living style and family mix have changed in tandem with social development. All of us have to work very hard in order to cope with various burdens in life. These phenomena have dealt heavy blows to family cohesion. Therefore, in promoting the supportive role of families, the Government should consider stipulating various policies to enhance family cohesion.

In recent years, apart from encouraging the Government to promote "family-friendly policies", the DAB has proposed motion debates in the Legislative Council. Recently, we have even launched the "Love for Ourselves, Love for Life and Love for the Earth" Campaign. All these are actually in line with the Government's philosophy of putting emphasis on family values. We consider that one of the important policy directions is to create proactively a family-friendly working environment. For example, we urge and support public and private organizations to provide childminding services and adopt flexi-time arrangements for their staff; encourage employers to adopt the five-day work week so that employees can have more time for rest; promote proactively the introduction of paternity leave so that working fathers can have more time to take care of their wives and children. We also hope that the Government can review afresh policies in the context of the tax regime (say increasing the dependant parent allowance and the child allowance), public housing, welfare and education in the interest of enhancing family cohesion and support, and provide more incentives for family members to support each other and live together. I believe that on the premise of all these measures, we can achieve good results in the implementation of various social activities for advocating family values. Thank you, Deputy President.

**MR CHAN KIN-POR** (in Cantonese): Deputy President, the policy agenda of the policy address this year actually contains quite a number of measures on Investing for a Caring Society. There are altogether 27 new measures and 46 measures for continuous implementation.

There are indeed quite a lot of government initiatives in this area, however, if we take a closer look, we will find that many proposals are minor items or one-off measures that will not solve the core problems thoroughly and suit the remedy to the case, for example, to resolve the disparity between the rich and the poor, the Government still needs more forward-looking measures. I am going to discuss the individual items one by one:

The first item is the Cross-district Transport Allowance. I understand that a review will be conducted by the Government as scheduled and it is expected to be completed by the end of this year. Nevertheless, since the implementation of the scheme in 2007, as its objective is to encourage people living in four designated remote districts lacking local employment opportunities to look for job openings proactively, it has not been extended to various districts in the territory.

Nevertheless, a large number of grassroots living in different districts are actually facing the same problem of cross-district work and high travelling expenses, which undermine their desire to seek employment. Although they are facing the same problems as the grassroots living in the four designated districts, they are not given any allowances since they are not living there. This precisely reflects that the policy itself is unfair.

For instance, though a grass-roots resident of Siu Sai Wan has a choice between two jobs in Tung Chung and Yuen Long paying \$5,000 to \$6,000, he will have not much left if the travelling expenses and time are counted and deducted. The high travelling expenses held him back because he is not living in the four designated districts, not eligible for the allowance, and as a result, he turned down the job offers.

Therefore, I think that the scheme should be extended to all districts in Hong Kong, such that all those who meet the requirements can file applications. The Government may respond that the purpose of the measure is to encourage residents in the remote districts to work in the urban areas, if the scheme is extended to all districts in the territory, the original intention will be defeated.

We all know that, in actual implementation, the results of policies will be somewhat different from those anticipated, that is why we need to conduct policy reviews from time to time. On this point, I would like to convey the message that, though the Government's policy has a good original intention, without comprehensive consideration and thorough planning, problems are eventually found in the course of implementation and effectiveness is lacking for which the Government is subjected to criticisms.

The Government can definitely alleviate poverty more effectively but, as I have noticed, great lengths in the policy address this year are given to fighting drug abuse by juveniles, and I support the measures concerned.

Another point mentioned in the policy address is the importance of family core values and family education. It has especially mentioned studying and addressing problems from the family perspective, creating a family-friendly environment and fostering work-life balance.

I personally agree very much with this, so, apart from supporting setting a minimum wage (as a minimum wage can enable employees to live with dignity), I eagerly hope that the Government would take the lead to study the issue and even co-operate with enterprises in conducting joint studies on the introduction of more measures to improve the working environment in Hong Kong.

There is prosperous economic development in Hong Kong and the development of many industries has become mature, coupled with advanced medicine, the retirement age has constantly been lengthened, thus, the demand for senior positions exceeds supply and there are fewer and fewer opportunities for advancement for the youth, and advancement has become increasingly difficult. On the one hand, quite a number of working people (especially young people) find it taxing and feel hard pressed; and on the other hand, many young people who cannot find jobs become dejected, giving rise to various social problems eventually.

Under such working circumstances, wage earners do not even have time for rest or meals, how can conditions conducive to better family relationships be created, thereby promoting a balance between work and life?

I think that the Government should expeditiously address squarely the problem of increasing pressure of life on the wage earners in Hong Kong and the social problems so created.

I always think that the relationship between employers and employees should not be antagonistic and it should be mutually supportive, co-operative and harmonious. The Government can take the lead and even co-operate with international enterprises to examine how best the work pressure in Hong Kong can be relieved. For example, it can make reference to the practices of foreign countries and then introduce various forms of flexible working hours to enable employees to flexibly spend time with their parents, spouses and children, and pursue continuing education with a view to upgrading the quality of work performance.

Lastly, I would like to discuss the issue of universal retirement protection. We all understand that the Mandatory Provident Fund has merits and also plenty of deficiencies. Taking the example of the latest financial turmoil, many people who have chosen high risk MPF investment funds have suffered losses. Another deficiency is that, there are a large number of low-income people in Hong Kong, since they have low incomes, even if the employers' contributions are also counted, the accrued benefits are still very limited and can definitely not meet their retirement needs.

For this reason, I think that conducting a study on universal retirement protection is a pressing task and the Government must make efforts in this connection. Actually, through introducing measures here and there or giving certain allowances, the Government cannot solve the problem at all. It is utterly essential for the Government to consider establishing a universal retirement protection system in Hong Kong so that all of us can rest assured and enjoy our later years. How can this be done? I believe it boils down mainly to the question of money, yet, the Government should not worry too much and it should not evade the issue because it is the consensus of everybody including this Council that the problems arising from an ageing population are serious.

Our society and its individual members must start saving money whilst young and capable. This scheme is an example. We must save money when there is a surplus and a large number of working people, and we cannot deceive ourselves as well as others. We must make suitable and comprehensive calculations and present the figures for discussion by the community. Then we

can decide whether the scheme will be implemented or not, what methods will be adopted and how the money needed will be obtained. We had better engage in positive discussions than evade these issues.

I believe that in 10 to 20 years, with the further ageing of our population, more people may rely on the Government to support their living. It will be too late if the Government only starts conducting a study at that time. I hope the Government will really make up its mind to expeditiously conduct a study on universal retirement protection after its studies on the health care financing proposal.

Deputy President, I so submit.

**MISS TANYA CHAN** (in Cantonese): Deputy President, "no drug, no drug, no drug". On hearing this slogan, what will come to your mind? Perhaps, you may recall Mrs TUNG. But in fact, when did I hear it? It was a slogan chanted by the Chief Executive when he visited a school for discussion on "drug-free campus" earlier on. "Drug-free campus", as implied by the name, is meant to target students. The Government is now ready to launch the scheme of voluntary drug testing in a vigorous manner. There are a lot of concerns, and I think we all very clear about them. In the first place, there will be a labelling effect. The Government has made every effort to avoid such effect. However, I consider that it is also very important to ensure the confidentiality of students' participation in this scheme. It is because if they do not join this scheme, it seems they are telling others that they have some problems.

Moreover, as for down-stream services, we have talked about them several times. Once we identify drug-taking students, what will we do? On the part of social workers, they need a lot of resources. Then students, schools as well as their classmates and parents should receive counselling as well. We really do not want to see students being kicked out of schools. However, the most important thing is, undoubtedly, the root of the problem. Therefore, I hope the Government can put in more efforts to combat the problem at root, as we want to see not only drug-free campuses but also a drug-free society.

Also, I would like to say a few words on the approach of withdrawal. It is such a golden opportunity that Secretary SUEN and a number of Secretaries are present here. In fact, the Christian Zheng Sheng College has made a good

demonstration of the new mode of withdrawal. It is not merely a drug addiction treatment centre. Rather, it is a place for students to study and live. As we all know, the boarding mode of the Christian Zheng Sheng College has enabled it to become a withdrawal school. The purviews involved include the Education Bureau and Secretary Matthew CHEUNG, who is responsible for social welfare. It is because in order to provide boarding for students, subsidies are involved. As for the purview of security, withdrawal is involved. I do hope that in view of these aspects, the Government can truly allow us to see students or youngsters be provided with another mode of treatment, so that they can really integrate into the community and come back to the right track. Thank you, Deputy President.

**MR IP WAI-MING** (in Cantonese): Deputy President, when I attended some residents' meetings recently in relation to the policy address, the residents very often asked these questions: How useful was the promotion of the development of the six industries to them? Would employment opportunities be increased? How would that improve our lot? In fact, when the residents asked these questions, I told them that I had the same queries about the measures in the policy address. The reason was that, since the 1990s, most of our manufacturing industries had basically moved out of Hong Kong, making it difficult for the grassroots to make a living and their wages would not be high even if they found jobs. Today, Hong Kong has the honour of becoming the region in the world with the most serious disparity between the rich and the poor; in other words, Hong Kong has once again ranked number one in the world.

The Hong Kong Federation of Trade Unions (FTU) has always suggested creating employment opportunities for the grassroots, which should be the guiding principle of the Government's economic policy. Nevertheless, for many years, the SAR Government has declined to do so on all sorts of excuses; it emphasized time and again that the so-called trickle-down effect would be created as long as there was economic growth. I think that government officials always have a better understanding of these economic terms than us. Nonetheless, we have not seen any effects. What is the trickle-down effect? Does the trickle-down effect mean that we should wait until the rich or the upper class have made a great deal of profits that a tiny bit may leak from their pockets? So far, the Government has not yet told us explicitly how the term is defined, other than saying that there will be more jobs when there is economic growth. Is that really the case?



The disparity between the rich and the poor, I believe, is an issue of concern to the community. Before the release of the policy address this year, like many Hong Kong people, I hoped that the Government would introduce some concrete measures to alleviate the social problem of an increasing disparity between the rich and the poor. But, after the policy address has been released, I think that quite a number of people including me are somewhat disappointed. Perhaps we should not be disappointed because the Government has basically not made any response in this connection. As we have noticed, only paragraph 123 of the policy address touched upon the poverty issues, and the Chief Executive has stated that "Hong Kong must strive for economic growth and wealth creation to address the employment and poverty issues. If we were to maintain welfare-based relief measures on a long-term basis, we would have to overhaul our tax system and increase tax rates". He has used these remarks as excuses and I even think that he is intimidating and dividing us, and he seems to be telling us that tax rates must be increased if the poverty issues were to be addressed and more grass-roots people were to enjoy the fruits of economic development. He is using these excuses to intimidate Hong Kong people and divide us.

The Chief Executive has stated in paragraph 123 of the policy address that Hong Kong must strive for economic growth to address the employment and poverty issues. In other words, even today, the Government is still not willing to admit that merely relying on economic growth cannot solve the problem of disparity between the rich and the poor. As we have observed, the so-called trickle-down effect cannot create enough job opportunities for the grass-roots workers, which is the major factor directly causing the disparity between the rich and the poor. Having analysed the information from the Census and Statistics Department, the Hong Kong Council of Social Service (HKCSS) has recently deduced that, in the first half of the year, the population living in poverty was 1.23 million in Hong Kong, 20 000 more than the first half of last year, and 20% more than 10 years ago. This reflected that the disparity between the rich and the poor had become increasingly serious while the elderly aged 65 or above had the most serious poverty issues. In the first half of 2009, the poverty rate reached 32.1% with nearly 270 000 elderly people living in low-income households; and the rate of increase in the poverty rate of young people from 15.4% to 20% was most shocking. Therefore, while the Government claims to vigorously develop the six industries, it should consider whether these six industries can really benefit these people. Otherwise, the Government should take more effective measures to narrow the gap between the rich and the poor.

To resolve the poverty problem, efforts must be made and the issues cannot be resolved just by relying on economic growth. Since the 1980s, despite speedy economic growth, the population living in poverty has increased all the same. The Gini Coefficient was 0.451 in 1981, but it reached 0.533 in 2009. If economic growth can really resolve the poverty problem, why has the Gini Coefficient reflecting the gap between the rich and the poor in Hong Kong continuously increased and so has the Gross Domestic Product? After the reunification, though Hong Kong has experienced such blows as the financial turmoil, SARS and the financial tsunami, there has been some degree of economic growth in more than a decade. If the Chief Executive thinks that economic growth can address the employment and poverty problems, how many employment opportunities can every 1% of economic growth create? To what extent will the population living in poverty decrease?

In addressing the poverty problem, the Government often uses the recommendations in the former Commission on Poverty's report as the panacea. Yet, I do not think those are effective solutions, and now that it has been more than two years since the Commission on Poverty completed its work, the poverty problem in society has continued to intensify. I think that the Government should formulate new alleviation measures in the light of the new circumstances.

The day following the release of the policy address when the Chief Executive attended the Question and Answer Session of this Council, I asked the Chief Executive what the Government's views on poverty were, and I found that the Chief Executive's understanding of poverty was actually entirely different from that of many Honourable colleagues and ordinary people, so I felt very disappointed about this. I believe that in Hong Kong this advanced city in Asia or the international arena, the poverty line should not be drawn at people with incomes lower than the Comprehensive Social Security Assistance (CSSA) payment amounts. If the income of a household is lower than the CSSA payment amount, that is, around \$2,000 a month, how can they live with a monthly income of \$2,000 given such a high cost of living index in Hong Kong? If only those earning less than the CSSA payment amounts are considered poor, I should congratulate the Hong Kong Government on that, because with such a definition, we should have already eliminated the poverty problem. Making a comparison with the high property prices or the luxury property prices of over \$70,000 per sq ft, which has been the community's concern lately, we can see that

the disparity between the rich and the poor has become increasingly serious and the Government must address the problem squarely.

We think that the Government should cease this endless quibbling over the definition of poverty with us; even if the 24 indicators mentioned by the Secretary are taken as the basis, we also hope that the Government will cease this endless quibbling over the matter with this Council and suggest some solutions instead. Although Hong Kong ranks first in the world in many areas, we do not want Hong Kong to continue to rank first in the disparity between the rich and the poor.

In fact, one reason why it is difficult to find jobs is the high travelling expenses. A lot of workers have given up cross-district employment because of the excessively high travelling expenses. We hope that the Government will continue to provide cross-district transport allowance to subsidize some workers who need to work across districts, so that their job opportunities can be increased and their job search made easier. Thus, we strongly request the Government to conduct a review and extend the provision of transport allowance to subsidize the travelling expenses of grass-roots workers; we do not want the Government to brush aside the problem by conducting a review, thus sitting on it.

Concerning the Job Search Allowance of up to \$600 under the Transport Support Scheme, we think that it should be extended and there is room for an upward adjustment. Apart from the Job Search Allowance, we hope that the Government would provide job search counselling to give job seekers information on interview skills and tips, and provide personal counselling services to people who frequently fail to find jobs in order to help them secure employment.

Lastly, I would like to express my views on the issue of social enterprises. There is a paragraph in the policy address on the development of social enterprises. I still recall that the Government held the Social Enterprise Summit in late 2007 but, two years down the line, there has not been any turning point in the operation of social enterprises after the Social Enterprise Summit as social enterprises are still facing difficult challenges. The policy address this year has proposed the establishment of a Social Enterprise Advisory Committee, but what is the composition of the Committee? Can its members appointed by the Government really understand the difficulties faced by social enterprises? We hope that the Government would give a more detailed explanation.

In addition, the policy address also encourages tertiary institutions to participate in nurturing social entrepreneurs. Yet, what training programme is there? How can we make tertiary students prepared to give up the opportunities to find jobs with high remuneration and engage in the difficult operation of social enterprises? We hope that the Government can consider these issues realistically rather than indulging in empty talk, and I hope that it will be able to nurture more social entrepreneurs who are prepared to devote themselves to society and dedicate themselves to community service.

I so submit. Thank you, Deputy President.

**MS LI FUNG-YING** (in Cantonese): Deputy President, in his annual policy address, the Chief Executive presents to the public his ideas and strategies for the governance of Hong Kong. The ideas reflect the Chief Executive's views on the problems in society while his strategies show us how the Chief Executive will solve the problems in society and make sound preparations for the future development of society. About this policy address, I disagree a lot with the Chief Executive; I do not agree with his attempt to resolve all economy-related problems, for example, poverty and unemployment issues through the so-called six key industries with clear advantages. When the six industries cannot resolve the problems, the Chief Executive referred to family values, asking families to take up more social responsibilities. However, there are no measures to relieve the enormous pressure living borne by Hong Kong families. The Government has described the adoption of measures to alleviate the hardship of people's livelihood as "handing out candies". To this I have a strong aversion. "Handing out candies" is an award given by those at the upper level to those at the lower, which is not an essential measure. Supporting the socially disadvantaged groups has all along been the Government's responsibility, not a grace from the Government. In this session, I am going to express my views on the social welfare matters in the policy address.

Deputy President, the Chief Executive has stated in his policy address that better family relationships mean fewer social problems. Therefore, the Chief Executive asks the Family Council to focus on such problems as juvenile drug abuse, prostitution and the neglect of elderly people and children, and find new policy options to alleviate them at the family level. The family is the basic component of society, and healthy family life will help reduce social problems.

This we can all understand. Given that the Chief Executive hopes to alleviate social problems through building up family relationships, he should at least find out if Hong Kong people have healthy family life now, and he should take measures to help families relieve the heavy pressure that they are now bearing. Only then can we "focus on these problems and find new policy options to alleviate them at the family level" as stated in the policy address.

It is suggested in the policy address that the Family Council will launch a Happy Family Campaign, and it looks as though the Campaign will foster happy families. I learnt from the policy agenda that the "Happy Family Campaign" further promotes family core values, and to appeal to the public to build SAR families (that is, Happy, Kind, Supportive, Appreciative and Responsible families)". Deputy President and Secretaries, the policy agenda has referred to universal family core values, but they are not unique to Hong Kong families. Today, families in Hong Kong do have characteristics; during the Question and Answer Session on 15 October, I quoted a paragraph from a letter when I raised a question: "With the over-emphasis on economic developments, cost saving, market competition and productivity in recent years by governments, employers and the public, there have been increasing working hours, decreasing leisure time, worsening work stress and growing complaints and dissatisfaction. The deterioration in the quality of family life is more than the sum of the deterioration of individual quality of life." These are the characteristics of families in Hong Kong now and they will change regardless of how many "Happy Family Campaigns" the Government organizes as Hong Kong families will not become happy. Since the characteristics will not change, the Chief Executive will just be making a futile attempt if he wants to alleviate social problems through building up family relationships. When the characteristics will not change, the social problems in Hong Kong cannot be alleviated and more social problems will be created instead.

According to the General Household Survey conducted by the Census and Statistics Department in the second quarter this year, there are more than 130 000 families with monthly incomes between \$4,000 and \$6,000, involving over 240 000 people. Can the "Happy Family Campaign" in the policy address really help these families who are struggling for survival above the CSSA level?

Paragraph 90 of the policy address refers to the youth problems and asks parents to maintain good communication with their children, understand their

interests, abilities and needs, and develop their strengths in different areas, and to help the young people cope with the change in academic structure and the advent of knowledge-based economy. Paragraph 96 is about elderly services, and it is stated therein that there is no place like home and we cherish a deep affection for our homes; that is why the Government's policy encourages elderly people to age in place. Paragraph 102 concerns persons with disabilities, and it is specified that the Government's rehabilitation policy aims to provide various rehabilitation services to support persons with disabilities, their families and carers, so that they can live happily and harmoniously in the community. However, when the continual deterioration in the quality of family life in Hong Kong remains unchanged, and when the livelihood of the impoverished families in Hong Kong is not improved, the policies on the younger generation, the elderly and persons with disabilities in the policy address will not help at all despite their being given extravagantly colourful descriptions.

To avert the deterioration in the quality of family life in Hong Kong and improve the livelihood of the impoverished families in Hong Kong, it is inevitable for the Government to improve the existing labour market environment, for example, striving for reasonable wages and working hours, and improving the labour legislation and unemployment protection. In spite of the fact that the minimum wage proposal that the labour sector has fought for throughout the years has been placed on the legislative agenda, can the legislation eventually protect the basic livelihood of workers as we have expected? That is still unknown. Nevertheless, regardless of the outcome, the legislation on a minimum wage alone cannot considerably improve family life. When the Chief Executive answered my question during the Question and Answer Session, he said that the legislation on the standard working hours will encounter great resistance, and it will even hold up the legislative process of the minimum wage. Nonetheless, I have to point out that resistance should not be used as the Government's excuse for declining to formulate a policy on reasonable working hours, and the Government should not absolve itself from the responsibility under the pretext that the legislative process of the minimum wage will be obstructed.

Deputy President, in connection with unemployment protection, I have stated in this Council throughout the years my position and reasons for requesting the Government to set up a loan fund to help the unemployed. Other Honourable colleagues of this Council have recently made many different

unemployment assistance proposals. Yet, the Government still remains indifferent and it has only worked on the minor matters so far. It is proposed in the policy address to set up a one-stop employment and training centre in Tin Shui Wai, to disseminate information on job vacancies using information technology, and to set up a recruitment centre for the catering industry. Of course, it would be best for there to be more measures to help the unemployed in job search and I support these measures in the policy address. But, helping the unemployed find jobs does not mean resolving the difficulties they face for only policies on financial assistance will be able to help these people and soothe public sentiments and address the pressing needs of the unemployed.

As regards the perfection of labour legislation, I am very much concerned about the review of the definition of continuous employment under the Employment Ordinance as referred to in the policy agenda. At present, many part-time workers or hourly-rated employees are, as described in the policy address, carers of elderly people and children in families. However, those employees who take care of family members and engage in employment are not protected by the labour legislation. I hope that the review could be completed as quickly as possible so as to bring part-time employees under the umbrella of labour legislation. In this connection, the Government must implement a universal retirement protection system so that housewives who take care of the elderly and children will be given protection in their later years. When these proposals are implemented, the family values sought after all over the world will really take root in our society.

Deputy President, it is mentioned in paragraph 123 of the policy address that if we were to maintain welfare-based relief measures on a long-term basis, we would have to overhaul our tax system and increase tax rates. The Chief Executive believes that the public will not agree with such an approach. I am extremely sorry that the Chief Executive has intentionally lumped alleviating people's difficulties and substantially increasing tax rates together. If we can fairly and reasonably adjust our tax system such that Hong Kong is not just an economic city where the rich get richer and the poor get poorer but also a caring and benevolent international city, I trust the approach will be widely approved of by Hong Kong people at large.

Thank you, Deputy President.

**DR LAM TAI-FAI** (in Cantonese): I would like to tell the Secretaries that I have always been very concerned about the development of young people. Recently, the Government has announced that the unemployment rate of young people aged between 15 and 19 is 25.7%. Although the figure is already lower than that recorded last month, it is at a high level after all, that is, there is one unemployed young person among every four young people. I am a bit disappointed that the Government seems to be helpless about this. In fact, the policy address this year has not proposed targeted solutions despite the fact that this problem is really very serious.

Certainly, I do not doubt the determination of Secretary Matthew CHEUNG in preserving employment at all. We have known each other for years and I know that the Secretary has always been painstakingly handling the matter, and he has tried his best to solve the problem. However, the real reason for the unemployment of young people is actually more than the problem of the labour market; the source is the fundamental problem of our education system. So, Secretary Matthew CHEUNG who is responsible for handling and solving this problem is innocent. As a matter of fact, young people aged between 15 and 19 should basically not take up employment too early, and they should attend school and strive for self-enhancement through studying. Why should they take up employment instead of learning more knowledge at school? Perhaps they cannot catch up with their studies, and that is why they lack motivation. Why can they not catch up with their studies? Many young people fail to adapt to the curriculum of traditional grammar schools, but it does not mean that they are particularly foolish.

As it attaches importance to talent training and education, the Government should not allow so many young people aged between 15 to 19 to take up employment too early, and it should think of ways to make these young people continue studying at school. For this reason, I really hope that the Government can vigorously and boldly implement more unconventional education programmes and organize more specialized courses and schools. Everyone is good for something; actually, everybody has different learning potentials and interests. If the Government emphasizes the importance of education, it must provide diversified courses and subjects to give these people more choices to facilitate their self-enhancement and learning. When they have choices, they will naturally continue studying and they will not take up employment too early, and they will not have to look for jobs. Hence, the unemployment problem will naturally be alleviated and the unemployment rate lowered.



In fact, with our progress towards a knowledge-based economy, there will not be too many low-skilled positions for these students of lower educational attainment. Therefore, we must stop creating a situation where young people take up employment too early. I just saw Secretary Michael SUEN leaving; I earnestly hope that Secretary Matthew CHEUNG will thoroughly discuss the matter with Secretary Michael SUEN and work out some policies and measures to help these young people aged between 15 and 19 who fail to continue to study in traditional grammar schools to continue learning through other channels and attend schools to attain enhancement instead of taking up employment too early.

I would also like to talk about the juvenile drug abuse problem. No doubt, the problem is becoming increasingly serious, and this is an indisputable fact. Nevertheless, I also understand that the Government cannot solve the problem instantly. To be sure, all of us would like to have very desirable and speedy ways that can thoroughly solve the problem at once. I have run a manufacturing factory for more than 20 years and I have encountered a variety of problems in respect of production and handled many knotty problems. Summing up my experience throughout the years, it is essential to solve problems at root; problems can only be practically solved if we start at the root. There are buyers only when there are sellers; if the drug abusers do not have channels to buy drugs, or if it is not easy for them to buy drugs, they cannot help it though they want to abuse drugs. This is an issue of market supply and demand. If there is less supply in the market, the drug prices will naturally rise and young people may not be able to afford the drug abuse expenses. Hence, to solve the drugs problem, I think the Government must start at the root and take vigorous and resolute actions, as well as imposing heavier punishment on drug traffickers. It should also step up the anti-drug operations of the police and the Customs in order to stamp out the source of trouble and spare none. This will effect a permanent cure, such that there will not be an overwhelming use of drugs or extensive spread of drugs and young people will not come into contact with drugs.

Regarding the school-based drug testing scheme — I have intentionally omitted the word "voluntary" and I have just called it the school-based drug testing scheme. The scheme will be implemented in Tai Po in December; at this stage, I do not wish to make a presumptuous judgment on the effectiveness of the scheme and make conjectures about the results, but I really hope that the Government will inform other secondary schools of the progress and results of the scheme in a thorough and transparent manner. If the scheme is effective, I

believe other secondary schools including the Lam Tai Fai College would support it. Yet, the Government should not repackage the scheme if it turns out to be ineffective; instead, it should practically and realistically revise the scheme. The Government should not force the schools in other districts to follow because the consequences can be very serious.

In addition, in implementing the drug testing scheme, the Government must grasp the opportunities and put in place comprehensive matching measures. The drug abusers need medical treatment, so the work of health care, counselling and social workers must be suitably co-ordinated before the implementation of the scheme. Otherwise, even if drug abusers are found, the Government may not be able to help them and they may not be able to start a new life or live a normal life, which will be even more miserable in that event. I hope that the Government will make comprehensive considerations insofar as the drug testing scheme is concerned and implement the scheme to great depth.

I so submit, Deputy President.

**MR WONG SING-CHI** (in Cantonese): Deputy President, I find it a bit hard to thank the Chief Executive for his policy address this year. Although the part about this Council thanking the Chief Executive for his address has been preserved in my amendment, I think that criticisms must be made of another part. From the welfare perspective, this policy address is not up to standard and it scores extremely low marks. The Chief Executive has used the trendy expression: "our economy needs to be taken to another level", however, in the welfare aspect, I believe many people will respond with their mouths wide open like an "O", wondering if the Chief Executive has neglected the welfare aspect out of indolence. The Secretary has done a remarkable job and given wonderful explanations, not sure if he is trying to make people play into his hands.

Just now, a number of Honourable colleagues have discussed the issues of the disparity between the rich and the poor and a surge in the population living in poverty; they are definitely facts. The Chief Executive has not touched upon such issues as poverty and the disparity between the rich and the poor, nor has he introduced any concrete relief measures in connection with the welfare of people with disabilities, their carers and the chronically ill, and comprehensive long-term welfare policies, still less single-parent families.

The problem of disparity between the rich and the poor in Hong Kong is notorious all over the world. The *BusinessWeek* in the United States has cited a report by the United Nations Development Programme in which it is stated that Hong Kong has a large number of tycoons while there is no minimum wage protection for grass-roots workers — I certainly hope that they would be given protection as soon as possible — thus widening enormously the gap between the rich and the poor. It is also stated in the report that, among developed economies, Hong Kong has the highest Gini Coefficient reflecting the gap between the rich and the poor, thus, the disparity between the rich and the poor in Hong Kong is obviously worrying. Moreover, it is stated in the report that the incomes of the richest 10% of Hong Kong people are 18 times those of the poorest 10%. I guess that the incomes of the richest 10% may be equal to the incomes of the remaining 90% of Hong Kong people. The situation now is really very serious. Nonetheless, in his speech on the policy address, the Chief Executive has not mentioned a word about the elderly in poverty, working poverty or women in poverty.

To solve the poverty problem, the Chief Executive thinks that economic development comes first and it will then promote the prosperous development of society, and we must invest in education to promote social mobility. As Ms LI Fung-ying has said a short while ago, the Chief Executive's argument is that, if we were to maintain welfare-based relief measures for the poor, we would have to increase tax rates substantially, which has entirely gone against the Government's emphasis on social harmony. This is social division. Why is the Government intimidating people that it would have to increase tax rates to help the poor? This is not just social division, but also discrimination against the poor. I would like to say that the poverty problem is actually most acute and it is a pressing task for the Government to work out solutions.

(THE PRESIDENT resumed the Chair)

Irrespective of the definition of the Chief Executive or that of the Hong Kong Council of Social Service (HKCSS), the difficulties faced by the poor will not change just because the definitions are different. A family of four has less than \$10,000 a month to spend, covering rents and other expenses. If the Government has a conscience, it can absolutely not ignore them. The Government has been indifferent.

The Government may use the Comprehensive Social Security Assistance (CSSA) system as an excuse. I know that, at a briefing of the Panel on Welfare Services on the policy address, the Secretary mentioned the existing CSSA system when he gave an explanation, hoping that CSSA could make up for the deficiency and resolve the difficulties faced by people at the lower strata. However, the HKCSS has made some calculations using the Chief Executive's definition; in 2008, there were 960 000 people living in poverty, and given around 500 000 CSSA recipients at that time, nearly half of the population living in poverty were not CSSA recipients, and they did not have rent or medical consultation fee assistance. As such, we cannot simply draw a line at the CSSA level.

Many people living in cubicle apartments are paying "astronomical" rents. They pay a few thousand dollars to rent dozens of square feet of space, thus they have immense housing difficulties and burdens. The rich can spend tens of millions of dollars or hundreds of millions of dollars to buy luxury properties at \$70,000 per sq ft — whether this is true or not has yet to be confirmed — while the poor have to worry about medical expenses and dare not consult doctors even when they are sick; I will cite some examples later on to give the Secretary a clearer picture. Some poor people need to divide a dish into portions for several meals. If we have to wait for economic development to solve the poverty problem, some Hong Kong people may really die of starvation.

The poverty problem also deeply affects people with disabilities and their carers. A lot of carers take care of people with disabilities full-time. According to the surveys conducted by the relevant groups, 40% of the respondents spend more than six hours a day taking care of people with disabilities, and more than one fourth of them even spend some 10 hours a day taking care of people with disabilities. Taking care of people with disabilities is even more strenuous than working full-time jobs because people with disabilities rely totally on their carers, both physically and mentally. As the carers need to provide people with disabilities with personal care and attend to their personal hygiene, compared with the carers of ordinary patients, these carers have to exert greater efforts and need special skills. If the carers need to take care of people with disabilities full-time, they basically do not have income, yet, the Government has not given them any support. This seriously affects the daily life of the carers, who have to bear enormous mental stress and disturbance. Actually, they frequently consider themselves as a group neglected by society; unfortunately, they still have to take care of their family members at home.

A large number of social security measures at present have overlooked the protection of the carers of people with disabilities, for example, they cannot benefit from the Mandatory Provident Fund, Old Age Allowance and Disability Allowance. They do not have time for work, they make a lot of manual efforts when they take care of people with disabilities, and they do not have time for social activities, hence, they very often have to face such problems as poverty, decreased functional capacity and social isolation. There is a case of a carer who, while taking care of her daughter with mental disorder, had to face the problems mentioned, and given the lack of government support, felt helpless and developed an uncertain state of mind, eventually also suffering from mental disorder.

I think that the Government should affirm the contribution made by the carers to society and directly give them subsidies as soon as possible, instead of shirking responsibilities under the pretext that CSSA would make up for the deficiency; in that case, I think the Government is unconcerned. I hope it could provide monthly allowances to the carers of people with disabilities, and even give them emotional support to enable them to carry out their work in a dignified way.

I have chatted with some carers and some self-help group members. According to them, they have taken the initiative to form self-help groups because the Government gives them little subsidy. Moreover, the Government requires them to re-apply for funds every year or every two years, making long-term planning difficult. Nevertheless, they still make painstaking efforts to take care of the infirm in need, and they most eagerly hope that the infirm would be given more support. I hope that the Secretary will consider this issue more carefully; we should not only support the infirm but also cater for the needs of their family members and carers.

I would like to tell the Secretary that I have recently visited a group of muscular dystrophy patients suffering from incurable motor neuron diseases. I had a former colleague with the disease who could only slow down its deterioration and avoid premature whole-body muscular dystrophy by taking medications. As muscular dystrophy affects the patients' pulmonary functions, they have difficulties in breathing and they need breathing tubes or connection to life support equipment. The monthly expenses on renting breathing machines and the milk they drink for life support and nutrition amount to over \$3,000, which is not affordable by ordinary families.

We have received three requests for assistance from the patients. Since their incomes exceed the upper limit for CSSA application, they cannot apply for CSSA but they could not secure assistance under any funds. For this reason, they cannot continue to rent the breathing machines upon expiry of the rental agreements in early November. They thought that they would be leaving the world slowly at that time; their situation is really miserable. How can the Government allow these patients to wait for death? Why can it not give them assistance? I hope that the Secretary would really care about the situation of these patients in the future.

I have also received requests for assistance from the families of seven patients. Owing to the lack of financial assistance, they are considering not providing breathing machines to the patients. If these patients are not provided with breathing machines, they will face death. Why should some people lose their lives because of a lack of means? Certainly, we cannot refrain from doing something to save someone in mortal danger.

The Government has always stressed the importance of family-friendly policies, hoping that there will be harmony in society and families. But, given a very rigid CSSA system at the moment, the situation of many families is basically diametrically opposed to the family-friendly objective. At present, applications for CSSA are made on a household basis. I know a family of which one member is suffering from multiple sclerosis — a very explicit example — and the disease will not deteriorate so long as over \$8,000 is spent each month to buy the category three medicine; nevertheless, it is too costly, so, the patient divorced her husband in order to receive CSSA payments to supplement her medicine expenses. This system of the Government has torn the family apart. Is the family still "friendly"? Why has this happened?

Under the leadership of the Chief Executive, the single-parent families do not fare any better than the above families in need of carers. The survey conducted by the CSSA Alliance in 2005 indicated that, among single parents, 13.2% never attended schools or only attained kindergarten level; 48.3% attained primary school level; and 24.6% attained junior secondary (Secondary One to Three) level. The number of respondents who attained these three educational levels amounted to 81.6%. Thus, most of them were non-skilled workers. Since they were single parents who needed to take care of their children, they could only work part-time, from 8 am to 4 pm, Monday to Friday.

I have consulted some single mothers who need to take care of their minors. They have told me that, during their job searches, they would frequently come across jobs with long working hours and low wages, and they cannot take care of their children when they are working. They meet a great deal of difficulties at work and at home. The job search process has been tough and there are few suitable jobs. Even if they cannot secure employment, they would like to work as volunteers because they are afraid of losing touch with society. They absolutely do not know what to do. I think we should give them more support.

In addition, they have to face discrimination, too. Many people think that they are reliant on welfare benefits and CSSA payments. However, the CSSA Alliance and the Justice and Peace Commission of the Hong Kong Catholic Diocese conducted a study on the New Dawn Project in 2007. According to the respondents, they were frequently mocked at by the others who said that they were reliant on CSSA, and they did not need to work but still had good incomes. These people basically vilified and even discriminated against CSSA recipients. These single mothers are actually very confident of themselves, and it is most unfortunate that many people discriminated against them. Under such circumstances, I am worried that what little left of their self-confidence will gradually disappear due to labelling and discrimination.

Single parents have to face family changes, work hard to rebuild the family functions and bear the great pressure of taking care of their children. I hope that the Government could provide emotional or employment support to them. In my opinion, the Government can consider creating the position of Service Ambassador in government offices to allow them to work suitable working hours. The Government can give them training to enable them to promote the provision of genuine "people-oriented" services by government departments. Why can the Government not do so? Right after the budget was announced earlier on, the Democratic Party already made this proposal; nevertheless, the Government has not yet given a response.

Furthermore, yesterday, that is, on Wednesday, we received a piece of leaf from the Joint Alliance for Universal Retirement Protection on which the word "miserable (慘)" was written. They wanted to express their simple wish that the elderly, housewives, people with disabilities and their carers should be given protection, especially when they no longer have any working incapacity. Among 480 000 CSSA recipients at present, 40% are the elderly and the poor,

and many of the women recipients are housewives. In 2007, among people doing household work who were not engaged in economic activities, there were 652 000 women and 12 500 men, and women made up the majority. Moreover, there are dozens of thousands of people with disabilities who will not have any protection in their old age. They do not have Mandatory Provident Fund (MPF) benefits and they can only choose the rigid CSSA with lots of limitations, and they will also receive the \$1,000 "fruit grant" when they are 65 years old. The Democratic Party thinks that the Government should improve the situation where no retirement protection is given to the elderly, the unemployed, people with disabilities and housewives. They have limited savings themselves and they do not enjoy MPF protection, so with a lack of family support, they will be in an uncertain state of mind. Thus, universal retirement protection is their "saviour", one which will help them live a more secure life.

Welfare is very important policy objective of the Government. Social resources can be redistributed through the welfare policy to help the neglected groups in society. It has always been said that the welfare policy in Hong Kong deals with problems on an ad hoc basis. I hope that, while formulating measures to solve the above problems, the Government would also make long-term welfare plans, for example, work out an effective mechanism for reflecting the development and consensus of society. The Government should gain an in-depth understanding of the prevailing social problems and propose solutions early, as well as defining the roles of organizations, the Government, families and individuals to facilitate mutual co-operation, instead of beginning to dig a well when feeling thirsty in which event there will be confusions.

Nowadays, many modern societies consider it a civic right and human right to receive welfare, which is also an indicator of social progress. I hope that the Government will really take up the responsibilities and look after these disadvantaged groups instead of ignoring them.

President, I would also like to discuss the problem of workers. The policy address has treated poverty with indifference and overlooked the employment problem of workers. There are only a few lines in the policy address about workers and employment; there are only 177 Chinese words including punctuation marks. That is why there was a territory-wide outcry after the release of the policy address. While people were earnestly waiting for the policy address to introduce measures of help to them, there were only 177 Chinese words about the employment problem. A large number of people are still living



in dire straits and they hope that the Government would give them a helping hand, however, they are very disappointed and complaints are heard everywhere. Last Thursday, Secretary Matthew CHEUNG came here and tried to give explanations on behalf of his boss. Secretary Matthew CHEUNG had really strong skills and he spent more than 10 minutes explaining the 177 Chinese words and he referred to a number of initiatives. I remember in particular his reference to new thinking, that people should consider areas other than these. In other words, the policy address practically has no concrete measures to solve the unemployment and employment problems.

Before the release of the policy address, a polling organization conducted an opinion poll on the public; 92% of the respondents thought that the Government should specifically solve the employment problem of workers. After the release of the policy address, the latest opinion poll showed that the policy address this year is the worst one among the five policy addresses released within the Chief Executive's tenure. After they had calmed down, the public took another look at the policy address and found that the Chief Executive had not or had barely mentioned poverty alleviation and the employment problem. Therefore, his popularity rating dropped more than 46% as compared with last year; a substantial drop of almost 50%. Evidently, this policy address by the Chief Executive is so very disappointing.

To be sure, the Government has said that we should adopt new thinking when we examine these data. If we are to debate these issues, for example, the Government's neglecting or underestimating public opinion, I think our debate will continue incessantly for three days and nights. Nonetheless, the Government has obviously overlooked the problem of youth employment and the unemployment problems of women and single mothers. As we have also noticed, little has been mentioned in the policy address of occupational safety and health. Furthermore, the minimum wage issue is not yet resolved and issues like maximum working hours and collective bargaining were not mentioned at all. These are the issues of concern to workers and they must be resolved by the Government as quickly as possible; it is duty-bound to do so.

President, the youths have all along been regarded as the pillars of society in future, but today, what will we associate them with? A lot of people will replace "outstanding youth" with "socially withdrawn youth", and "successful youth" with "non-engaged youth". All this reflects the increasingly adverse

situation of young people in society. I remember that when I discussed the policy address a few years ago, I cited an example that still remains fresh in my memory today. My son asked me what he should do after graduating from secondary school, and I told him that he could enter a university; he then asked me what he should do after completing a bachelor's degree programme, and I told him that he could study for a master's degree and then find a good job. Yet, soon after our conversation, we heard a news report about a person studying for a master's degree having jumped from height and lost his life because he could not find a job after completing his studies. My son asked me right away what he should do. If these problems cannot be solved, the younger generation will meet greater difficulties in the future. Actually, the unemployment rate of young people aged between 15 and 19 reached 25.7% within the period between July and September, and the situation warrants our grave concern. It illustrates that young people have become sacrificial offerings under the financial tsunami, but, the Government remains indifferent to the youth unemployment problem.

The Chief Executive and Secretary Matthew CHEUNG may be able to give explanations in a variety of ways, insisting that the current youth unemployment situation is improving, thus demonstrating that the youth employment measures introduced by the Government earlier on really work and are effective. President, I hope the Secretary and the Chief Executive will not be too forgetful because Secretary Matthew CHEUNG said when he made an analysis of a paper on the indicators of poverty that the employment situation was undesirable, the labour market was weak and there might be job wastage, thus, the youth unemployment rate could only seen a small downward adjustment. For this reason, the Government should not consider the current measures effective. In fact, there is still a very long way to go if we want to solve the youth employment problem. We hope that the Chief Executive will honour the pledge he made during election and expeditiously provide job opportunities to the socially disadvantaged groups and non-engaged youths.

Apart from the youth unemployment problem, the policy address has not mentioned a word about the unemployment of women, especially single mothers. I mentioned the difficulties encountered by single mothers in job search a short while ago. It is also cited in *Ming Pao* that, 16% of the women in the Tin Shui Wai district interviewed were part-time and casual workers, and there was an unemployment rate of nearly 10% among them. There is this 50-year-old single mother who only had some \$3,000 for her family of three after deducting her MPF contribution and rent. To save \$3.6 for the fare of a trip from the Mei Foo

station to the Lai Chi Kok station, she walks 25 minutes to work every day; she walks 25 minutes after a ride. President, I remember that it was widely reported in the press that the Chief Executive had walked six minutes from Government House to a church 300 m away on the International Car Free Day, but this mother walks 25 minutes every day. Why can we not handle these issues immediately? President, I hope that the Government, especially the Secretary, will really resolve in the future the difficulties encountered by these working single mothers. Offering them more job opportunities would help solve their poverty problem and help their families and children live a better life.

President, lastly, I would like to talk about occupational safety and health. Recently, an industrial "accident" took place at the International Commerce Centre in which six workers died after falling down a lift shaft. However, as we have noticed, it was actually not an accident, but a blunder. Although nobody wanted the accident to happen, the problem was caused by insufficient safety measures taken by the relevant parties. Last week, due to suspected works execution errors, a ceiling collapsed and a South Asian worker standing on the rooftop fell down with more than a ton of debris. Yesterday, a worker working outside a building in Tai Hang was hit in the head by a piece of concrete falling from height, and he was pronounced dead at the hospital. There are numerous such cases every year. May I ask if the occupational safety measures taken by the Government are enough? The Government should not just tell us how many investigations and inspections have been conducted. In this connection, I hope the Secretary can really take appropriate measures so that the workers could set their mind at ease when they work, and step up efforts in monitoring, prosecution and education. Certainly, occupational safety and health is a very complex problem, and I hope that the Government would draw up a clearer blueprint in the future and put in place a flexible mechanism to alleviate further the existing problems in the industry.

I so submit.

**MR LEE CHEUK-YAN** (in Cantonese): President, first of all, I would like to congratulate the SAR Government and present it a prize. According to a report of the United Nations, Hong Kong ranks the first worldwide in terms of the disparity between the rich and the poor. Surely, the Chief Executive will say that not many people are living in poverty in Hong Kong. He will then argue

about the definition of poverty. The Chief Executive says that those earning an income below the CSSA payment are people in poverty. However, according to the international poverty line, people earning an income below half of the median household income are living in poverty. According to the report of the Hong Kong Council of Social Service (HKCSS), 1.23 million people are living in poverty in Hong Kong at present. Can you imagine that, 1.23 million of the 7 million population are living in poverty, which is nearly 20%.

But since the Chief Executive said that the figure should not be 1.23 million, and should be based on the number of households on CSSA payments, I will discuss households on CSSA with him. In Hong Kong, there are some 700 000 people living in poverty earning an income below the CSSA payment. We do not talk about the 1.23 million people and focus only on these 700 000-odd people. What has the SAR Government done for these 700 000-odd people? Does the Government think that it has done all it needs to do by merely providing CSSA? All along, the Government adheres to an age-old mindset. I know what the Chief Executive will tell us. He will say that the most important task now is to revive the economy, so that the public can break away from poverty. Hence, the most important task is to revive the economy. This has been the mindset of the entire Government all along. However, I can tell Members that it is the greatest lie. It has been telling this lie for several decades and poverty still prevails.

So, apart from reviving the economy, it is most imperative that the Government intervenes suitably to help the people break away from poverty. It cannot simply rely on efforts of reviving the economy. Once the economy has recovered, it must alleviate the problem of poverty. If the Government says that by reviving the economy, it can help people break away from poverty, it is telling a whopping great lie, deceiving the public.

In respect of boosting the economy, what was the past experience? In times of good economy, only the consortia benefited, and the public could only get the "leftovers". However, when the economy was weak and flagging, those consortia would in the first instance transfer the effect of the crisis onto the working class. At that time, the public could not even get the "leftovers" but had to live on their meagre savings. This is the apt description of our experience over the past decade in weathering the many crises. To the working class, this is a fact cast in iron. Therefore, it is untrue to say that the problem can be solved by reviving the economy. What has the Government done in the past?

Whenever the problem arose, it had no other measure but dishing out "favours" and would then hang around for a few years. After that, it would dish out "favours" and hang around for several years again. The Government has never taken the problem seriously and introduced suitable policies to solve the problem in the long run. Therefore, it is most saddening that with such a Government ..... Honestly, how can the people of Hong Kong not live in poverty?

The policy address this time around really drives us mad. To the general public and the wage earners who sweat and toil to eke out a living, the policy address on the whole states clearly "zero-commitment" on the part of the Government. They are not even given the scantest attention. At present, employment is definitely an issue of the gravest concern to us. Let us see what the Government tells us in the policy address about employment. It will inform the unemployed via Short Message Service (SMS) and provide a search terminal to assist them to find jobs. How ridiculous! In the face of such a major crisis in the job market, the Government only says that it will provide a search terminal for unemployed workers.

Certainly, I know that Secretary Matthew CHEUNG is ..... I always say that he is a top salesman. He can speak so eloquently to present something dead as something full of life. Even though the proposal is just a cliché, he can say that it is a new idea. Later on, he will surely say that it is a new idea, which can provide job placement assistance to the public, and the unemployed can go direct to job seeking when they received the SMSs. However, the Government should not simply stop at providing job placement service, and it must help the unemployed to find a job. How can it help them to find a job? Indeed, we would like to put forth a very humble request. It should think of some ways to encourage the unemployed to come forward to seek employment. We propose that a monthly job-seeking allowance of \$1,000 be provided to job seekers for a period of six months. This is not unemployment assistance. We surely want to strive for unemployment assistance, but we will focus first on job seeking, that is, we should help them to find a job. The Government cannot simply provide a search terminal for the unemployed, nor can it simply send them some SMSs to inform them of the jobs available for them to choose. From a more proactive angle, we surely hope that the Government can create more job opportunities. But in addition to the creation of job opportunities, I hope that the Government can at least take one step forward in providing a job-seeking allowance to offer some practical help to the unemployed workers.

Second, it is the problem of working poverty. If those who have a job are still trapped in poverty, why should they work? However, the people of Hong Kong are really righteous and kind at heart. Though the Government asks them to apply for CSSA, they refuse to do so. This is a very good nature of our race. But the Government should not punish those who come out to work. Why do I say that the Government is punishing these people? It makes them trapped in working poverty. At present, those who work suffer more than those on CSSA. We should not allow this situation to continue in the long run.

In this connection, the Hong Kong Confederation of Trade Unions (CTU) has one simple proposal. In respect of working poverty, all along, we have two requests. There are only two methods in the world. By adopting a two-pronged approach including these two methods, the problem of working poverty will be solved.

For the first method, Members know that I will surely propose the implementation of minimum wage. I am glad and excited that the relevant bill has now been submitted to the Legislative Council. However, I hope that the SAR Government, Secretary Matthew CHEUNG in particular, should pay attention to several points. First, it should not be set at an hourly rate of \$24 as Michael TIEN told me. If it is set at an hourly rate of \$24, the monthly salary will only be \$4,900. One who earns this wage is still trapped in poverty, is he not? If one can only earn \$4,900 per month, is he not trapped in working poverty? Besides, there is one point which I consider most disappointing, that is, the legislation on minimum wage on the whole lacks a clear objective. We hope that a clear objective — eliminating working poverty — can be drawn up. What is the objective set out by the Government? To prevent low-income ..... No, it should be preventing individuals from receiving excessively low wages. I do not know what does it mean by excessively low wages. We have had debates on the definition of excessively low wages. The Government should have told me what excessively low wages is, but it fails to do so. However, if I say that the objective is to eliminate working poverty, it will be a more proactive approach. The way the Government puts it is too negative. It says the objective is to prevent individuals from earning excessively low wages, affecting the competitiveness and giving rise to employment wastage. But why can the Government not put it in a more proactive way — to eliminate working poverty?

The second method is ..... Before I go on to the second method, I would like to make one more point. I hope that Secretary Matthew CHEUNG can

really help us out. He says that there should be an adaptation period of six months. But I oppose that. He all along says that there should be an adaption period of six months, but I hope that the six-month adaptation period will not be implemented. Otherwise, I wonder how long we have to wait, perhaps another six months. I hope that the legislation will come into effect once enacted. At present, all the employers in Hong Kong are adapting to this practice, and they all know that this policy will be implemented soon. For this reason, I urge the Government not to provide for a six-month adaptation period.

The other method adopted worldwide, which Members all know, is tax credits. What is a tax credit? This method is adopted in the United Kingdom, the United States and Europe. Under the arrangement, a line is set at a certain income level, and those earning more than that income level have to pay tax, while those earning less will receive subsidies from the government. Moreover, the number of members of a household is a factor of consideration. A family with more members working will receive the subsidy. This will encourage people to work, and is thus regarded as a means to "Make Work Pay". People choose to work will receive subsidies, but those who do not can only receive the unemployment assistance of a smaller amount. However, once they come out to work, the Government will immediately give them incentives. This method is adopted all over the world to induce the unemployed to get employed and come off the dole.

I have proposed this method for years in Hong Kong. Now, concerning the minimum wage, we have taken the first step, and I hope that we can take one more step forward. However, before taking this step, I cannot help asking Secretary Matthew CHEUNG one question: Why do the authorities have to procrastinate even on the issue of transport allowance to people with a low income? At present, several thousands of people living in four districts are not eligible to apply for the transport allowance. In other words, they receive \$600 less each month. They have to bear the expensive traffic expenses if they go to work, which amount to more than \$1,000. However, we all know that they are earning less than \$6,500. The Government said that they need only receive the allowance for one year. If they can get a pay rise after a year, I think it is not a matter of concern, but this is not the reality. Why can the Secretary not extend the subsidizing period immediately? He told me to wait till December. I am now pleading the Government to extend the period to November, but the Secretary has not yet given me an answer. Why do we have to endure all these?

Does it really mean that ..... I think the review is redundant. The authorities should have extended the period in July, but it resorted to procrastination. Now that several months have passed, some people have no money at all. For the low-income group and those trapped in working poverty, alternative means should be identified to help them break away from poverty.

Now I come to the third major method. Over the years, we all know that in times of economic fluctuations, and when the business of consortia was far from satisfactory, wage earners would fall victim to it immediately, for employers would seize the opportunity to lay off staff. When the ATV laid off its staff, TVB would take the opportunity to do so, too. The same situation arises every time. What is the case of the Government? Whenever the Government saw pay cuts and layoffs (thanks to the Government), it would come out and say that layoffs should not be imposed easily, and that more communication with employees is required. The Government did make such calls and made them aloud, but what we want is not only lip-service. We want policies. It is useless for the Government to pay mere lip-service. To counter these private enterprises, we need the policy on the right to collective bargaining. But over the years, the Government, the Labour Department and the Labour and Welfare Bureau have taken no proactive action to promote the right to collective bargaining.

He will surely say later on that efforts have been made, that some tripartite forums have been set up, and that many enterprises have made efforts to facilitate negotiations and carry out conciliations. Honestly, nearly all negotiations with enterprises are carried out only after workers have gone on strike. Should things be left to this pass? We hope that the Government can put in place a mechanism rather than paying lip-service. If it is a responsible Government, it should establish a collective bargaining mechanism, so that enterprises, employees and trade unions with representativeness can resolve the conflicts between employees and employers by way of negotiations. It is good for employers, for if the problems are solved, it will boost the morale of employees who will in turn work hard for their employers. This will minimize labour disputes. Employees will also benefit from the arrangement, for they do not want to call strikes frequently, they too want to settle the disputes through negotiation, so that they can set their mind at rest when they work. The mechanism will bring mutual benefits to both employers and employees. But to date, there is no right to collective bargaining in Hong Kong.



So, President, under these circumstances, I think that workers in Hong Kong can hardly earn a descent living. However, the CTU will do its level best anyway. If the Government does not take any action and sits on the issue, we will mobilize workers to fight for themselves in unity.

President, lastly, I would like to talk about another issue, the youth problem, the problem related to the "Generation Y". Who belong to Generation Y? The youths who start working in society a decade after the reunification. They are those born in the late 1980s and the early 1990s. I have great sympathy for them. Why? For the Generation Y has now become the Generation of "three no's" — they have no ladder for upward mobility, no prospect, and no stability. Why have they come to this pass? It is not because they have not worked hard, for I am not referring to the non-engaged youths in general but university graduates who have become the "three no's". Why? Which generation do we belong to? We belong to the generation of "four haves": we have got married, we have cars, and we have our own flats and babies. All of us here belong to this generation of "four haves", and we have already "made it". All of us are now in certain important positions with influence. What will we do then? We do not bother about the Generation Y. Come to think about this. What career ladders are available to the Generation Y upon graduation from universities? They will work as usual, but they will suddenly be laid off. When banks cut staff, they will be laid off. They are lucky if they are working in investment banks, for they may receive huge bonuses. However, many of them are only working as average accountants, and once they are laid off, their career ladder will break. All staff on contract terms, even university graduates are employed on contract terms, will lose their jobs upon the completion of their contracts.

The Government has also played a part in forming such policies. Let us see how the Government treats the young AO now. First, they are employed on three-year plus three-year contract terms. They are not entitled to pension but only Mandatory Provident Fund. The Generation Y is now enduring all these sufferings while those from the Generation of "four haves" have all settled down and "made it". But does it mean that we can turn a blind eye to all these problems? This situation prevails not only in private enterprises but also in the Government. Anyone who wants to be a social worker can only get employed on contract terms. Secretary Matthew CHEUNG, at present, 58% of the social workers are contract staff, which is nearly 60%. What prospect do you expect this group of youth to aspire to have? They do not have any prospect at all.

When I say that they have no ladder, I am referring to the breaking of their career ladder in their career path, for when they are laid off, they have to start all over again. Since they are employed as contract staff, they have no prospect. What is their prospect? They do not know what will happen to them in future. Where do their hopes lie? They enjoy no job security, and they will be laid off at anytime. This is the case of the Generation Y.

I am not sure whether we, the Generation of "four haves", should come forth and bow to apologize to the Generation Y, telling them we have already "made it". I hope that this group of people who have already "made it" will think about the difficulties of another group of people who can in no way "make it". We may put aside the problem of high property prices, for it is wishful thinking that they can purchase their own flats at this price level. The Chief Executive received a call from a lawyer who told him that even though her husband worked as a doctor, they could not afford purchasing their own flat. Nonetheless, the Chief Executive told her not to live in Central. This remark really hurts the Generation Y, for they enjoy no job security. In the end, I hope that people from the Generation of "four haves" will ask themselves honestly: Can they be so callous to treat the Generation Y this way?

President, the situation of another group of people is even worse. Just now, I was talking about the situation of university graduates, but for those who have not received university education, they are in greater distress. Even if we leave out this group who has not received university education, the non-engaged youths at present are facing much greater difficulties. Surely, Secretary Matthew CHEUNG will say in his response later that many programmes, like the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS), have been provided to them. We have interviewed students from the YPTP, and they asked whether they could be given more time for learning. I find one of the cases of a student studying a performing arts course most interesting. I wonder how she can complete the course on performing arts within 15 days. I praise her as a "smart girl". However, does it mean that she can enter the performing arts business once she has completed the 15-day course on performing arts? No. So, the most important point is to help them enter the sector instead of just offering them some courses as some kind of welfare.

The YWETS is alright, for the participants can enter the relevant trades as long as employers are willing to train them. But for the students of the YPTP, they cannot enter the trades after they have completed the 15-day course, it is thus

impracticable. The situation of university graduates is worse, but this group of youth will be in greater distress in future, and they will probably be the one receiving minimum wage. They will be trapped in working poverty, failing to support their family. In addition to the "three no's" I mentioned earlier, they have to face two extra "no's": they have no job, and they have no hope. Have we done justice to the youth these days?

President, nowadays, the Hong Kong community is interested in uncovering scandals about the Chief Executive. It is indeed meaningless. I hope we will all pursue solutions to the poverty problem, solving the problems mentioned by me earlier. We should really do justice to the people of Hong Kong.

The elderly demand the provision of universal retirement pensions, and since 2000, the Central Policy Unit said that the issue would be examined. But it is now 2009, no report has been published. May I ask about the progress on the provision of universal retirement pension? How will the problem of retirement of the elderly be solved? The provision of residential care homes for the elderly is another problem. At present, the number of elderly died in the course of waiting for a residential care place exceeds that being allocated a place. How ridiculous! Surely, Secretary Matthew CHEUNG later on will say that new thinking has been applied to release more nursing home places for the elderly. I certainly welcome this, but please do not play with figures, for there is still a shortage of places. We wish to hear some practical solutions to the problems. At present, among those living in poverty, the elderly is at the forefront and suffers the most. I hope that the Generation of "four haves" who has already "made it" ..... The Secretary should come forward and bow to the public later, for he has really done a disservice to the people of Hong Kong. Thank you, President.

**DR PAN PEY-CHYOU** (in Cantonese): President, in the entire policy address, I think this is the part which has caused much disappointment to society at large. In this part, we are talking about a caring society, but as Mr LEE Cheuk-yan said just now, the care for wage earners mentioned in the policy address is most inadequate. Let us first look at the situation faced by wage earners now. In the period from August to October 2008, the unemployment rate in Hong Kong was 3.6%, but in the period from July to September, it increased to 5.3%. For individual industries, such as the manufacturing industry, the construction industry and the logistics industry, the increase in unemployment rate was

relatively great. In the construction industry, the unemployment rate rose from 5.5% to 9.4%. This is the situation faced by wage earners now. Though they have the strength to work, they cannot find a job.

The impact of the financial tsunami is worldwide, and since Hong Kong is an externally-oriented economy, it suffered a heavier blow. First, the financial tsunami caused fluctuations to the global financial market, and the financial sector in Hong Kong was surely the first to bear the brunt. The recession in Europe and the United States resulted in the reduction in the exports of China, which in turn affected the logistics industry in Hong Kong. The impact of the financial tsunami together with the spread of Swine flu had nearly brought the tourism industry to a standstill, taking the hardest hit. By this stage, three of the four traditional pillar industries in Hong Kong are on the verge of breaking down.

The Hong Kong Federation of Trade Unions (FTU) is always very much concerned about the employment situation of the working class and wage earners, the grass-root wage earners in particular, as well as the poverty problem they are facing. As Mr LEE Cheuk-yan said, we cannot rely solely on social assistance to solve the problem of poverty. The real solution to the problem lies in boosting employment, improving working conditions and ensuring that the public has good and quality jobs. Only in this way can the problem be tackled at root. In the past, among the four traditional pillar industries, the growth of the retail industry was driven by the logistics industry and the tourism industry, thus creating a lot of posts at the elementary level, but these posts were most vulnerable to deletion in times of recession. Hence, we believe the Government has an unshirkable responsibility in this aspect, particularly in the context of the future economic development.

Today, before I entered the Chamber, I had the opportunity to chat with Secretary Matthew CHEUNG for a while. The Secretary said that the policy address focused on the discussion of relatively long-term planning and that a lot of work was in progress. This is exactly the point I wish to raise. I think that the Government should identify ways to take care of wage earners in the long run, particularly the employment problem faced by grass-roots wage earners, while it seeks to promote the development of Hong Kong economy. For it should not take for granted that a buoyant economy will bring jobs and wage earners will thus earn a living. The Government should think about ways to promote employment-oriented development, so that wage earners can have good jobs and enough job opportunities.

In the policy address this year, little is said about the poverty problem. The word "poverty" is only mentioned in the 123rd paragraph under "Conclusion". Regarding the solution to the poverty problem, as I mentioned earlier, it will be dealt with simply by economic growth. But this in fact cannot solve the problems brought by the development of this city.

Overall, Hong Kong is not a city of poverty. We all know that Hong Kong ranks the first in the world in terms of the Gini Coefficient, which means that rich people are not few in number. However, the overall wealthy status of society cannot help the group living in poverty. In what ways can the wealth be distributed more evenly? The most important point is how we can help people in poverty, particularly those in working poverty, to earn more money to improve their standard of living.

In tackling the problem of poverty, sometimes it can be likened to a doctor giving diagnosis to a patient, in which the doctor must first find out which part of the patient's body has a problem, he can then prescribe treatment to cure the disease. Hence, to solve the problem of poverty, we must first identify the cause, so that the right remedy can be prescribed for the people in poverty. To solve the problem of poverty, corresponding assistance should be provided to pinpoint the needs of different social groups, such as people in working poverty, the low-income group, people facing employment difficulties, women in poverty and the elderly in poverty, and so on.

Concerning people facing employment difficulties, the FTU had indeed put forth many proposals when we met with the Chief Executive this year in respect of the policy address. One of the major proposals is to extend the coverage of the transport allowance for low-income earners to all districts in Hong Kong, and we hope that this will become a long-term policy. For the unemployed, before they are eligible for Comprehensive Social Security Assistance (CSSA), they should be provided with some temporary assistance. These are the relief measures proposed by us. Moreover, we propose that government projects open to tender should by all means be divided, so that each contract is below the threshold of the Government Procurement Agreement, thus effectively keeping more jobs in Hong Kong. We also hope that the Government will encourage as far as possible the production of certain precast units in Hong Kong. The Legislative Council is examining bills relating to minimum wage and criminalization of defaults on payment of wages, as well as other employees'

protection, and all these can effectively protect the interest of grass-roots labour, enabling them to enjoy the fruits of their labour.

On the other hand, I would like to talk about elderly care, an issue the policy address this year has made relatively more mention. We agree with a number of measures set out, including increasing the proportion of nursing home places from 50% to 90%, purchasing vacant places from self-financing nursing homes and care and attention homes for best utilization, increasing the number of residential care places in the next five years, and providing visiting pharmacist services to residential care homes. Since we work in residential care homes long term and have contact with patients, we think these measures can address the present shortage of residential care places and residential care services.

However, these measures have reminded me of two points. First, these measures are all isolated measures, giving people the impression of a piecemeal approach. In other words, given the existing shortage of residential care homes and the long waiting list, we have to think of all means to increase residential care places. However, does society indeed need to put in place a comprehensive elderly care policy? The population in Hong Kong is ageing rapidly, how can we take proactive actions to address the problem of ageing population in the course? Will the increase of residential care places and some minor improvements to residential care facilities solve the problem? Are there other alternatives that can enable society to deal with this serious problem it will soon face in a comprehensive and co-ordinated manner?

Second, I want to point out that more often than not, when we look at the demand for elderly care services generated by the ageing population, we seem to regard it as something negative, kind of a heavy burden to society. But in my view, our society is indeed very well-off. This is the first point. Second, given the oversupply of labour force, the ageing population will actually create many job opportunities, particularly for the low-skilled or those whose trade has become obsolete. If proactive retraining is offered to these people, many of them can be transformed into very good and outstanding elderly caretakers. I believe society should view this issue from a more positive perspective. If the development is handled properly, it may not necessarily be a burden, but just the opposite, an opportunity to solve part of the employment problem.

I so submit.

**MR CHEUNG KWOK-CHE** (in Cantonese): President, this is the second time I speak on the Motion of Thanks on the policy address. Regrettably, as in last year, I consider the content of the policy address this year unacceptable. The need of the disadvantaged is still being overlooked in the policy address. The Government is after all turning a blind eye to this group of people who are in dire straits. Over the years, we in the social welfare sector have been urging the Government to formulate long-term social welfare planning, but the request only went in one ear of the Chief Executive and out the other. What is more regrettable is that the Chief Executive lacks vision. Concerning the overall future development of Hong Kong, the Chief Executive fails to draw up a blueprint for long-term development. I really worry what kind of society will the next generation lives in.

I will first speak on welfare issues. The policy address delivered by the Chief Executive this year is titled "Breaking New Ground Together", hoping that government officials, the business sector and the public together will break new ground for Hong Kong. However, having studied the policy address thoroughly, I cannot but ask one question: What kind of new ground does the Chief Executive aim to break? The specific content of the policy address, as well as the ideology of the Government expressed between lines, indicates that the policy address this time around aims to break new ground for the wealthy, the powerful and the influential, while the grassroots and the disadvantaged will continue to be neglected.

The policy address on the whole focuses on economic affairs, talking at length the development of the six industries with clear advantages, but it makes nearly no mention of livelihood and social welfare issues. I met with the Chief Executive in early September to convey the aspiration of our sector. However, minor and piecemeal responses are made in the policy address on residential care homes for the elderly and persons with disabilities and mental health services. On certain core issues, such as the policy on the elderly, social welfare planning, a review of the service tendering system, education opportunities for persons with intellectual disability aged above 18 and the implementation of a number of international conventions, and so on, the policy address is completely silent.

It is pointed out in the policy address that the proportion of nursing home places in existing subsidized residential care homes will be increased from 50% at present to 90%. The increase seems to be substantial on the surface, but we in

the sector consider that it is only a play on figures. Under the arrangement, there will be no increase in the number of residential care places for the elderly at all, for it purely involves converting residential care places into nursing home places, which falls greatly short of the target demanded by the sector strives, 5 000 residential care places and 3 000 nursing home places.

Please allow me to quote some figures. Under the existing arrangement, only elderly people assessed to be of the severe impairment level with deficiency in activities of daily living are eligible to apply for nursing home places. At present, there are around 6 000 elderly people waiting for nursing home places, and the average waiting time is four years. But unfortunately, 1 500 of them died last year while waiting. What society is this? The elderly have contributed to Hong Kong for decades, but now, owing to the cold-blooded policy of the Government, they cannot lead a peaceful life in their twilight years. We cannot but heave a weary sigh.

Moreover, I would like raise the issue of providing Internet service subsidy for students. Given the growing importance of education via Internet in society nowadays, many organizations have made a strong demand to the Government for the provision of Internet service subsidy for students from low-income families. Grass-roots students failing to have access to the Internet may fall into the digital divide and be marginalized, which in the long term will aggravate inter-generational poverty and widen the disparity between the rich and the poor. May I ask government officials of the greatest difficulty they face in providing Internet service subsidy to students in poverty? The Government acts with great decisiveness on issuing coupons for compact fluorescent lamps (CFLs), but when it comes to providing some trivial assistance to children in poverty, it turns to conducting all kinds of studies. Does the Government mean to do nothing to address the problem until the social problem has worsened? Secretary Michael Suen, please listen to your conscience.

The problem of young people indulging in drug abuse and "compensated dating" is worsening before our very eyes. The Government should take the blame for often overlooking some minor social problems and dragging its feet in addressing these problems. By the time the problem has worsened, the Government hastily will introduce some piecemeal measures. But regrettably, the Government has failed to learn a lesson from these experiences. In the policy address, the Chief Executive honestly admits that the loads of social problems will be referred to the Family Council for discussion. To me, it is



evident that the Government is just employing the delaying tactic to address the problem, for advisory bodies like this often take a long time to examine the problem, failing to answer the aspiration of society. I will liken the situation to a patient diagnosed as having a benign tumour but unable to get prompt treatment, where the tumour eventually develops into a malignant tumour and any treatment becomes too late. Actually, for years, the social welfare sector has been urging the Government to formulate long-term and overall social welfare planning. It should seriously listen to the needs expressed by society and prescribe the right remedy that can alleviate social problems. This is the solution to the problem at root.

In the policy address this year, policies on alleviating poverty and helping the disadvantaged are included in Chapter D, under the heading "Progressive Society". It is true that a progressive and open society should have a comprehensive social welfare system, so that adequate provision is secured for the aged till their death, the young to have the means of growing up, and the widowers, widows, orphans, parents who have lost their children and people with disabilities will all be sufficiently maintained. But it is so disappointing that after reading the whole policy address, we found that the so-called "Progressive Society" is no more than empty talk. The Chief Executive still regards social welfare as a burden.

First, let us compare the items on social welfare services mentioned in the policy agenda of this year and that of last year. This year, the Government has put forth 52 initiatives, but the content of 29 of them is similar to that of last year with only some minor alterations in wordings. Besides, many of the initiatives can be likened to old wine in new bottles or a rehash of old ideas. At first glance, it seems that a lot of measures have been introduced, but they are no novelty in actuality. Take the long-term social welfare planning, an issue of the greatest concern to the social welfare sector, as an example. The issue is mentioned this year and last year, but the sector has only heard words and seen no action by the Government. When will the Government consult the sector and the community? This is an important question, but the Government has never given a definite answer to the sector.

The most exasperating point is in the conclusion of the policy address: "If we were to maintain welfare-based relief measures on a long-term basis, we would have to overhaul our tax system and increase tax rates. I believe the public would not agree with this approach." What he means is that the provision

of social welfare is sort of an encumbrance or burden. Why will the implementation of relief measures definitely involve overhauling the tax system and increasing tax rates? Once again, the Chief Executive is presenting his own views as views of the people of Hong Kong. I can only say that presentation of this kind will only be valid when the Chief Executive is returned by universal suffrage, and only by then will the public respect the Chief Executive.

Actually, the provision of social welfare is the cornerstone of social stability, which is also an investment in social development. We may as well look at the situation in countries in northern Europe. Take Sweden as an example. Public expenditure accounts for 50% of its national income. The citizens there can enjoy all kinds of welfare and allowance from birth to death. There is no poverty-stricken area in the country. No one has to live in cubicles or caged homes. Members of society live in complete harmony with a very high living standard. Citizens of countries in northern Europe do not take to the streets frequently because of the high tax rate policy adopted by the government. Why can we not adopt some of those measures? The Government should reflect on this.

The other arrangement the sector has been striving for for years is the provision of universal retirement protection, which is a kind of social investment. In the face of the ageing problem, more elderly people will have to live on Comprehensive Social Security Assistance (CSSA) and the Old Age Allowance, which means an increased financial burden on the Government. Besides, the Mandatory Provident Fund scheme is incomprehensive. First, it fails to immediately address and alleviate the problems faced by people retiring at present and approaching the retirement age. Second, the scheme is designed to provide some retirement protection to the middle-income group, whereas the low-income group will receive nearly no benefit from the scheme. The establishment of a universal retirement protection scheme is already a consensus of the international community, and extensive discussion has been carried out in the community. However, the Government lacks the vision and regards this as a scourge that will gobble up the assets of the Government, as well as a burden to the Government. We know that the Central Policy Unit started conducting a themed study a few years ago, but the findings have not been published so far. How long does the Government want to drag on?

The SAR Government insists on adhering to the principle of "small government, big market", keeping its expenditure within the limits of revenues

and maintaining public expenditure as a share of GDP at around 20%. I must bring forth one point, that is, Hong Kong does not have to bear military and foreign affairs expenses. If so, why can we not invest more resources in helping the disadvantaged, even though it may just be 1% or 2%? Surely, we do not expect the Government to achieve this in one go, and turn into a government that upholds welfarism. But we hope that the Government will at least be sincere in making efforts to address the worsening wealth gap.

Social welfare is an investment, which includes bringing human capital and social capital into full play to fulfil the function of stabilizing society. Only with this can we achieve social inclusion. If the Government continues to think that the provision of social welfare is a burden, it will only cause greater division in society in the long run and aggravate the disparity between the rich and the poor, which is detrimental to the future development of Hong Kong.

By now, I must talk about the recent property price hike. Last Sunday, I took part in a march on "shell-less snails" and met many people, particularly the middle-to-low-income group, and they said that it was extremely difficult to purchase a flat at the current price level. If the Chief Executive thinks that the public may live in the remote areas, he may as well take the lead to move to a public housing flat in Tin Shui Wai and live there for a month. He will then feel for himself how the grassroots go to the urban areas to work by bus every day and understand their lives. If so, the Chief Executive can keep close tabs on public pulse in formulating policies. It is the aspiration of the public to live in contentment and work happily. I believe this request is only reasonable. But why can such a humble request hardly be satisfied in a civilized city like Hong Kong? I earnestly hope that the Government will heed the views of the public to increase land supply, resume the building of Home Ownership Scheme flats and resume public housing construction, so as to satisfy the housing needs of the middle-to-low-income group.

Every year, the Chief Executive will conclude in the policy address the work done in the past, forecast the development in the next few years and put forth long-term policies. However, in the past two years, I notice that the relevant policy addresses failed to provide overall and long-term planning on aspects like social welfare, medical and health care service, housing planning and constitutional development, and so on. Even for the 10 major infrastructure projects proposed at that time, how many of them have been implemented so far?

About half of the projects are still at the discussion stage. The Guangzhou-Shenzhen-Hong Kong Express Rail Link, which has drawn criticisms from various sectors recently, was actually proposed by the Government a number years ago, but the Government slowed down its pace after that. It was not until the Central Authorities had exerted pressure that the Government hastily implemented the project. Regrettably, due to inadequate consultation, the construction cost of the project and the land resumption work involved have blown up a storm in the community. This should be attributed to the lack of foresight on the part of the Chief Executive in addressing problems. It is most important that the Government will consider extensively the views of the public in formulating policies.

The Chief Executive, being the top-most leader in Hong Kong, should have the foresight and vision to plan for the future of Hong Kong. Unfortunately, so far, I do not see that the incumbent Chief Executive Donald TSANG has the lofty aspiration to solve these social problems. If he continues to work for the people of Hong Kong with a wage earner's mindset of "getting the job done" in his remaining term, if he keeps on taking stopgap measures, the people of Hong Kong definitely will have to mourn in grief.

President, I so submit.

**MRS SOPHIE LEUNG** (in Cantonese): President, this topic today is quite heavy one, not least because Hong Kong has been rated as a place marked by a wide gap between the rich and the poor. Many economists around the world have explained that it may be necessary to re-examine the simplistic ratio that depicts the Gini Coefficient. For example, it is pointed out that in the case of a city where wealth is generated not only internally, it may not be quite so appropriate to include the wealth generated by the city at the international level in the computation of its Gini Coefficient. But I do not intend to discuss all these ideas now. President, it is not my intention to make any cosmetic attempt to explain that the disparity in wealth in our city is not acute. It must be admitted that all places enjoying economic prosperity are bound to be marked by a wide wealth gap no matter how we look at them.

However, the remarks of Mr LEE Cheuk-yan just now did sadden me a lot. According to him, wage earners nowadays cannot enjoy any job security. I can remember that at least six years ago, I already raised this issue in this legislature

and held discussions with the several labour-sector representatives in this Chamber. At that time, I already explained that due to the notion of "just-in-time employment", the employment situation in the 21st century was bound to be unstable. I believe that if our friends from the labour sector had been willing to join hands with the humble Sophie LEUNG in the past five or six years to discuss this topic and examine the future impacts of this notion on Hong Kong, most wage earners would have been able to equip themselves fully by now and would not have to ask society to bring them under the umbrella.

President, between 2001 and 2002, I had the honour of attending various United Nations conferences as a representative of women's organizations in Hong Kong. The message I brought back from all these conferences is that all people in the 21st century, even including the United Nations, must face up to the problem of capacity building. This means that rather than dwelling any further on the provision of a protective shield, we must make every attempt to enable individuals to bring their potentials into play. The reason is that a protective shield is of very limited use only; it cannot protect the entire world, nor can it protect all those in need of employment in society. It is only in this way that women can unleash their potentials. It is only in this way that women can also make a mark in the complicated industrial and commercial society nowadays.

My advice is certainly well-intentioned, President. Honestly, I do think that I should really tender my apologies because I am one of those Legislative Council Members who are not quite so outspoken. Why? Because I believe concrete actions are always better than words. But perhaps because I seldom deliver any speeches and I cannot orate as impressively as other female Members like Ms Emily LAU that I have failed to share all such ideas with Members. Anyway, the 21st century is a century marked by the explosion of economic potentials and keen competition. We cannot turn the clock back, so it is useless to talk about the past anymore. Some in our workforce are already very advanced in age, so we must give them some help. However, in regard to the young people, we must make them wake up to the realities as early as possible. This is the correct action we should take.

Another point is that the governments of many other places are already examining their past policies in a bid to find out whether they have ever assumed any responsibilities that they are not supposed to take up. For example, after the Second World War, the British Government thought that youngsters were under-nourished, so it decided to provide each youngster with a glass of milk

every day, or a sum of money for a daily glass of milk. But it turned out that every family simply spent the money on other items, and youngsters remained under-nourished all the same! We must not assume any responsibilities that we are not supposed to take up, and we must not overdo our part. We should enable people to stand on their own feet. We must also re-examine the numerous forms of assistance in our society. We must find out whether such assistance has in fact plunged people into a state of perpetual neediness, and whether the provision of assistance can really help them to extricate themselves from their plight.

I have already talked about all this many times before. President, I am also sorry that I have been such an inarticulate speaker. But I must add that I do have a compassionate heart. Since social mobility is accorded such serious treatment in the policy address, we should really join hands to explore how our social mobility mechanism can be enlivened. I hope that all in society can show genuine concern for others, rather than struggling among themselves to look for a protective shield, or protection from the Government. A protective shield cannot possibly protect our posterity. They must stand on their own feet. This sounds very harsh. But this is the reality.

Ours may indeed be a low tax regime. But there is nothing wrong with this. It is precisely due to this low tax regime that our society has managed to make such rapid economic progress. And, we must not forget that in our society, there is another form of taxation called voluntary taxation. Without this form of voluntary taxation, how can it be possible for the numerous social organizations and welfare agencies to receive so many subsidies and sustain their operation?

I think all the non-governmental organizations (NGOs) in society must reconsider their directions, so as to equip themselves for the future. If all these organizations are deprived of subsidies, what will become of them? In this connection, I hope that all the providers of subsidies — the Government and many other organizations — can review the conditions of subsidies, with a view to encouraging the self-reliance of NGOs. That way, all subvented organizations and recipients of subsidies can be enabled to stand on their own feet. The Government should encourage them to do so, rather than assuming the role of parents. This reminds me of our education system. In the 1980s, all private schools were phased out and replaced by subvented schools. This is the first example of how the Government assumes a responsibility it is not supposed to take up. We should allow the existence of more independent schools.

Under our present education system that emphasizes e-learning, we should encourage more schools to choose their own directions. I have learnt from the newspapers today that a teacher who was once convicted was able to join the profession again after changing his name. In the 1980s, when I served on the managing boards of some schools, I came across some teachers who did not appear to be in their right minds. Some who applied for the post of Deputy Principal even attended the interview with flip-flops on. Why has all this happened to our system? Subvented schools must clearly reconsider their future directions.

Speaking of a caring society, I still wish to point out that our social enterprises have not been able to make any achievements over the past few years. Why? Frederick FUNG often says to me, "Mrs LEUNG, please join hands with us." I really want to do so. I have told many people in the business sector that what social enterprises in Hong Kong lack is business acumen. Our social enterprises are used to relying on others. Secretary ..... President, I am talking about over-reliance. They do not know what flexibility is. By now, social enterprises in many other places have already expanded their scopes of business to the world market. How can it be possible to teach a three-year-old how to do this and that? When asked to spend more money, social enterprises will react as if someone was trying to rob them of all their assets. They will simply wonder why they should be asked to do so. We should make more efforts to encourage them to play the proper role of social enterprises. We should encourage their self-reliance, asking them not to think only about using the subsidies to pay the salaries of social workers according to the salary scale. If social enterprises are supposed to do all these things only, I think that I also know how to do the job myself.

What is more, some people in NGOs just want to retain their positions, and they do not want to see any changes. Some of them have even stayed in their present posts for more than a decade. How can they have any new ideas in that case? They only want to retain their positions as heads of social workers.

I also want to talk about education. These days, we have been promoting e-learning. There is actually very great room for development in this area. I think e-learning is good, and it can also change the mindset of teachers, making them realize that they should no longer rely on dry teaching methods, rote learning and examinations. But I also hope that the Education Bureau can take

the lead in calling upon society to discard the reliance on examinations as a means of assessment and academic qualifications as a criterion of staff recruitment. All this is useless. The only important thing is flexibility.

President, having listened to all my well-intentioned advice, some may wonder whether Sophie LEUNG is interested in indulging in empty talks only. President, the answer is no. Not long ago, for fear that students may lapse into drug abuse because of the boredom they experience under the present education system, the several Members belonging to Economic Synergy organized an activity called "Knotting Hearts Action". Through other organizations, we have also helped Roads to offer assistance to some trainees under the Youth Pre-employment Training Programme. And, earlier today, we even won the bid for a stall in the Chinese New Year Bazaar. We hope to let students try their hands at business operation as a learning experience. If things work out, we will organize more activities of this kind in the future.

Through another project entitled "School-Company Partnership" (intended for students in Band Three schools), we also gave assistance to nearly 3 000 students last year. The aim of this project is to help students change their mindsets. We hope to make them understand that even if they cannot do well in examinations, they must still be astute enough to take control of their own destiny because life is such a long journey. We have been practising what we preach. We hope that Members can pitch in. Just a handful of people like us can already do so much. If all the 60 Members can join hands, I am sure that it will be possible to do a lot more.

We do not talk about votes. We do not talk about fame. We only want to do solid work. I hope that after listening to my speech, Members can pitch in and make some solid efforts.

Thank you, President.

**PROF PATRICK LAU** (in Cantonese): President, I agree very much that no matter how poor the shape of the Hong Kong economy is, the Government must still exert its best to take care of and help the elderly and persons with disabilities, and also meet their needs. I welcome very much the new arrangements relating to residential care places for the elderly and persons with disabilities proposed in the policy address. The Government will introduce such measures as buying



residential care places, increasing the proportion of subsidized residential care places and the construction of new residential care homes to provide a large number of residential care places. I also support the measure to provide additional subsidized day care places and improve home care services through social enterprises. This series of measures has responded to some of the requests made by me in the motion "Elderly housing policy" moved the year before. This shows the Government's willingness to make commitments to the living of the elderly and its determination to prepare for the ageing of the population, so we should express our approval of them. I hope the Government's measures and arrangements can be launched and implemented within a short time, so that the waiting time for residential care places can be shortened as soon as possible.

President, concerning the problem of wealth disparity, according to the latest household income survey conducted by the Census and Statistics Department, the number of people with an income less than half of the median income territory-wide, that is, people earning less than \$5,000 monthly, is on the rise and numbered 1.23 million in the first half of this year, an increase of some 24 000 people over last year. Among them, the problem of poverty among elderly people aged over 65 is particularly serious and among young people aged between 15 and 24, there are also 180 000 people earning an income of less than \$5,000 monthly. In these circumstances, I think the Government must address squarely the deterioration of the poverty problem and most importantly, the unemployment problem in Hong Kong. Just now, many Members have also raised this problem. Earlier on, Mrs Sophie LEUNG also made suggestions on what the Government could do. However, the Government is utterly at a loss in the face of this problem. I have also heard Members representing the labour sector make similar remarks, but there are no practical ways to create jobs. I think the Government must commit some resources — in fact, a number of Members have already pointed out that the Government must have the determination before ongoing and detailed studies can be conducted to understand the social and demographic changes, so as to enable the Government to formulate population policies better suit the social trends. In addition, this measure can also make up for the inadequacies of the report "Hong Kong 2030 — Vision and Development Strategy" and follow up its shortcomings.

I believe the creation of jobs is the single most effective way to eliminate poverty, as pointed out by the policy address. As many Members said, the problem we are facing is that Hong Kong is continuously moving towards a

knowledge-based economy and only people with high educational attainment, high technological know-how, high skill level and management ability can find jobs in the market. As regards job seekers with low educational attainments and low skill levels who lack working experience, how can they find any job? We can see that the four pillar industries and six industries proposed by the Government cannot create job opportunities within a short time for this group of people lacking knowledge, education attainment and skills. For this reason, the Government can only tackle this problem from education and consider whether it is necessary to provide training to this group of people immediately. However, education takes a long time. For this reason, I find that the problem lies in the fact that after the relocation of industries in Hong Kong across the border, there is a lack of jobs of this nature for this group of people. I remember that in the past, many poor and unemployed people would often become street hawkers, so I hope that such a measure can present some competition to supermarkets making handsome profits. The existence of hawkers can enable the public to buy cheaper goods on the one hand and assist the public in finding employment on the other. Of course, it is not possible to turn back the clock. I am just giving examples of the measures along this line. In the past, many members of the Hong Kong public kept themselves employed through their own efforts and I think this is something quite special. What policy does the Government actually have and how can it create opportunities for the public to do so?

I believe the most important thing is to help young people find employment. We all consider young people the future pillar of society but at present, the problem of poverty and the problem of a growing rank of unemployed young people have arisen in Hong Kong. This is really a cause for concern to us, particularly because young people without work are more prone to pick up drugs. This is how young people enduring unemployment and the pressure of living fall into the drugs net. Nevertheless, I can see that the Government is now taking this problem very seriously and I think this is a step in the right direction.

However, how can the Government create job opportunities? The industries in Hong Kong have disappeared and nowadays, many jobs require some technical training. Yet, I think that education in Hong Kong is largely a failure. We have failed to cultivate positive life values among young people or promote creativity education to cultivate students' interest and incentive to learn.

I have taught architecture courses for a long time, but I have not yet seen secondary or primary schools in Hong Kong promote creativity or arts education, so that students can be primed for taking programmes in architecture. There is really nothing of the sort. Since secondary schools have divided their subjects into arts and science streams but the talents we need must possess knowledge in both areas, the Government has not given any thoughts to how students' creativity can be fostered at all, so I think this is a major problem. What I hope the most is that the education policy can be founded on the cultivation of interest among students instead of getting good grades.

President, since you have also worked as a school principal for a long time, how can we tolerate the existence of those tutorial schools which have distorted our education? I think the first thing we have to do is to outlaw all tutorial schools. How can the existence of tutorial schools be allowed? There are so many good schools in Hong Kong .....

**PRESIDENT** (in Cantonese): Prof Patrick LAU, we will discuss education only in the next debate session. Maybe you can consider waiting until that session to voice your views on education.

**PROF PATRICK LAU** (in Cantonese): I understand. However, this is an issue relating to young people. Our young people want to establish their career and find work. However, the education in Hong Kong cannot groom them into talents and cannot raise their chances of finding employment. Many people in the labour sector have also pointed out that society cannot provide jobs to young people because there is a mismatch between the types of jobs on offer and the knowledge they possess. They really have no knowledge whatsoever of the four pillars or the six industries now being discussed, but such jobs all require talents with professional knowledge. However, at present, unemployed young people are all people with low educational attainment and here lies the greatest problem. This is my analysis. Members can look into this, and it is necessary for us to analyse the underlying causes.

President, if we do not talk about education, we have to consider how to give young people training in society. The only thing that I appreciate in the policy address of the Chief Executive on this occasion is the Happy Family Campaign. Can we start with building a happy family, giving young people

training and striking a balance between their physical and mental developments, so that they will stand better chances of finding suitable work?

Thank you, President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I now call on the public officers to speak. Secretary for Labour and Welfare.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I am grateful to 19 Members for their expression of views on "Investing for a Caring Society". The Government, like Members, is keenly concerned about all social problems relating to the people's livelihood. I will first respond to welfare and manpower issues.

Many Members have expressed concern about the problem of disparity between the rich and the poor earlier. Addressing the problem of disparity between the rich and the poor has all along been a key area of work of the Government. We have never evaded the problem of poverty in society. Members should remember that in 2005, the Government established the Commission on Poverty (CoP) to conduct a thorough study on the problem of poverty, with a view to prescribing right remedies and taking proactive actions to address the problem.

The Task Force on Poverty co-ordinated by me has all long made every effort to organize poverty alleviation work within the Government and followed up comprehensively the 53 recommendations made by the CoP, and a majority of the recommendations has been implemented. They include the introduction of the \$300 million Pilot Projects of Child Development Fund, enhancement of various training and retraining initiatives, upgrading the skills and competitiveness of youth, middle-aged people and low-income earners, reinforcement of contact with the hermit elderly and single elderly, and

implementation of the Transport Support Scheme in remote areas. Meanwhile, as Members also know, the work on the legislation on minimum wage, which aims to provide protection to grass-root labour, is ready to be set in motion.

Some Members think that the Government has been indifferent towards the disadvantaged. But this criticism is unfair and untrue. Had Members not been forgetful, they should remember that in response to the difficult economic situation, the Government has since last year introduced a series of relief measures, which involves resources amounting to \$87.6 billion, to boost the economy, improve the people's livelihood and promote employment.

Regarding the definition of poverty, the most commonly used expressions are "absolute poverty" and "relative poverty". Under "absolute poverty", an objective method is used to define the minimum standard of living, and people failing to achieve that standard of living are regarded as living in poverty. As for people in "relative poverty", they possess relatively less than others in society.

Earlier on, when the Chief Executive mentioned the indicator of poverty, he said that the Government would use the average Comprehensive Social Security Assistance (CSSA) payments as a reference. This view was formed by the former Commission on Poverty (CoP) upon its completion of the thorough study on the relevant problems, for society at large accepts that the average CSSA payments are sufficient for the recipients to meet the basic needs of living. However, I must stress that it is not the so-called "poverty line", nor is it the sole indicator used by the Government in formulating poverty alleviation policies. We do not adopt the concept of absolute poverty, and income is not the only factor we use to define poverty.

According to the former CoP, to examine poverty problem from a more comprehensive and objective perspective, household income should not be the one and only one factor of consideration, welfare or subsidized services provided by the Government, such as education, medical and health care services, and housing, and so on, should be factored into it. Factors like the conditions and various opportunities favourable to individual development, taxation policies, savings or assets owned by the persons concerned and the particular difficulties they face in living, should also be considered. Besides, the need of major social groups should be assessed in the context of their different stages of life. We agree with these views.

Actually, in 2009-2010, the recurrent public expenditure of the SAR Government on the four policy areas, namely social welfare, education, health and housing, is as high as \$139.1 billion, accounting for 57.6% of its total recurrent public expenditure.

All along, we adopt the 24 indicators of poverty of a diversified nature set out by the CoP to examine the poverty problem in Hong Kong from different perspectives. We try to understand the different needs of various groups, including children and youths, working people, elderly people and residents of various districts, with a view to formulating policies addressing the needs of the needy and evaluate the effectiveness of such policies. Under this mechanism, "population living in poverty" in the year 2008 was around 714 900.

With regard to the remark that 1.23 million people in Hong Kong are now living in poverty, the threshold is set at half of the median household income, and any household earning an income "equal to or lower than" that level will be defined as living in poverty. This approach involves subjective judgment, thus it may fail to accurately reflect the actual situation. The greatest limitation is that this approach does not take into account — as I mentioned earlier — the welfare and subsidized services, like education, medical and health care services and housing, provided by the Government, nor the possible saving or assets possessed by the persons concerned.

Besides, in the case of Hong Kong, many people defined as living in poverty according to the half-median household income approach are indeed CSSA recipients or recipients of other financial support offered by the Government. At present, there are around 490 000 CSSA recipients, and the estimated expenditure on CSSA and the Social Security Allowance Scheme for the year 2009-2010 is \$27.1 billion, accounting for 11.9% of the recurrent expenditure of the Government, which is a rather high percentage.

No matter how many people are living in poverty, the crux of the problem is how we should assist this disadvantaged group. This challenging, long-term and ongoing task is the responsibility the Government, which it cannot abdicate. We will continue to address the problem on all fronts in a practical manner. Apart from assisting them and providing them with suitable conditions, the most effective and fundamental solution that can improve the livelihood of the low-income group is promoting economic growth and developing towards diversification, which will bring about more employment opportunities. At the

same time, we should step up our efforts in training and retraining to enhance the competitiveness and employability of the labour force, which will promote social mobility. This is precisely the principle and direction of administration adopted by the SAR Government.

In the policy address, a new policy direction is introduced under the welfare portfolio in providing services to the elderly, the disadvantaged and persons with disabilities. Priority is accorded to services for the elderly, persons with disabilities and discharged mental patients. This year, we employ new thinking and flexibility in making strategic deployment. We introduce new initiatives that bring both quality and quantity, hoping to take better care of the group most in need of our care and love in the community.

In respect of the elderly care policy, the Government adopts the policy of supporting "ageing in the community as the core, institutional care as back-up". According to the survey of the Census and Statistics Department, the majority of the elderly prefer to age at home, for the environment is more familiar and they can be attended by their family members and taken care of by their neighbours. Actually, if suitable community care and support are provided, even the elderly requiring long-term care may age at home. Hence, our development is geared in this direction, hoping to fulfil the aspiration of the elderly gradually. At present, there are 58 centres and units providing day care services to the elderly, which include personal care, rehabilitation training, meals and escort services. We will make every effort to increase day care places for the elderly. The Social Welfare Department (SWD) has reserved places under six development projects for the construction of day care units attached to contract residential homes for the elderly.

In the face of an ageing population, the operation of all elderly care services has to be based on a sustainable financing mode. If the provision of community care and residential care services is supported solely by public money, it will not be adequate to address the varied and ever growing needs of the elderly. We will continue to co-operate with the Elderly Commission to examine the future development of subsidized long-term elderly care services, which includes examining ways to improve the existing home care services and encourage more organizations to provide such services through the operation of social enterprises. At the same time, we will continue advocating that individuals, families and society should shoulder the responsibility together to satisfy the needs of the elderly. Also, we will encourage the balanced

development of elderly care services in the public and private sectors, so that the elderly are presented with more choices in selecting quality residential care homes.

Here, I would like to pay special tribute to carers of the elderly, for they have made strenuous efforts in supporting the elderly to age at home, and I think Members can imagine the enormous pressure they face. To further strengthen the support and training provided to these carers, from next year onwards, we will extend the coverage of the existing District-based Scheme on Carer Training to Neighborhood Elderly Centres. After the completion of the first round of training for the 750 carers, some 6 100 times of service were provided to the elderly. In view of the good response, the Scheme was extended in March this year to all districts in the territory, and it is expected that the new round of training will equip another 1 500 carers.

I fully understand the concern of many Members for residential care places. As the population ages, there will be a growing demand for residential care places. A number of new initiatives are proposed in the policy address this year with a view to increasing subsidized residential care places, particularly places providing nursing and continuous care, with a multi-pronged approach and shortening the waiting time in phases. The new initiatives include increasing the proportion of nursing home places in existing subsidized contract residential care homes for the elderly from 50% to 90%. On the other hand, we will purchase vacant places from self-financing nursing homes and care and attentions homes, which are places in quality residential homes operated by non-profit-making organizations. Moreover, we will make full use of the space in existing subsidized elderly homes to provide more places that offer continuous care. I stress that this is not playing with figures, Mr CHEUNG Kwok-che, they are all material measures. Apart from increasing the proportion of nursing home places, the other arrangements involve the purchase of vacant places and the increase of additional places, which are new places in actuality. It is not a play on figures. We believe these measures will remarkably increase the number of subsidized residential care places providing nursing and continuous care.

Moreover, we will keep encouraging subsidized residential care homes for the elderly to restructure places with no long-term care element into places providing continuous care. Regarding the conversion works of residential care homes for the elderly, which aims at upgrading their facilities and equipment to cope with the restructuring scheme, to expedite the works concerned, the SWD



has obtained the consent in principle of the Lotteries Fund Advisory Committee to allocate funds in block grants for relevant applications specifically.

We will continue to purchase places from private residential care homes for the elderly to increase the supply of subsidized nursing home places, encourage private residential care homes to enhance their service quality and continue building new residential care homes. In the next three years, five new contract residential care homes will be coming into operation, providing a total of 500 places. The SWD has at the same time reserved places under 12 development projects for the construction of new contract residential care homes. In other words, our plans stretch over the short term, the middle term and the long term.

I have to emphasize one point, that is, we have never overlooked the need of the elderly unable to get a residential care place. These elderly are offered the choice of receiving government subsidized community care services, including door-to-door home care services and services provided by day care centres. Many elderly waiting for residential care places have received suitable subsidized community care services.

Maintaining the service quality of residential care homes is another point that should not be overlooked. We plan to co-operate with professional bodies from the pharmacist sector to launch a pilot scheme on visiting pharmacist services. The Government will provide subsidies to encourage residential care homes to co-operate with qualified pharmacists to enhance the capability of the staff of these homes in drug management, and to reinforce their knowledge and management experience in this respect. The scheme will last for three years. Upon the completion of the scheme, we will review its effectiveness and examine the way forward.

Some Members requested the Government to further relax the absence rule on receiving Old Age Allowance. The Government is now conducting a review of the issue and will report the results of the review to the Panel on Welfare Services as soon as possible.

The policy objective of the Government in rehabilitation services is to develop the potentials of persons with disabilities, facilitate their participation in social life and full integration into the community. We will increase places for pre-school rehabilitation services to provide early intervention services for

children with disabilities. We will also provide additional places for day training and vocational rehabilitation services to enhance the employability of persons with disabilities.

We fully understand the pressure faced by persons with disabilities, particularly their family members and carers, and we will do our level best to give them support.

The majority of persons with disabilities are receiving various kinds of day training, vocational rehabilitation services and community-based support services while they are waiting for residential care places, so that they can live at ease in the community and the pressure faced by their carers can be alleviated. At present, the SWD has organized a series of day training and vocational rehabilitation services targeted for persons with disabilities aged 15 or above. To reinforce the relevant services, 16 community-based support centres have been set up in various districts in the territory to provide one-stop service to persons with disabilities. These centres, which came into operation in January this year, provide integrated home training and support services, ensuring that persons with disabilities will receive the support they need and their carers' burden and pressure will be alleviated.

For persons with disabilities who cannot live independently and whose family members cannot give them proper care, we have increased the number of subsidized residential care places in each of the past few years, providing them with diversified residential care services to improve their quality of life.

The pilot Bought Place Scheme for residential care homes for persons with disabilities proposed in the policy address this year is an unprecedented attempt. The Scheme aims to encourage private residential care home operators to improve their service quality, increase the source of supply of subsidized residential care places, and to encourage the market to develop different types of private residential care homes adopting different modes of operation. We will also support non-governmental organization .....

**PRESIDENT** (in Cantonese): Secretary, will you please pause for a while. Mr LEUNG Kwok-hung, do you have any question?

**MR LEUNG KWOK-HUNG** (in Cantonese): I would like to seek an elucidation. Is he going to answer the part relating to the 1.23 million people living in poverty .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please be seated. This is not your time to speak.

**MR LEUNG KWOK-HUNG** (in Cantonese): May I ask him .....

**PRESIDENT** (in Cantonese): You cannot interrupt the Secretary while he is speaking, unless you are raising a point of order. Please be seated. Secretary, please continue.

**MR LEUNG KWOK-HUNG** (in Cantonese): OK, he has not said .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you are wasting our time. You are not raising a point of order. Secretary, please continue.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): ..... President, we will encourage the market to develop different types of private residential care homes adopting different modes of operation. We will also support non-governmental organizations to develop self-financing residential care homes, and continue identifying locations suitable for the construction of residential care homes in a proactive manner. We have reserved places under three development projects for the construction of new residential care homes for persons with disabilities, striving to increase residential care places on all fronts.

In the light of the ageing profile of residents in subvented residential care homes for people with intellectual disabilities, we will strengthen physiotherapy, nursing home and other support services for them to maintain their physical abilities and health.

Moreover, to assure the service quality of residential care homes for persons with disabilities, we plan to submit a bill on residential care homes for persons with disabilities to the Legislative Council within this legislative year to introduce a licence system for the regulation of residential care homes for persons with disabilities. This proposal will have positive effects on enhancing the service quality of residential care homes and increasing the supply of residential care places.

Another focus of the policy address this year is on strengthening support for discharged mental patients. To address the various needs of discharged mental patients, the Government has all along endeavoured to promote co-operation between the medical and health care service sector and the welfare service sector. It also advocates the provision of comprehensive and continuous mental health services through cross-sector and cross-professional operation. The SWD and the Hospital Authority (HA) will work closely with non-governmental organizations, and the operation and demand for community rehabilitation services will be kept under regular review, ensuring that rehabilitation services are effectively provided to discharged mental patients and their families. We will also increase the manpower of medical social workers to tie in with this.

At present, discharged mental patients have to visit various non-government rehabilitation organizations and units to receive different kinds of community mental health support services. In March this year, the SWD set up the first Integrated Community Centre for Mental Wellness in Tin Shui Wai to provide one-stop, integrated and convenient community mental health support services to residents. We plan to extend this mode of service to all the 18 districts in Hong Kong, so that discharged mental patients, their family members and carers and residents of the districts can get the support they need at one service point, which means one-stop service is provided.

We will increase manpower to cope with the case management programme introduced by the HA, which aims to provide continuous and personalized intensive community support for mental patients with severe conditions. The programme will offer proper support to mental patients with severe conditions living in the community.

President, the Government always endeavours to combat domestic violence. In the past few years, we have kept investing additional resources to

strengthen the preventive, support and special services provided to victims of domestic violence and families in need.

Next year, we will introduce a support programme to strengthen the support for victims of domestic violence, particularly victims engaging judicial proceedings. Apart from providing them with information on legal proceedings and community support services, emotional support will also be offered to them. Besides, whenever necessary, they will be accompanied by social workers in attending hearings in Courts, in which way their worries and their sense of helplessness will be alleviated, so that they can recover early and resume a normal live again.

President, I will now come to employment. Employment is a basic need of the people and a cornerstone of harmony. Hence, the Government attaches great importance to employment service, which is also a key area of work in the portfolio of labour.

In the past year, the serious impacts of the financial tsunami caused the economy to take a turn for the worse. The SAR Government responded swiftly by introducing a series of measures to "stabilize the financial system, support enterprises and preserve employment", trying to minimize the impacts of the crisis on the public. The unemployment rate of Hong Kong in the last quarter has dropped slightly by 0.1% after standing at 5.4% for three quarters in a row, which is the first decrease recorded in the 13 months after the strike of the financial tsunami in August 2008. It is evident that measures introduced by the Government have started to take effect.

The improvement in the construction industry has been the most remarkable, for the unemployment rate of the trade has seen a drop for the past five months in a row, reaching a single digit level of 9.4%. The unemployment rate of the renovation and maintenance works sector has also dropped markedly in the past five months in a row to 10.8%, an accumulated decrease of 10.8%. There are as many as 2 000 target buildings under the Operation Building Bright. At present, around 20 to 30 old buildings, on average, will launch repair works every month, where new posts are created unceasingly. In just a few months, 1 000-odd posts have been created under the Operation.

The unemployment rate among the youths for the last quarter also recorded a drop. The unemployment rate for the age group of 15 to 19, as Members

know, has dropped from 28.7% in the quarter from May to July to 25.7% in the last quarter, a decrease of 3%.

The "YPTP.YWETS" introduced by the Labour Department (LD) has been improved to offer year-round enrollment, as an open-to-all policy and one-stop service. The new mode was introduced in August, and in just two months, nearly 9 000 applications were received, so the response has been really good. Under the current practice, we will not wait when we receive an application, but will provide them with training as soon as possible. The Internship Programme for University Graduates was launched in August this year and is now in full swing. So far, more than a thousand university graduates have benefited from the programme. It is evident that the two programmes are definitely effective in some measure in facilitating youth employment.

The LD is granted funding for strengthening the Employment Programme for the Middle-aged and the Work Orientation and Placement Scheme that encourages employers to employ persons with disabilities. Work relating to these two programmes is proceeding at full steam.

In view of the impacts of the financial tsunami, the Employees Retraining Board (ERB) has made corresponding arrangements. It will provide 123 000 training places in 2009-2010 and reserve some 20 000 places as a contingency measure, so that the public demand for employment training can be met swiftly. So far, the enrolment of trainees has been encouraging.

Moreover, as Members know, the SME Loan Guarantee Scheme introduced by the Government last year has helped stabilizing some 10 000 enterprises, maintaining over 240 000 posts, which is not a small feat.

Despite that, the current unemployment rate still stands at a high level. Hence, we cannot slack off and be complacent. We will continue to keep a close watch on the labour market. It must be understood that all employment programmes or relief measures are ongoing work, which must undergo a process and cannot made achievements in one go. However, I believe we will eventually see the effect of these measures.

As for employment, various employment programmes have been introduced to help different groups and the programmes will be enhanced

regularly. In the policy address, the priority task in the labour portfolio is to identify ways to create favourable and convenient conditions for job seekers, and provide them with tailor-made and effective services.

First, I would like to point out that the LD will set up a pilot one-stop employment and training centre at Tin Ching Amenity and Community Building in Tin Shui Wai to provide one-stop service and support to job seekers. Apart from general job seekers, the SWD will also refer able-bodied recipients of unemployment assistance to the centre in phases to help them to stand on their own feet. This novel employment service system aims to rationalize, consolidate and enhance the existing employment, training and retraining services provided by the LD, the SWD and the ERB. We expect that the pilot centre will come into service in early 2011. If it is successful, we will consider extending this mode of operation in other districts.

Moreover, in February this year, the LD set up the Recruitment Centre for the Catering Industry, which is well received by employers and workers in the trade. The retail industry, like the catering industry, is facing a strange scenario, that is, "vacancies left unfilled, but workers remained unemployed". In view of this, we have decided to set up a recruitment centre for the retail industry in the middle of next year, specifically providing more tailor-made employment support to employers and job seekers in the trade, which will include job fairs and on-the-spot interviews.

At the same time, we will expand the job vacancy database of the LD, and on a trial basis, lend non-governmental organizations search terminals connected to the job vacancy database of the LD, and disseminate information on employment to job seekers via Short Message Service. These are special and novel measures which aim to facilitate the dissemination of employment information, shorten the waiting period of job seekers and increase the opportunities of entering employment.

Finally, many Members demanded the expansion of the coverage of the Transport Support Scheme to all districts in the territory and the extension of the validity period. I fully understand the concern of Members, and the LD is currently reviewing the scheme and the review is expected to be completed in a month or two.

I would like to give a brief response to the women affairs issues raised by Ms Emily LAU earlier, though she is not in the Chamber now. To put it simply, I would say that she has many misunderstandings. Let me cite a few points in gist. First, the Women's Commission plays an important role in many practical tasks. It is now assisting the Government to implement its three-pronged strategy, that is, to provide the favourable environment, to enhance the capability of women and to promote public education. It is working with us in promoting the well-being and interests of women. Moreover, we have spared no effort in promoting gender mainstreaming. For instance, she said earlier that I had only talked about bullet-proof vests at a seminar, but apart from bullet-proof vests, many new initiatives were introduced to cope with the promotion in this respect. For instance, in many venues of the Leisure and Cultural Services Department, changing rooms for families, as well as breast-feeding rooms, are provided. Moreover, in the new Government Headquarters in Tamar in future, we hope that matt finish floor tiles can be used for the protection of women. We have actually set out a lot of examples. I would like to repeat one point, that is, we attach great importance to the rights and interests of women.

Mr Albert CHAN also mentioned the youth employment problem in Tin Shui Wai, and we share his concern. The Regional Social Welfare Officer of the district may also play a co-ordinating role. Hence, we will continue to step up our efforts at the district level.

President, Honourable Members, labour affairs and welfare are closely related to the people's livelihood, and there will always be room for improvement. We will never be complacent and will definitely exert our best to take care of the elderly, the disadvantaged and persons with disabilities, help people living in poverty, and assist those aspiring to moving from welfare to self-reliance to contribute to society. We will work together with all the stakeholders, including non-governmental organizations, the business sector and enterprises, and even every member of the public, towards this goal.

I urge Honourable Members to vote against the amendments proposed by Mr Frederick FUNG and Mr WONG Sing-chi, and support the original motion of Ms Miriam LAU.

President, I so submit.



**SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): The total speaking time limit for public officers in this session is 60 minutes. The Secretary for Labour and Welfare has spoken for 27 minutes and 58 seconds only. It has now passed 9.00 pm, and I think it is unlikely that other public officers will finish speaking before 9:30 pm, so I now suspend the meeting until nine o'clock tomorrow morning.

*Suspended accordingly at twenty minutes past Nine o'clock.*