

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 17 January 2001

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE KENNETH TING WOO-SHOU, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

THE HONOURABLE CHAN KAM-LAM

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, J.P.

THE HONOURABLE AMBROSE LAU HON-CHUEN, J.P.

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

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

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

THE HONOURABLE LAW CHI-KWONG, J.P.

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

DR THE HONOURABLE TANG SIU-TONG, J.P.

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

THE HONOURABLE LI FUNG-YING, J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S.

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE LEUNG FU-WAH, M.H., J.P.

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE DONALD TSANG YAM-KUEN, J.P.
THE FINANCIAL SECRETARY

THE HONOURABLE ELSIE LEUNG OI-SIE, J.P.
THE SECRETARY FOR JUSTICE

MR CHAU TAK-HAY, J.P.
SECRETARY FOR COMMERCE AND INDUSTRY

MR GORDON SIU KWING-CHUE, J.P.
SECRETARY FOR PLANNING AND LANDS

MR NICHOLAS NG WING-FUI, J.P.
SECRETARY FOR TRANSPORT

MISS DENISE YUE CHUNG-YEE, J.P.
SECRETARY FOR THE TREASURY

MRS LILY YAM KWAN PUI-YING, J.P.
SECRETARY FOR THE ENVIRONMENT AND FOOD

DR YEOH ENG-KIONG, J.P.
SECRETARY FOR HEALTH AND WELFARE

MRS FANNY LAW FAN CHIU-FUN, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MS SANDRA LEE SUK-YEE, J.P.
SECRETARY FOR ECONOMIC SERVICES

MS ELAINE CHUNG LAI-KWOK, J.P.
SECRETARY FOR HOUSING

CLERKS IN ATTENDANCE:

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

MR LAW KAM-SANG, J.P., DEPUTY SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Broadcasting (Licence Fees) Regulation.....	11/2001
Securities and Futures Commission (Levy) (Futures Contracts) (Amendment) Order 2001	12/2001
Clubs (Safety of Premises) (Fees) (Amendment) Regulation 2001	13/2001
Builders' Lifts and Tower Working Platforms (Safety) (Fees) (Amendment) Regulation 2001.....	14/2001
Fire Service (Installation Contractors) (Amendment) Regulation 2001	15/2001
Timber Stores (Amendment) Regulation 2001	16/2001
Commodities Trading (Contract Levy) (Amendment) Rules 2001	17/2001
Securities (Exchange—Traded Stock Options) (Amendment) (No. 3) Rules 2000	18/2001
Telecommunications (Carrier Licences) Regulation	19/2001
Telecommunications (Examination, Certification and Authorization of Radiocommunications Personnel) Order.....	20/2001
Telecommunication (Amendment) Ordinance 2000 (36 of 2000) (Commencement) Notice 2001	21/2001

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. I would like to inform Members that question time normally does not exceed one and a half hours, with each question being allocated about 15 minutes. Supplementaries should be as concise as possible and Members should not make statements when asking supplementaries.

First question.

Statistics on Small and Medium Enterprises

1. **DR LUI MING-WAH** (in Cantonese): *Madam President, regarding the definition of and statistics on small and medium enterprises (SMEs), will the Government inform this Council:*

- (a) *given that the current number of SMEs has been reported to be about 290 000, whether it knows the basis for working out this figure;*
- (b) *of the criteria adopted by various government departments for defining SMEs; if different criteria have been adopted, of the reasons for that; and*
- (c) *according to the definition of SMEs most commonly used by government departments, of the current number of SMEs and the total number of employees thereof; and the respective numbers of SMEs and their employees in the manufacturing sector and the service sector, as well as a breakdown of these numbers by industry?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President,

- (a) I believe that Dr the Honourable LUI Ming-wah was referring to the statistics published by the Census and Statistics Department (C&SD) in citing the figure of 290 000 SMEs.

The C&SD conducts the "Quarterly Report of Employment and Vacancies Statistics" every three months. The survey is conducted through questionnaires sent to local companies randomly sampled from the list of enterprises kept by the Business Registration Office of the Inland Revenue Department (IRD). Enterprises selected for the survey have to provide the requested information to the C&SD, including their number of employees. The Department would then extrapolate the latest figure of SMEs in Hong Kong from such information in accordance with the definition of SMEs adopted by the Government.

- (b) At present, the following two categories of enterprises are defined by the Government as "small and medium enterprises":
- (1) enterprises in the manufacturing sector with less than 100 employees in Hong Kong; and
 - (2) enterprises in the non-manufacturing sector with less than 50 employees in Hong Kong.

According to our understanding, there is no question of different government departments adopting different criteria in defining SMEs.

- (c) According to the latest "Quarterly Report of Employment and Vacancies Statistics" published in September 2000 by the C&SD, there were 300 520 SMEs in Hong Kong, representing 98% of the total number of local business establishments. These SMEs employed approximately 1 408 000 people, accounting for 60% of the total employment in the private sector.

It was estimated that, of these some 300 000 SMEs in Hong Kong, about 21 000 were from the manufacturing sector and had around 145 000 employees; about 279 000 were companies in the service industry with around 1 253 000 employees, and more than 600 were engaged in other industries, employing some 10 000 workers. The statistical breakdown by industry sector is set out in the Appendix.

Appendix

Statistics of Small and Medium Enterprises
In Hong Kong by Industry Sector
(as at September 2000)

<i>Industry Sector</i>	<i>Number of SMEs and Persons Engaged In Various Industry Sectors*</i>		<i>Percentage of The Number of SMEs In Various Industry Sectors and Persons Engaged (%)</i>	
	<i>Number of Establishments</i>	<i>Number of Persons Engaged</i>	<i>Number of Establishments</i>	<i>Number of Persons Engaged</i>
(a) Manufacturing	21 216 (7.06%)	145 038 (10.30%)	98.64	63.21
(b) Services	278 685 (92.73%)	1 252 754 (88.97%)	98.31	61.94
- import/export	105 805 (35.21%)	433 177 (30.77%)	99.08	81.38
- wholesale, retail, restaurant & hotel	85 261 (28.37%)	385 136 (27.35%)	98.51	73.92
- transport, storage & communications	10 341 (3.44%)	68 958 (4.90%)	96.64	37.62
- financing, insurance, real estate and business services	49 781 (16.56%)	223 299 (15.86%)	97.86	51.10
- community, social & personal services	27 497 (9.15%)	142 184 (10.10%)	96.28	40.75
(c) Others:				
- mining & quarrying	3 (0.001%)	74 (0.005%)	60.00	34.91
- electricity & gas	14 (0.005%)	218 (0.02%)	73.68	2.58
- construction	602 (0.20%)	9 921 (0.70%)	62.71	12.30
All Industry Sectors	300 520	1 408 005	98.22	60.14
(a)+(b)+(c)	(100%)	(100%)		

* Figures in brackets denote the percentage of the number of establishments and persons engaged in respective sectors in relation to all industry sectors.

PRESIDENT (in Cantonese): Dr LUI Ming-wah, do you wish to ask a supplementary question?

DR LUI MING-WAH (in Cantonese): *The Secretary for Commerce and Industry has replied my question in great detail, I do not think I need to ask a supplementary.*

MR ERIC LI (in Cantonese): *Madam President, we can learn from part (c) of the main reply that SMEs account for 98% of the total number of business establishments in Hong Kong. However, the number of their employees only accounts for 60% of the total employment in the private sector. Does the Government have a breakdown of the statistics showing their market shares by industry?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, we do not keep such statistics. Concerning the figures by industry, they are already listed in the Appendix.

DR RAYMOND HO (in Cantonese): *Madam President, may I ask the Secretary to what extent the Asian financial turmoil has affected the staff recruitment of these SMEs? Has the authority concerned conducted any investigation on it?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, prior to the outbreak of the Asian financial turmoil, that is, between 1996 and 1997, the number of local SMEs was in the region of over 270 000 to 280 000 or more. During the Asian financial turmoil, the number of local SMEs dropped sharply to about 250 000. However, in the wake of the recovery of the local economy from the financial turmoil between 1999 and 2000, the number of SMEs bounced back drastically from over 290 000 in December 1999 to over 300 000 in September 2000. During that period, similar changes took place in the workforce of these SMEs: the number of workers under the employ of SMEs dropped from 1.35 million in December 1997 to 1.25 million in 1998. However, the number rebounded to 1.37 million in December 1999. By December 2000, the number reached 1.4 million.

MR CHAN KAM-LAM (in Cantonese): *Madam President, does the Secretary have the respective figures concerning the ratio of the number of employees and the total output value of SMEs by industry?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, according to the latest figures of 1998, the total output of these over 200 000 to 300 000 SMEs accounted for 35% of the total output value of Hong Kong, while the ratio of the number of employees was 60%, and the ratio of business establishments was 98%.

DR PHILIP WONG (in Cantonese): *Madam President, does the authority concerned have any figure showing the percentage of the tax paid by SMEs annually in the overall profits tax income?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I do not have the relevant information on hand.

MRS SELINA CHOW (in Cantonese): *Madam President, part (c) of the Secretary's main reply obviously shows that the number of SMEs engaging in the service industry and the number of their employees have accounted for an overwhelming majority, with 279 000 companies and 1 253 000 employees respectively. May I ask the Secretary how the Government will provide the SMEs with support specific to their needs?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, in the past decade or two, a lot of local manufacturers have moved their production lines to China. As the labour-intensive processes are no longer conducted in Hong Kong, the local manufacturing industry has been shrinking constantly. In view of the fact that SMEs engaging in the service industry account for the majority of SMEs in Hong Kong, the Government has therefore pinpointed their needs and provided them with the maximum support.

Currently, the Trade and Industry Department (TID) is the Government's front-line department providing the SMEs with support. The Small and

Medium Enterprises Office (SME Office) established under the TID provides a one-stop information service, including relevant information on the application of business licences and services for SMEs provided by government and non-government organizations. Recently, the SME Office has launched a Pilot Mentorship Programme for SMEs in order to provide an opportunity for SME operators to learn from the experiences of local successful businessmen. The SME Office is also responsible for the co-ordination and planning of services to be provided for SMEs by supporting organizations. Furthermore, the Innovation and Technology Commission (ITC) has established a Small Entrepreneur Research Assistance Programme under its Innovation and Technology Fund to provide assistance to SMEs engaging in research on innovation and technology. The Commerce and Industry Bureau is working with the Education and Manpower Bureau and the Information Technology and Broadcasting Bureau how best the manpower capital and the information technology application capability of SMEs can be enhanced. Furthermore, we have also participated in the study on the establishment of the Commercial Credit Reference Agency (CCRA) conducted by the Hong Kong Monetary Authority. I believe Honourable Members will remember that I have told this Council previously that the CCRA should be helpful to SMEs of good credit records in obtaining the necessary financing. Concerning services provided by publicly-funded organizations such as the Hong Kong Trade Development Council (TDC), the Hong Kong Productivity Council (HKPC), the Vocational Training Council (VTC) and the Hong Kong Export Credit Insurance Corporation (HKECIC), most of them are designed for SMEs.

PRESIDENT (in Cantonese): Mrs Selina CHOW, which part of your supplementary question has not been answered?

MRS SELINA CHOW (in Cantonese): *Madam President, my supplementary question is actually aimed at SMEs engaging in the service industry. As everyone knows, most companies in Hong Kong are actually SMEs, however, the support provided by the Government is inadequate. If the Secretary is unable to categorize them by industry, perhaps he may give a written reply after this meeting to illustrate how the Government provide the service industry with support specific to its needs.*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I have explained earlier that as the number of SMEs in the manufacturing sector only accounts for a fairly low percentage in the total number of SMEs in Hong Kong, therefore it can be said that most of the services provided by all relevant government departments and publicly-funded organizations are designed for SMEs in the service industry and aimed at their specific needs, such as the enhancement of their information technology application capability and all sorts of training, which are helpful to the development of SMEs engaging in the service industry.

MRS SELINA CHOW (in Cantonese): *Madam President, I am a former member of the Small and Medium Enterprises Committee (SME Committee). At that time, a lot of members were of the view that government support to the service industry was insufficient. I hope the Secretary can check it out later or provide a reply reply on that.*

PRESIDENT (in Cantonese): Mrs Selina CHOW, you may consider to raise another supplementary, or follow up this question through other channels.

MISS CHOY SO-YUK (in Cantonese): *Madam President, from part (c) of the main reply of the Secretary, we can clearly see that of some 20 000 SMEs from the manufacturing sector employ only some 140 000 employees, meaning that each company only employs an average of seven workers. Obviously, a lot of manufacturing companies no longer use Hong Kong as their base. These companies may be very big enterprises on the Mainland with over a thousand employees, but they employ less than 100 employees in Hong Kong. Similarly, some companies in the service industry perhaps are multinational companies albeit they do not employ a large staff in Hong Kong, but they are big companies in foreign countries. Comparatively speaking, these companies do not need much assistance from the Government. On the contrary, the genuine SMEs indeed need a lot of assistance from the Government. Will the Government conduct a more comprehensive classification study to find out those bona fide local SMEs, in order to facilitate the formulation of support measures specific to their needs, instead of just presenting some seemingly alarming figures?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, the two definitions of SMEs mentioned by me earlier are definitions adopted by the C&SD for census and statistics purpose. In fact, government departments or supporting organizations funded by the Government alike will not rigidly adhere to those two definitions in order to differentiate services to be provided to SMEs under whatsoever category. Generally speaking, whenever SMEs approach these supporting organizations or government departments and request information or access to the relevant services for SMEs, their requests, by and large, will not be turned down. As to companies hiring only a few workers in Hong Kong but employing thousands or even tens of thousands of employees on the Mainland, I believe they will not consider such services necessary. The same goes for multinational companies. A multinational company with sound financial strength will not deem itself a SME and ask for services from the Government or supporting organizations even if it only employs less than 50 workers in Hong Kong, because it simply does not need those services. In view of this, I consider it unnecessary to expend extra resources on another study on the definition of *bona fide* SMEs. Nevertheless, the newly reformed SME Committee, the Committee to which the Honourable Mrs Selina CHOW referred a moment ago, is actively studying how the Government can provide SMEs with more specific support services. I believe the Committee will study the issue comprehensively and then put forward proposals to the Chief Executive for consideration.

MR NG LEUNG-SING (in Cantonese): *Madam President, considering the views of SMEs on the implementation of the Mandatory Provident Fund (MPF) Scheme by the Government are quite diverse, will the Secretary consider conducting a study or a statistical survey on the change in the number of SMEs after the implementation of the MPF schemes, so as to reflect the actual situation in that respect?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I consider it unnecessary to conduct any specific study as such. Since the C&SD will issue the statistics report once every three months, I believe the relevant result suffices to reflect the point asked by the Honourable Member.

PRESIDENT (in Cantonese): Last supplementary question.

MR LEUNG FU-WAH (in Cantonese): *Madam President, the Secretary mentioned in part (b) of the main reply that one of the factors to define SMEs was the number of employees. May I ask the Secretary whether the Government will also consider productivity, turnover, tax payable or other items as factors to define SMEs in future? I consider the existing definition too simple. I do not know whether other countries use the same definition as ours, which focuses on the number of employees.*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, with regard to the definition of SMEs, there is no internationally recognized standard at all. As economies vary in size and conditions, it is possible that the definition is vastly different from one economy to another. However, according to our information, most economies adopt the number of employees as the definition for SMEs. For example, in China, enterprises employing 50 to 100 people are defined as small enterprises, while enterprises employing 101 to 500 people are defined as medium enterprises. The definition of SMEs in the United States is the most straightforward, that is, manufacturing companies with less than 500 employees are categorized as SMEs. Furthermore, both Australia and New Zealand use the number of employees as the definition. I consider the adoption of the definition is meant to facilitate the compilation of statistics report only and it will not cause any restriction on our provision of services to SMEs. As I mentioned a moment ago, SMEs that wish to make use of relevant services provided by government departments or publicly-funded organizations will not find the doors shut on them, because we will not verify whether or not the number of their employees tallies with the relevant definition.

PRESIDENT (in Cantonese): Second question.

Provision of Petrol Filling Stations in Car Parks

2. **MRS MIRIAM LAU** (in Cantonese): *Madam President, the Administration indicated early last year that it would conduct a study to examine*

the viability of providing petrol filling stations (PFSs) in existing car parks and on land for other commercial uses, so as to promote competition in the vehicle fuel market. In this connection, will the Government inform this Council of:

- (a) the progress of the study; and*
- (b) the multi-storey car parks in the private and public sectors identified in the study to be suitable for accommodating PFSs, and the locations of these car parks?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, on the recommendation of the Competition Subcommittee of the Energy Advisory Committee (EnAC), the Economic Services Bureau and the relevant department commenced a study on the feasibility of incorporating PFSs in government car parks in March last year, with a view to promoting competition in the vehicle fuel market. After a preliminary review of the 53 government carp parks, the study finally focussed on seven government car parks, including four open car parks in the Yuen Long, Tai Po, Kwun Tong and North District Government Offices, and three mutli-storey car parks at Star Ferry, City Hall and Aberdeen. In assessing the suitability of these car parks for incorporating PFSs, the relevant government departments had taken into account the duration of their availability, the structural alterations required and their feasibility, the scope for compliance with fire safety requirements, traffic and environmental impacts, as well as planning considerations. The study was completed in July 2000, and a report was submitted to the Competition Subcommittee in August 2000.

The outcome of the study shows that, of these seven government car parks, only the one in the North District Government Offices is technically feasible for the incorporation of a PFS, subject to certain structural alterations, installation of fire safety equipment, and approval of the Town Planning Board. The other six are assessed as unsuitable due to redevelopment plans in the foreseeable future, unacceptable transport management risks or the need for substantial structural alterations.

However, there are already five PFSs in the vicinity of the North District Government Offices. Separately, the Town Planning Board has approved another site nearby for setting up a PFS cum liquefied petroleum gas (LPG)

filling station. Noting the concentration of PFSs in the vicinity, and the incompatibility with the adjacent land uses, the Competition Subcommittee considered that the idea of incorporating a PFS in the government car park of the North District Government Offices should not be pursued.

The above-mentioned study does not cover private car parks, as the Administration considers that using public money to conduct feasibility study on the suitability of specific or a majority of private car parks for incorporating PFSs is not in line with the principle of cost-effectiveness. However, interested parties who want to convert a part or the whole of their car parks for setting up PFSs may initiate an application for a change of land use. In fact, under the existing mechanism, interested parties can apply to the Town Planning Board for a change of land use or planning permission for setting up PFS within other land uses, including industrial or commercial buildings and car parks. Of course, such applications have to satisfy, *inter-alia*, the statutory and associated requirements on fire safety, environment, traffic and planning. In assessing such applications, some of the most important considerations are to ensure that the proposed PFS would not pose any danger to the neighbourhood and cause traffic problem.

The major requirements for PFSs are set out in the "Hong Kong Planning Standards and Guidelines" (HKPSG) for reference by members of the public. These requirements are not meant to be restrictive. If an application cannot fully satisfy the prescribed requirements in the HKPSG. The Town Planning Board is prepared to consider each application on its own merits, if there are other effective measures to achieve the same safety level. Therefore, the existing mechanism already provides considerable flexibility to allow the incorporation of PFS in other land uses.

MISS MIRIAM LAU (in Cantonese): *Madam President, the former Secretary for Economic Services, Mr Stephen IP, indicated that the feasibility study of the Government would cover the ground floor units of both commercial and industrial buildings, and private car parks, but now it has only conducted a feasibility study on 53 government car parks. As regards the viability of incorporating PFSs in private car parks and private buildings, may I ask the Secretary whether the Government has adopted any measures to encourage private corporations to conduct such studies? If the Government thinks that private corporations should conduct its own studies, then what measures does the Government have to encourage new operators to join the fuel market?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, in fact, a series of measures was promulgated last year to relax the requirements on applications for building PFSs. First of all, applicants intent on building PFSs do not have to obtain any paper or licence in advance if they wish to acquire land through public auction or apply for a change of land use. The licencing conditions can be divided into two categories: firstly, a special import licence and that is, the licence required under the Dutiable Commodities Ordinance for importing such fuel products; secondly, a guarantee on the supply of fuel. Furthermore, we have also openly offered other forms of encouragement. If operators plan to convert the ground floor units of existing commercial or industrial buildings into PFSs, we will be glad to get in touch with them, and to hold discussions with other government departments in order to help those operators to comply with the necessary requirements. The basic requirements include fire safety measures, and the relevant information is available on request. The relevant information pamphlet is not very lengthy for it has only got eight to 10 pages. We are very happy to hold discussions with the interested parties on how to implement their plans of incorporating PFSs on the ground floors or in the car parks of commercial or industrial buildings, subject to a change of land use. Moreover, we are now working with relevant Policy Bureaux and government departments to identify suitable sites for invitation of tenders for building PFSs. Furthermore, we have openly stated that upon the expiry of the leases of existing PFSs, we would put up the land for open bidding.

I would like to provide Members with some statistics to prove that a change of land use under certain circumstances is actually not as difficult as some people have imagined. For example, the Town Planning Board (TPB) has received 36 such applications over the past five years, out of which 29 were approved, two being processed, and only five were rejected. Some of the applications also involved a change of land use, and in fact, there are eight such applications, out of which six are now being actively processed by the TPB. Furthermore, there are altogether 179 PFSs in Hong Kong, 15 of which are located on the ground floor of industrial or commercial buildings. Therefore, the actual situation is, not that the Government will not approve such applications, unlike what some people have said.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Government has conducted a study on 53 government car parks, and finally focused its study on*

seven, and these seven car parks have been assessed as unsuitable. Does it mean that all the other 46 car parks are unsuitable as well, or will the Government consider those car parks again? Furthermore, will the Government consider to incorporate PFSs on newly granted land or in government car parks to be built?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, when the Government conducted the feasibility study on 53 government car parks, it was found that the sites of most car parks are very small and hence structurally unsuitable for building underground oil tanks. In view of the major difficulties involved, the plan is deemed infeasible. Moreover, there are serious traffic problems in respect of some car parks where roads cannot be built to accommodate vehicles lining up for filling. Furthermore, we have adopted various measures in the hope of helping anyone who is interested in making investment in building PFSs in Hong Kong. We will also work with the colleagues of the Lands Department to continue to identify suitable sites and consider building PFSs in suitable government buildings.

However, I would like to add that after an in-depth study on the feasibility of incorporating PFSs in seven government car parks, we discovered that one of the factors rendering the plan infeasible was that PFSs could not be located in the vicinity of certain sensitive facilities such as clinics and multi-service centres for the elderly which are usually located in government buildings. Since a high safety standard should be maintained for PFSs under the existing requirements, they cannot be incorporated in government buildings. Therefore, though government buildings are available, it will be extremely difficult to incorporate PFSs into government buildings if sensitive facilities are located in these buildings, and approval may not be granted.

MR HOWARD YOUNG (in Cantonese): *Madam President, the conventional way for incorporating PFSs in car parks means that oil tanks have to be installed in car parks. However, I understand that there is another option, and I mean mobile petrol filling service, for mobile oil tankers can be used for filling in car parks. Has the Government considered only the option of conventional and stationary filling service in its feasibility study? Is the Government aware that mobile filling service can be provided in car parks and will it consider this?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, my response to the first part of the Honourable Member's supplementary question is, we have not considered the option of mobile filling service in our feasibility study on the scores of government car parks and when we focused our study on the last seven car parks. Recently, I held a preliminary discussion with colleagues of the Fire Services Department and relevant departments, and we came to the conclusion that the risk involved in mobile filling would be very high. As the volatility of petrol is very high, Honourable Members may note that the oil tanks of all existing PFSs are located underground, for it is safer to do so. In the case of surface oil tanks, other risks will be involved. For example, a collision of a mobile tanker with another vehicle may cause very serious consequences. Therefore, underground oil tanks are relatively safer. Furthermore, due to the high volatility of petrol, a ventilation system must be installed in PFSs so that the vapour in the vicinity of oil tanks can be vented. So, if mobile filling tankers are used, there will also be great technical difficulties. It will involve enormous risks when petrol is pumped from the tanker to other vehicles in a poorly ventilated car park. We have discussed this option with colleagues of the Fire Services Department, and we think that the feasibility of this option is very low.

MR KENNETH TING (in Cantonese): *Madam President, I understand that compared to other countries, it is more difficult to build PFSs in Hong Kong because we have a higher safety standard. This is a good thing. However, I realize that the safety standard of similar cities, such as Tokyo, is also very high. Will the Government consider to adopt a similar standard, so that more PFSs can be built in Hong Kong in order to enhance competition?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, in fact the PFSs safety standards of Hong Kong were formulated with reference to standards laid down by the Institute of Petroleum, and amendments were made to suit the situation of Hong Kong. However, we have not introduced any stringent requirements on specific aspects. Actually, we have also referred to the experience of Japan. According to the information we have got, PFSs in the urban areas and buildings of Japan were built many years ago, so they are allowed to exist. The safety standards on Japanese PFSs have subsequently been raised, and it is now on a par with our standards. As I have said in my main reply and earlier replies to other Members' supplementary

questions, we will be glad to talk to any interested PFS investors. We will discuss with them on how structural or other changes can be made in accordance with the requirements on land use and buildings, so as to comply with the safety standards. We will not lay down any restrictions to pre-empt other suggestions. However, as the structures of some buildings in Hong Kong may not be altered, the plans may fall through. For example, we require that the walls on the ground floor units of such buildings must be of a certain thickness, so that they can have a resistance period of up to four hours in case of fire, without affecting the structure of upper floors or nearby buildings. Therefore, there may be cases where the structures of some building cannot be altered to meet this requirement. Furthermore, there may also be other restrictions, for example, the ventilation, ventilation system or the height of some buildings cannot meet the required standard.

PRESIDENT (in Cantonese): We have spent 16 minutes on this question. We will now move on to the third question.

Assistance to People with Financial Problems

3. **MR ALBERT CHAN** (in Cantonese): *Madam President, the downturn in the local economy since the Asian financial turmoil has resulted in a persistently high unemployment rate and many owners of "negative-value" assets being forced to file petitions for bankruptcy orders. Economic hardship has made some people emotionally stressful, and even commit suicide. Regarding the assistance offered to people with financial problems, will the Government inform this Council:*

- (a) *of the measures, apart from the Comprehensive Social Security Assistance (CSSA) Scheme, it has put in place to assist the unemployed in tackling their financial hardship;*
- (b) *how it has helped the residential property owners of "negative-value" assets tide over their financial hardship; and*
- (c) *of the channels through which it offers psychological counselling to families hard hit by financial difficulties, to prevent them from resorting to negative solutions?*

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

- (a) To assist disadvantaged members of our community, which include the unemployed, the Government provides a wide range of practical services and financial assistance.

The Government provides active employment assistance to job-seekers to help them re-enter the workforce as soon as possible. The Labour Department provides free of charge placement, job-matching and counselling services to unemployed job-seekers. The Department has also introduced a number of special schemes to cater for the needs of different job-seekers. Intensive career counselling services are provided to recipients of CSSA and new arrivals from the Mainland. A pilot programme was launched in conjunction with the Social Welfare Department (SWD) to reach out to unemployed street sleepers and to provide them with the assistance they need, to secure and hold down a job. Next month, the Department will introduce a new pilot project to provide a one stop personalized service for job-seekers over the age of 40 who have been unemployed for more than three months. Many have benefited from these employment services. In 2000, the Labour Department helped around 60 000 unemployed people secure a job.

In addition, the Government has set up the Employees Retraining Scheme to provide short-term training to unemployed people so as to help them re-enter the labour market. The courses are provided free of charge and retrainees are in many cases entitled to a retraining allowance up to a maximum of \$4,000 per month. In 2000, the Employees Retraining Board (ERB) provided full-time training to some 50 000 people.

Since 1998, the Task Force on Employment led by the Financial Secretary has devised a number of measures to ease the unemployment situation. The Government has created many new job opportunities by accelerating public works and infrastructural projects, as well as introducing various environmental and community projects. Members may also recall that the Chief Executive announced in his 2000 policy address, the creation of

15 000 jobs many of which, will help the unemployed find jobs thereby enabling them to regain their self-sufficiency.

Able-bodied unemployed persons with financial difficulties may, of course, apply for assistance under the CSSA Scheme. In addition to this, the SWD has launched, with the assistance of non-governmental organizations (NGOs), specific programmes designed to help able-bodied unemployed persons re-enter the labour market. These programmes concentrate on providing personalized employment-related services to all able-bodied unemployed CSSA recipients.

- (b) It is government policy to allow the property market to operate as freely as possible. Property ownership is, *inter alia*, an investment, the value of which can go up or down. As with other forms of investment, the Government does not provide assistance to persons suffering from financial losses arising from property investment.
- (c) Social workers from the SWD and 11 NGOs provide counselling and assistance to families affected by financial difficulties to enhance their stress-coping skills and to help them work out solutions to their problems. This is provided by the 65 Family Service Centres funded by the Government. For those in a state of depression or emotional distress, clinical psychological service or psychiatric treatment is arranged. During the help process, the social worker or clinical psychologist maintains close contact with the person, his/her family members and others for early detection of signs of potentially self-destructive acts. Outreach visits are made by social workers to provide an immediate assessment and psychological support to distressed persons.

In addition, the SWD has set up a Family Helpline in April 2000 to provide immediate on-the-phone counselling to persons in distress. Eighty-two NGOs also provide a similar hotline service.

To promote public awareness of the assistance available to help those with emotional, personal or family problems, the SWD has recently extended its public education efforts by releasing a Television and Radio Announcement of Public Interest and widely distributing of publicity materials.

MR ALBERT CHAN (in Cantonese): *Madam President, the Secretary's main reply seems to reflect that the Government is unable to grasp the present situation since the better part of the reply is targeted at the disadvantaged members of our community. In fact, many middle class people were adversely affected by the financial turmoil. During the economic downturn, the Government offered a lot of preferential treatment such as the moratorium on land sales for nine months, the award of the Cyberport Project without inviting tenders, and the reduction of Home Ownership Scheme flats being put on sale to major estate developers. This question does not only involve the responsibilities of the Secretary for Health and Welfare. As the Chief Secretary for Administration is leaving the Civil Service, can she bring some good news to those who are suffering financial hardship? Can the Government consider implementing some specific measures, such as tax or loan interest arrangement for owners of "negative-value" assets who are still repaying their mortgage instalments and the unemployed middle class people in order to help this group of people who are suffering economic hardship in the aftermath of the financial turmoil? We should note that some people who have committed suicide also come from the middle class. Can the Government implement some measures that can really help them?*

PRESIDENT (in Cantonese): Which Secretary will answer this supplementary question? Secretary for Health and Welfare.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, perhaps I would tackle this question from three aspects.

Firstly, regarding the measures for reviving the overall economy, I believe we have seen some achievements under the leadership of the Financial Secretary over the past few years. Overall economic recovery will certainly help some people, but not everyone can benefit from it. Some may benefit from it later. At present, we can see that employment opportunities have increased.

Secondly, when the overall economy was in difficulty, the Financial Secretary did implement many measures to help the general public.

Thirdly, in order to help those who are in financial straits, the Government has provided some specific and direct services mentioned by me just now.

PRESIDENT (in Cantonese): Honourable Members, since eight Members are waiting for their turn to raise supplementary questions and we have already spent almost nine minutes on this question, would Members please keep their supplementaries succinct so that more Members can raise theirs.

MR JASPER TSANG (in Cantonese): *Madam President, in answering part (b) of the main question, the Secretary simply said that property ownership is an investment, the value of which can go up or down. The Government will not adopt any measures for it as with other forms of investment. However, the Government has obviously been formulating a number of policies which either subsidize or assist people in purchasing their own homes. Furthermore, the up and down fluctuation of property value is closely related to the Government's housing policy. Thus, the Government has never regarded home purchase as merely a form of investment. It has even formulated a target in terms of home ownership rate. Given this, why does the Government not consider providing some special assistance to families who have bought their own homes which have now become "negative-value" assets?*

PRESIDENT (in Cantonese): Which Secretary will answer this supplementary question? Secretary for Health and Welfare.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, as I said in the main reply, the up and down of property value hinges on the market situation. It is government policy to allow the property market to operate as freely as possible. As regards to the timing of making investments, it is entirely a personal decision in which risk is involved. To the general public, if the Government renders assistance to a certain group of people, will it be fair to those who have suffered loss in other forms of investment? Thus we think this is a question of the market.

MISS LI FUNG-YING (in Cantonese): *Madam President, I would like to ask a follow-up question on part (a) of the Honourable Albert CHAN's main question. He asked what specific measures, apart from the CSSA Scheme, the Government has put in place to assist the unemployed in tackling their financial hardship. But after reading the Secretary's main reply, I did not see any specific financial assistance mentioned in it. Can I simply say that there is no such measure policy-wise? If so, will the Government review and consider this question in future?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, as I said in my main reply, unemployed persons with financial difficulties may apply for CSSA if they are eligible. Besides, the ERB, which offers the training programme, will also provide a small amount of retraining allowance to the unemployed trainees.

PRESIDENT (in Cantonese): Miss LI, which part of your supplementary question has not been answered?

MISS LI FUNG-YING (in Cantonese): *Madam President, I think the Secretary has not answered my supplementary question. He just mentioned retraining and employment assistance to job-seekers. But what Mr CHAN asked is whether there are measures other than CSSA. The Secretary basically has not answered this point. May I ask the Secretary if there are no other measures? If the answer is yes, will there be any review on this in future?*

FINANCIAL SECRETARY (in Cantonese): Madam President, please let me answer this supplementary question. I think Miss LI is quite familiar with this situation because she and I have participated in the Task Force on Employment. The Task Force has studied the situation for quite a long time. It compiles bi-monthly reports in tabulated form to inform the public of each item of its work, the outcomes of its regular meetings and all feasible measures. The information includes financial assistance, training subsidies and other forms of assistance. I believe the general public is well aware of these. If Miss LI or other Members have any other views or suggestions on helping the unemployed, we are prepared to listen to them and will refer their views to the Task Force on Employment for joint consideration with Miss LI Fung-ying.

MR LAU PING-CHEUNG (in Cantonese): *Madam President, I would like to follow up part (b) of Mr Albert CHAN's main question, the question on "negative-value" assets, which has just been followed up by the Honourable Jasper TSANG. Mr Jasper TSANG said that the Government has indeed provided financial assistance to other trades and industries. For instance, the extension of concessionary duty rate on diesel oil is a kind of subsidy to the transport industry. On the other hand, non-full-cost recovery from the sewage charge represents a subsidy for other trades. Regarding the housing policy, the Government does not necessarily formulate its policy on the basis that home purchase is a form of investment. In view of this, I hope the Government can consider devoting more efforts to solving the problem of "negative-value" assets. For instance, it may consider increasing the tax deduction for mortgage instalments and making home loan interest tax deductible.*

FINANCIAL SECRETARY (in Cantonese): When the public was consulted on the formulation of the next Budget, various sectors submitted proposals which were similar to this view. I believe there will be full response to this when the Budget is announced.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, in the main reply, the Secretary said that the Government had announced in the policy address the creation of 15 000 jobs in this year. In fact, to solve unemployment problem, the most important thing is to provide jobs. Are there any other measures which can increase jobs, apart from increasing the number of works projects? For instance, can the Government consider regulating the excessively long working hours? If it can, I believe employment opportunities will increase. Has the Government considered similar proposals? If not, why not?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I think the ideal solution to the unemployment problem is to create more jobs and the best solution is certainly the gradual recovery of our economy. In fact, we can see that the unemployment rate has been declining over the past few months. This is the most desirable situation. Regarding limiting the number of working hours, the Legislative Council has held a motion debate on this issue and Members have voted on this. The Government has no intention to rehash this argument for the time being.

PRESIDENT (in Cantonese): Last supplementary question.

MR ANDREW CHENG (in Cantonese): *Madam President, I would also like to follow up the point on "negative-value" asset. I am pleased to hear the Financial Secretary say that he would bring us some news in the imminent Budget. Of course, I am hoping that it will be good news!*

On following up the question, Mr Jasper TSANG and the Honourable LAU Ping-cheung both expressed their views on, for instance, granting tax deduction on mortgage interests to owners of "negative-value" assets. However, the biggest problem is that, the upper echelon of the Government, including the Chief Executive and the Secretary for Housing, often encouraged people to purchase properties in the past. But after the people had bought their properties, their properties became "negative-value" assets. In order to acquire their properties, they had to borrow loans from the bank. But many of them now have difficulties in borrowing and repaying loans. Will the Financial Secretary bring us some good news when announcing the Budget in order to help solve the financial crisis of the middle class people with "negative-value" assets who are facing "P+1%" or "P+2%" mortgage rate fixed by the bank?

FINANCIAL SECRETARY (in Cantonese): I cannot guarantee there will be good news. *(Laughter)*

PRESIDENT (in Cantonese): Fourth question.

Designation of Pedestrian Precincts

4. **DR YEUNG SUM** (in Cantonese): *Madam President, regarding the designation of existing roads as pedestrian precincts, will the Government inform this Council:*

- (a) *of the locations of the pedestrian precincts already set up or planned to be set up;*

- (b) *whether it has assessed the improvements on traffic, air quality and the environment, and so on in the vicinity of various pedestrian precincts after their establishment; if so, of the assessment results; and*
- (c) *of the expected impact of the pedestrian precinct planned to be set up along a section of the Queen's Road Central in Central on the traffic nearby, and the complementing measures it has thus formulated?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, in the past, Chater Road of Central was the only major pedestrian precinct in Hong Kong. It is closed to all vehicular traffic on Sundays and public holidays.

With the objective of improving the overall pedestrian environment, a number of pedestrian schemes have been implemented, starting in 2000. These include pedestrian schemes in Causeway Bay (that is, Russell Street and Lee Garden Road), Mong Kok (that is, Sai Yeung Choi Street South) and Tsim Sha Tsui (that is, the section of Canton Road between Haiphong Road and Peking Road). The schemes involve pedestrianizing certain sections of roads for the exclusive use by pedestrians on a full-time or part-time basis, and creating more space for pedestrians through footpath widening. The Administration plans to extend the above schemes to cover more streets within these areas, for example, Paterson Street of Causeway Bay, Fa Yuen Street of Mong Kok and the remaining sections of Canton Road of Tsim Sha Tsui.

Apart from the above districts, smaller localized pedestrian schemes are also being implemented in Stanley and Sai Kung on Sundays and public holidays.

The pedestrian schemes implemented so far have been well received by the public, and the Administration is now devising similar schemes for Central (for example, Queen's Road Central, Lan Kwai Fong and SOHO area), Wan Chai (for example, Johnston Road), Jordan (for example, Nanking Street) and Sham Shui Po (for example, Fuk Wah Street and Apliu Street).

Other than the pedestrian precinct at Chater Road, most of the pedestrian schemes were only introduced in the latter half of 2000, and the pattern of vehicular traffic and pedestrian flow has yet to stabilize. A detailed assessment

of the impact on traffic, air quality and environment brought by the pedestrian schemes will be conducted later this year. However, preliminary observations suggest that pedestrian safety and overall pedestrian environment has improved and traffic flow in the vicinity of the schemes has been maintained. Initial air quality measurements taken at Lee Garden Road in Causeway Bay and Sai Yeung Choi Street South in Mong Kok show that the level of respirable suspended particulates (RSP) is about 8% to 14% lower than before. Also, the Environmental Protection Department estimates that traffic noise could be lower by 3 dB(A) to 7 dB(A).

As regards the proposed pedestrian schemes in Central, the Administration has just completed an initial proposal and is now consulting the Central and Western District Council and the local parties affected. Pedestrianization of the section of Queen's Road Central between D'Aguilar Street and Pottinger Street only forms part of the proposal.

Before making the proposal, the Administration has conducted a detailed assessment of the traffic flow in the area, including the above section of Queen's Road Central. At present, about 650 vehicles pass through that particular section of Queen's Road Central in a peak hour. If it is pedestrianized and closed to vehicular traffic, it is expected that about half of the number of vehicles would be diverted to Pedder Street, one third of the vehicles would be diverted to Wellington Street and the remaining to Lyndhurst Terrace.

To enable these streets to absorb the displaced traffic and ease the traffic problem, a number of traffic management measures would be introduced together with the pedestrian scheme.

The Administration is now consulting the Central and Western District Council, the local parties affected and the public transport operators on these measures and other proposals for Central as a package. We will take into account their views before finalizing the proposals.

DR YEUNG SUM (in Cantonese): *Madam President, according to the initial study conducted by the Government on the schemes previously, it is confirmed that the setting up of pedestrian precinct does have some positive effect, that is, improvement in RSP and traffic noise levels. In principle, the Democratic Party supports it as an approach to improve the environment. However, a lot of*

people will go to Central, in particular, Melbourne Plaza, to consult doctors when they feel sick. If the vicinity is closed to all vehicular traffic on a full-time basis, how can the infirm enter that area to seek medical treatment?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, concerning the proposed pedestrian schemes in Central mentioned by me earlier, the initial proposal is at the consultation stage. As a result, we will surely take a closer look at the question and view proposed by the Honourable Member and take them into careful consideration before finalizing any scheme.

MS AUDREY EU (in Cantonese): *Madam President, I would like to follow up the supplementary question asked by Dr the Honourable YEUNG Sum. I know that the Government will set up this kind of pedestrian precincts from time to time, however, will any exemption be granted to the physically disabled, the handicapped or the infirm, so as to facilitate their access to these pedestrian precincts by vehicle?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, we will surely endeavour to strike the best possible balance among demands of different road users. With regard to pedestrianization, our basic principle is to cope with the need of pedestrians as much as possible. Of course, if it is necessary for some people to go to the abovementioned precincts by vehicle, we will examine whether we can allow them to access those precincts by vehicle, the actual circumstances permitting. However, it will depend on the actual situation of each district and each section of road. In fact, we also understand the situation of Central, where the roads are so few but pedestrians and vehicles many. Our task is to strike a balance between them, so that pedestrians will not have to compete with vehicles for road usage. However it is easier to talk than to put theories into practice, the task is not simple at all. As a result, insofar as the pedestrian scheme in Central is concerned, we have to consider it cautiously and consult all the parties concerned, and see if the demand of different road users can be balanced. It is of course most satisfactory if we can achieve perfect results in every way, however, failing that, we will still strive for a certain degree of balance.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, sorry, I do not realize that there is another CHAN Yuen-han in the Security Bureau until now. I am just reading a complaint letter*

PRESIDENT (in Cantonese): Miss CHAN, please raise your supplementary directly.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I have just received a complaint letter from someone, which is addressed to Miss CHAN Yuen-han of the Security Bureau (laughter). All of a sudden I feel very strange, sorry.*

Madam President, I would like to ask the Secretary this question: Given that the current policy of the Government is to set up pedestrian precinct one after another, what are the criteria for this policy? As a member of the public, every one of us finds the pedestrian scheme acceptable. However, I wish to know if the Government has any criteria. For instance, now that the Government says it plans to pedestrianize a certain section of road in Central, and as many kaifong consider that it is already a busy district, the streets will be more crowded if a pedestrian precinct is set up near Yung Kee Restaurant. I have received similar views recently. Therefore may I ask the Secretary what the relevant criteria are?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, there is a security perspective to the scheme. (*Laughter*). In fact, just as I have mentioned earlier, roads are so few in Hong Kong but pedestrians and vehicles many, our wish to strike a balance between the two is not an easy task at all. The section of Queen's Road Central between Queen Victoria Street and Pedder Street is obviously an extremely busy zone for pedestrians. We have conducted measurements during peak hours and found that the average number of people using that section of road was as high as 20 000. It can be said that it is one of the busiest road sections, or the second busiest, or the third busiest road section in Hong Kong. As a result, it is extremely necessary for the Government to improve pedestrian measures in that district. When improvement is carried out, we will of course take care of the needs of other road users, including the goods delivery and pick-up arrangement of nearby shops, as well as the arrangement

for people who need to access the aforementioned area by vehicle. We will surely deal with such issues with great care.

Now I am going to answer the supplementary question concerning the criteria for the setting up of pedestrian precincts. Basically, the purpose of setting up pedestrian precincts is to take better care of the needs of pedestrians and improve pedestrian measures. We can only determine the priority of setting up pedestrian precincts after examining the actual figures of pedestrian flow. We cannot pedestrianize all the roads in Hong Kong, otherwise there will be no roads for vehicular traffic. Therefore, when we make a choice, our decision will base on the actual pedestrian usage, and we will study whether or not existing pedestrian measures in the area are sufficient before we finalize the priority. I have mentioned earlier in my main reply that we have already set up pedestrian schemes in a small number of road sections in Causeway Bay, Tsim Sha Tsui and Mong Kok, all of which being very busy urban districts. We are now studying Central and Wan Chai districts, which will be followed by Sham Shui Po and Jordan districts; which are well-known for their crowded environment and insufficient pedestrian measures, and we will try to improve the environment of these districts.

MR HENRY WU (in Cantonese): *Madam President, out of Hong Kong, I believe there are many pedestrian precincts in China, such as Wangfujing district in Beijing, and I consider that part of Beijing a very well-designed district. May I ask the Secretary whether beautification works for a particular section of road and its nearby environment will be considered after such schemes are implemented, so as to benefit more people, including tourists?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, our pedestrian schemes actually include beautification and tree-planting work in the local area besides creating more space for pedestrian through footpath widening work, so that pedestrians and relevant people including shop owners and tenants will enjoy a more beautiful environment. For example, apart from the prohibition of vehicular traffic in a small section of Russell Street, some beautification measures have been taken. Basically, as long as the environment concerned allows, the Government will conduct beautification and tree-planting work.

MISS CYD HO (in Cantonese): *Madam President, the Secretary mentioned in the fifth paragraph of the main reply that after the establishment of pedestrian precincts, pedestrian safety and overall pedestrian environment has improved. Of course, environment will surely be improved if no vehicular traffic is permitted in the vicinity. However, if vehicles are diverted to some even narrower roads of steeper gradient in the nearby area, will the unpleasant environment turn into a even more terrible environment? It is because vehicles will emit more black fumes when they are travelling on roads of steeper gradient, so will the Government consider this kind of impact when the traffic is diverted? Next is the question of separating pedestrians from vehicles. Besides avoiding to move an unpleasant environment from one vicinity to another, thus making the already unpleasant vicinity more unpleasant, has the Government considered other measures to achieve the goal of separating pedestrians from vehicles, such as building more footbridges?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, the overall policy of the Government is to promote equality of wealth, not equality of poverty, as a result, the Government will not move an unpleasant environment to another, thus causing a degeneration in the environment of the specific vicinity. The Government has no intention to shift vehicle exhaust emissions from a certain vicinity to its neighbourhood by conducting improvement work in an area of unpleasant pedestrian environment. Of course, we cannot eat the cake and have it. If 10 000 vehicles stop using Queen's Road Central and take nearby roads as alternative, the number of vehicles in these roads will certainly increase. In the meantime, when we determine which roads can be used for the diversion, we will minimize the impact on the local residents as far as possible along with the improvement of the pedestrian environment.

With regard to measures of separating pedestrians from vehicles, including the construction of footbridges and pedestrian passageway, in fact, the Government has adopted a policy for busy urban areas, that is, to encourage developers to link up buildings in the vicinity as far as possible, so that pedestrians will no longer need to walk on the roads. Central is a good example as it already has an excellent pedestrian passage network in which pedestrians can walk from Sheung Wan to Wan Chai. Of course the Government will seek to connect a small section in the middle. However, I am confident that this can be achieved. Therefore, the government policy is to separate pedestrians from vehicles as far as possible, no matter it is achieved through the construction of

new footbridges or passageways, or to link up pedestrian passageways of private buildings and commercial buildings.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. We shall now proceed to the fifth question.

Allocation of Vacant PRH Units

5. **MR ABLERT HO** (in Cantonese): *Madam President, regarding the allocation of vacant units flats in public rental housing (PRH) estates, will the Government inform this Council:*

- (a) *of the total number of vacant units available for allocation in PRH estates under the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) at present, together with a breakdown by districts;*
- (b) *of the average time required to lease out a PRH unit after the original household has moved out; and the average time taken for completing each procedural step involved; and*
- (c) *whether the authorities have made any performance pledge in respect of the time needed for allocating vacant units; if they have, of the details of such pledges; if not, the reasons for that?*

SECRETARY FOR HOUSING (in Cantonese): Madam President,

- (a) As at 31 December 2000, of the 636 000 PRH flats managed by the HA, 5 600 (0.88%) were vacated old flats and 9 492 (1.5%) were new ones which have not been allocated. Of the 32 309 flats managed by the HS, 388 (1.2%) were vacant. A breakdown of these vacant flats by districts is in the Annex.
- (b) Some vacant flats are placed on the reserve stock for rehousing tenants affected by the Comprehensive Redevelopment Programme and persons displaced by clearance operations. For vacant flats

available for re-allocation, it normally takes 30 to 65 days for the Housing Department (HD) to complete the entire process from surrender of a flat by the previous tenant to the offer and acceptance and signing of tenancy agreement by a new tenant within this period. An inspection of the vacated flat will be conducted to identify areas requiring refurbishment and upgrading within 14 days. The following refurbishment works which usually covers re-painting, rewiring and pipe repairs will last about 10 to 55 days. On the other hand, the re-allocation process normally takes 22 days. To minimize the vacancy period, refurbishment and re-allocation will be carried out concurrently.

The HS also takes about 30 to 60 days to re-allocate vacated flats. Refurbishment requires 30 to 60 days while re-allocation 21 days. The two procedures are carried out concurrently.

- (c) The HA and the HS are committed to re-allocating the vacated flats as soon as possible. The performance pledge of the HA is to allocate vacated flats to eligible applicants within 70 days. The HS has not undertaken any formal pledge in view of the relatively small number of flats involved.

Annex

HA and HS
Vacant PRH Flats for Allocation
As at 31 December 2000

(Table 1) Vacated Old Flats

<i>District</i>	<i>HA</i>	<i>HS</i>	<i>Total</i>
Urban	2 315	363	2 678
Extended Urban ¹	1 752	9	1 761
New Territories	1 282	16	1 298
Islands	251	-	251
Grand Total	5 600	388	5 988

(Table 2) New Flats under the HA to be Allocated

<i>District</i>	<i>Flats</i>
Urban	4 918
Extended Urban ¹	2 553
New Territories	2 021
Islands	-
Grand Total	9 492

1 "Extended Urban" covers Tsuen Wan, Sha Tin, Tseung Kwan O and Tung Chung.

MR ALBERT HO (in Cantonese): *Madam President, from the figures provided by the Secretary, we can see that about 4 000-odd vacant flats are concentrated in urban districts, and we also know that many PRH Waiting List applicants hope that priority can be given for relocation to urban units. As for the time required to lease out a PRH unit, though the period of 30 to 65 days is not too long, according to the information or complaints received by many Members, in many cases, the time required was three months or more. Does the Secretary have any figures at hand on the number of cases that the required time was more than three months on the average; if yes, will the Secretary inform this Council why, and how these figures can be lowered to reduce wastage?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I have information on hand on the 5 600 vacated old flats: for average time required of less than three months, 2 553 flats; less than six months, 1 136 flats; and for more than six months, about 1 800 to 1 900 flats, altogether accounting for a total of 5 600 vacated old flats. There are several kinds of unpopular flats, including converted non-self-contained singleton units which have no toilets and kitchens. These units are relatively unpopular because a lot of Waiting List applicants insist on being allocated self-contained units. Furthermore, 220 units of sheltered housing for the elderly are also quite unpopular. Generally speaking, elderly people like to live in self-contained units in districts which they are familiar with, and since sheltered housing for the elderly are managed by wardens, they are not very popular among elderly persons. Hence, we have now stopped building such units. In addition, 146 of the relatively unpopular units are in the Islands District, and there are also 265 larger size vacant units for

families of six or more. Nowadays, the size of Hong Kong families has generally been on the decrease, so there are relatively few families which warrant the allocation of such units. Of course, there are also other units which are not popular due to their unfavourable orientation or unfortunate incidents which have taken place.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, as regards units which have been vacated for a long time like one year, or those which have witnessed homicide cases, will the Government consider adopting a new measure, such as setting a time limit to put those units up for open bidding, so that units which have been vacated for a long time can be leased under the new mechanism? Since the waiting period for allocation of PRH units is very long under the normal procedure, and some people may not mind living in such units, will the Government consider introducing a similar mechanism?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank the Honourable SIN Chung-kai for his suggestion. In fact, the HA has in place an advanced allocation scheme since 1996, which is aimed at shortening the period of units left vacant. We have also another plan to dispose of unpopular units which have witnessed unfortunate incidents by advertising those units or informing Waiting List applicants about these units, for the benefit of those further down the List. At present, Waiting List applicants generally have to wait about five years before they are allocated PRH units. However, if certain units have been rejected by Waiting List applicants for many times (such as 10 times), then we will advertise such units; and if an applicant has only been registered recently but does not mind living in units which have witnessed unfortunate incidents, then they can be allocated those vacant units immediately. In fact, about 45% of the 5 600 units will be allocated to Waiting List applicants under the scheme mentioned by me, or measures will be taken for early allocation of PRH units, and about 1 100-odd units are reserved for rehousing tenants affected by the redevelopment programme and clearance of squatter areas. Members may also be aware that in the next few months, many squatter areas and Temporary Housing Areas will be cleared, and about 1 100 units will be available for rehousing crowded families to relieve them of their overcrowded living condition. Therefore, Members can rest assured that these 5 600 vacant units will be properly allocated in about three months' time.

MR WONG SING-CHI (in Cantonese): *Madam President, may I ask the Secretary whether the authority concerned will withdraw and put vacant PRH units back on the allocation list for reallocation to PRH tenants, if there are such units in PRH blocks earmarked for sale; if not, will such vacant units be allowed to remain vacant, and will this cause delay to the allocation of PRH units to needy Waiting List applicants?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, the sale of PRH units is a separate scheme. If the PRH units earmarked for sale cannot be sold in the first phase, they will continue to be sold as leftover commodities. Under normal circumstances, units put up for sale and PRH units will be handled separately.*

MR WONG SING-CHI (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My question is: If some public housing units are not sold and left vacant, will the authority concerned consider putting them back on the allocation list; if not, will this cause any delay to other Waiting List applicants? The Secretary has not answered this supplementary question.*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, actually I have already answered this supplementary question. We cannot imagine that such a scenario will happen, for the Sale of Flats to Sitting Tenants Scheme has been very successful and all PRH units were sold.*

MR CHAN KAM-LAM (in Cantonese): *Madam President, in her main reply, the Secretary said it takes 30 to 65 days for the HD to hand over vacated flats to new tenants. I understand that the HD maintains a very inflexible policy on certain so-called refurbished flats. Some tenants may think that such works are unnecessary after visiting the new units but the HD will insist on doing so. Since the refurbishment works take time and it will cause delay to the availability of the units, will the authority concerned review this inflexible policy?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank the Honourable Member for his question. In general, PRH residents welcome our refurbishment works. Mr CHAN said some residents do not welcome such works; I am really surprised. Of course, if residents do not wish refurbishment works to be carried out, they can inform the relevant Housing Managers of their intention. However, the walls of PRH flats usually have to be refurbished, and other refurbishment works such as painting, rewiring, pipe repairs and water proof must be carried out. If Mr CHAN is aware of any such cases, he is welcomed to provide us with the relevant information after the meeting.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, I would like to follow up the Honourable CHAN Kam-lam's supplementary question. In fact, can the HA be more flexible in handling such cases? For example, if some tenants feel that rewiring and pipe repairs works are unnecessary, and they are willing to carry out simple refurbishment works like painting on their own, will the HA handle such cases more flexibly by allowing them to do so, in order to shorten the waiting period? Moreover, Madam President, I would like the Secretary to provide us with the information quoted by her in her reply to Mr Albert HO's question. I find such information as the length of these units being left vacant and the number of such units very useful.*

PRESIDENT (in Cantonese): Mr LEUNG, the information mentioned by the Secretary will be printed in our Official Record of Proceedings. Do you wish the Secretary to provide you with more information?

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, I hope that the Secretary can give us the relevant information in writing.*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down first. This is a request, rather than a part of the supplementary question that you have just asked. You have already asked one question, so this is a separate question. The Secretary can decide whether or not to answer this question.

SECRETARY FOR HOUSING (in Cantonese): Madam President, let me first answer the second question. I am very happy to provide Members with the relevant figures. (Annex)

As regards the issue of handling refurbishment works in a more flexible manner, in fact, since October 1998, we have already introduced a new scheme known as the Vacant Flat Refurbishment Allowance scheme. If PRH tenants are interested in carrying out their own refurbishment works, then we can grant them an allowance. Of course, it does not mean that all tenants will be granted an allowance for we have laid down some criteria. According to the record of the HD, during the period from October 1998 to the end of 2000, there were 2 614 successful cases of application for refurbishment allowance.

MR ALBERT HO (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary indicated that some vacant flats are placed on the reserve stock for rehousing tenants affected by the Comprehensive Redevelopment Programme and persons displaced by clearance operations. May I ask the Secretary whether this covers tenants now living in PRH units affected by the redevelopment programme and which will be frozen for three years? How many such units are there? Is it really necessary to freeze those units for three years? Will the authority concerned consider to allocate those units to people displaced by clearance operations during the freeze period? As many people will only have to wait nine months to one year before they will be allocated PRH units, the authority concerned can offer these people temporary housing during the interim to save them the trouble of moving to interim housing in remote areas.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, as I have said, about 1 100 of the 5 600 vacated old flats are reserved for people affected by the redevelopment programme and people displaced by clearance operations; and about 45% of those units will be allocated to Waiting List applicants. We will continue to allocate these units to the needy. Have I answered Mr HO's supplementary question?

MR ALBERT HO (in Cantonese): *Madam President, I am sorry, I think the Secretary has misunderstood my question. I was referring to housing estates earmarked for redevelopment. It is possible that the flats in such estates have all been frozen and will not be allocated to other Waiting List applicants. Are the*

frozen PRH units included in the 5 000-odd units? If not, could the freeze period be shortened, or could short-term tenancies for those units be granted to people displaced by clearance making use of the freeze period?

SECRETARY FOR HOUSING (in Cantonese): Madam President, as I have said in my reply just now, of the 5 600 units, 1 024 are reserved for those people affected by redevelopment. Our normal procedure is, if redevelopment or clearance programmes have to be carried out, we will endeavour to synchronize the process so that such units will not be left vacant for too long. Sometimes the period will be longer if the redevelopment or clearance programmes are held up for some reasons. As regards the proposal on renting such units on a temporary basis to people affected by redevelopment or clearance, we think there may be some problems. The reason is many of those people will request allocation of new units, and if other people have lived in a certain unit, then refurbishment or other works will be required and this will result in delay. If the redevelopment programme has been delayed for too long, we will consider vacating other flats to accommodate people affected by redevelopment. As the HD has been building flats on a continuous basis, we can allocate other PRH units in the same district to those people.

PRESIDENT (in Cantonese): We have spent more than 17 minutes on this question. We will now move on to the sixth question.

Airport Authority's Acceptance of Sponsorship from a Tobacco Company

6. **DR LO WING-KOK** (in Cantonese): *Madam President, it has been reported that the Airport Authority (AA) accepted sponsorship in the amount of \$2.4 million from a tobacco company for improving the environment and facilities of a smoking lounge at the airport. The comfortable environment may make smokers stay longer in the smoking lounge, hence smoke more cigarettes. In this connection, will the Government inform this Council whether it has assessed if the AA's acceptance of sponsorship from a tobacco company has contradicted the Government's anti-smoking policy; if the assessment shows this is to be the case, of the actions to be taken; if the assessment shows otherwise, the justifications for that?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, over the years, the Government's anti-smoking policy is to discourage smoking, and reduce the public's exposure to passive smoking to the maximum extent possible. To this end, a multi-pronged approach has been adopted to introduce legislative, promotional and educational measures in a step-by-step manner.

Under the existing Smoking (Public Health) Ordinance, managers of certain premises are empowered to designate their premises or part thereof as no smoking areas, having regard to a host of factors they deem appropriate. These premises include restaurants, schools, post-secondary schools, universities, Hong Kong Academy for Performing Arts and the Hong Kong International Airport.

The AA has put in place no smoking restriction inside the Airport. Under section 16 of the Airport Authority Bylaw, smoking is prohibited in any part of the Restricted Area, the Passenger Terminal Building (PTB), the Ground Transportation Centre (GTC), the public transport facilities or the public car parks, except in an area designated by the AA as a smoking area. For the smoking lounge mentioned in the question, we note that it has been installed with air purifier, and ventilation and extraction system to ensure that the smoke will not be mixed with the air elsewhere in the building. Moreover, under the existing legislation, a tobacco sponsorship, if not accompanied by tobacco advertisements or any kinds of tobacco promotions, is not an offence under the Smoking (Public Health) Ordinance. In this regard, since there is no passive smoke being released from the lounge affecting the other passengers in the PTB, and that no tobacco advertisement or promotion are associated with the mentioned sponsorship, the acceptance of tobacco sponsorship by the AA therefore does not contravene the Government's current anti-smoking measures.

From a health standpoint, implementing total smoking ban in all indoor public places and workplaces is still our long-term goal, with a view to further minimizing the harmful consequences of passive smoking. We will shortly discuss with the Legislative Council Panel on Health Services on our proposals, to be followed by consultation with sectors concerned as appropriate.

DR LO WING-LOK (in Cantonese): *Madam President, the Government said the AA had not contravened the Smoking (Public Health) Ordinance and its current anti-smoking measures. However, the Government has not stated its position on the acceptance of tobacco sponsorship by public organizations, including government departments. Will the Secretary inform this Council whether this is allowed or disallowed or the Government has no position at all?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I have mentioned the Government's policy earlier. We have been acting in accordance with our current measures. This means that the Government will not ask public organizations or the market to refuse sponsorship so long as it is in compliance with the Smoking (Public Health) Ordinance. In the long run, however, I agree with Dr the Honourable LO Wing-lok that we should discourage them from accepting tobacco sponsorship in future.

DR TANG SIU-TONG (in Cantonese): *Madam President, the smoking lounges in the Airport have been able to keep the air fresh because they have their own ventilation system and air purifier. Will the Government require other indoor places, such as restaurants, to provide smoking areas with similar installations?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I have mentioned earlier that we will present our proposals to this Council shortly and hold discussions with the Legislative Council Panel on Health Services from different perspectives. In the long run, we certainly hope a complete smoking ban can be imposed in all public places. In the interim, we might need to make transitional arrangement by considering the designation of separate smoking areas, as suggested by the Honourable Member.

MR MICHAEL MAK (in Cantonese): *Madam President, what assessment criteria has the AA adopted in deciding to designate smoking areas in the Airport instead of imposing a complete ban on smoking?*

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as the Secretary for Health and Welfare said, smoking is not allowed in many places in the Hong Kong International Airport. It is only allowed in certain designated areas. Why do we designate smoking areas in the Airport? This is because the Airport is used by local residents and a large number of tourists. For the sake of tourists who smoke, the AA has to designate certain smoking areas for them. At the same time, the AA has to take into account the laws of Hong Kong and the Government's measures. As a result, we have these smoking lounges.

MR LAW CHI-KWONG (in Cantonese): *Madam President, the Secretary for Health and Welfare stated in the main reply that the Government's policy was to discourage smoking. Nevertheless, the smoking lounge is now provided with such a comfortable environment. It seems that the Government is encouraging smokers to smoke more through the back door. Is the Government contravening its own policy?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I have mentioned in the main reply that the Government's policy is to discourage smoking. However, our approach is to implement the relevant measures progressively and I believe the policy should be implemented step by step. As pointed out by the Secretary for Economic Services, the Hong Kong International Airport is not used exclusively by Hong Kong residents. I believe this is only a minor issue. People will not be encouraged to smoke just because the Airport has smoking lounges. In addition, they will not stay in the PTB for a long period of time. Having regard to all measures taken, we will examine how we should achieve the Government's policy objective in future. We will take a progressive approach in taking forward our plan.

MR YEUNG YIU-CHUNG (In Cantonese): *Madam President, my supplementary question has been raised by Mr LAW Chi-kwong. Thank you, Madam President.*

MR ANDREW CHENG (in Cantonese): *Madam President, my supplementary question is actually similar to the one raised by the Honourable LAW Chi-kwong. However, I am dissatisfied that the Secretary for Health and Welfare has been repeating his points. Although the relevant arrangement does not contravene the Government's anti-smoking measures, it is obviously in violation of the Government's anti-smoking policy. While we can stop smoking for 20 hours on a flight, the waiting time in the passenger lounge is at most four to five hours. Why can the Government not refuse the \$2.4 million tobacco sponsorship? I think the Health and Welfare Bureau should really consider this in future. In accepting the sponsorship, has the Secretary considered using "stop smoking for a few hours will not cause any problems" as one of the grounds for promoting the Government's anti-smoking measures?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, I actually share Honourable Members' comments and views. We will certainly consider them in future. As I said earlier, we will promote the Government's policy step by step. At this stage, it is advisable for the Government to take further measures to encourage public premises not to designate smoking areas. We will consider Members' views in future and will present our proposals to the Legislative Council Panel on Health Services.*

MR MICHAEL MAK (in Cantonese): *Madam President, I would like to follow up my previous supplementary question. The Secretary for Economic Services remarked earlier that there was a need to designate smoking areas for overseas tourists. This means that the designation of smoking areas is not catered to the needs of Hong Kong residents. Will the Administration inform this Council of the respective utilization rates of smoking areas?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): *Madam President, what I meant is both the local residents and foreign travellers will make use of the Hong Kong International Airport. The travellers to whom I referred definitely include a great number of tourists coming from abroad. The overall objective of the AA is to provide travellers using the Airport with the services and facilities they need. In order to comply with the requirement of imposing a complete ban in certain public places, the AA has provided smoking lounges to allow smokers to smoke therein on the one hand, and ensure that the*

passive smoke will not spread to other places on the other. This is actually not unique to the Hong Kong International Airport. A number of international airports have smoking and no smoking areas too. For instance, there are smoking areas in the airports of Tokyo, London (the Gatwick and Heathrow airports), Bangkok, Zurich, Vancouver, and so on.

MR ANDREW WONG (in Cantonese): *Madam President, originally I did not intend to raise any supplementary question for I had wanted to take a break outside (laughter). I would now like to raise a simple question now. Given the great number of questions raised by Members today and the debate held in the last meeting, has the Government realized that Members are actually advocating that the Government's policy be changed so that a total ban on smoking is imposed and that the Government should be more stringent in implementing its anti-smoking policy than in implementing its anti-drug policy since smoking and passive smoking are hazardous to health?*

PRESIDENT (in Cantonese): Which Secretary will answer this question? Secretary for Health and Welfare.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I am very grateful to the Honourable Andrew WONG for his proposal. We will certainly consider it. *(Laughter)*

DR LO WING-LOK (in Cantonese): *Madam President, I would like to follow up the supplementary reply given by the Secretary for Health and Welfare. He said the Government had not asked public organizations to refuse tobacco sponsorship. Will the Secretary ask public organizations to do so now?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, as I replied earlier, it is now time to review this measure. We will present our proposals to the Legislative Council Panel on Health Services and discuss with Honourable Members before consulting the relevant bodies and organizations.

PRESIDENT (in Cantonese): Dr LO, do you wish to raise a follow-up question?

DR LO WING-LOK (in Cantonese): *Madam President, I have no such intention now.*

MRS SOPHIE LEUNG (in Cantonese): *Madam President, with your indulgence, I would like to say a few words on behalf of the disadvantaged. The Secretary for Economic Services referred to overseas tourists earlier. Actually, some tourists have reflected their views to me that, compared to the smoking lounges in the Hong Kong International Airport, those available in other international airports are more open and non-discriminatory. Let me cite the Heathrow as an example. Even though its smoking lounge is an open design, it has some special installations so that passengers standing next to it will be unaffected by passive smoking. Will the Secretary consider from this angle giving smokers, as a disadvantaged group, some dignity? If the Government's anti-smoking policy is not as stringent as its anti-drug policy, as what Mr Andrew WONG said, should we consider the matter from this perspective?*

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, we will certainly convey the Honourable Mrs Sophie LEUNG's views to the AA. I would like to reiterate that the ventilation system and air purifier in the smoking lounges are quite effective.

MRS SOPHIE LEUNG (in Cantonese): *Madam President, perhaps too many Members have laid too much emphasis on making requests on behalf of people from a particular side only. I hope the Secretary can, bearing in mind the human rights of smokers, consider whether we should give them some dignity instead of ignoring them by confining them to a smoking lounge.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I will ask the AA to consider this matter.

MR ALBERT HO (In Cantonese): *Madam President, I believe Mrs Sophie LEUNG has forgotten that some people do have the right of refusing to be passive smokers. Can the Secretary disclose to this Council whether it is one of the AA's requirements that the provision of smoking lounges shall be subject to the availability of donation, that is, no smoking lounges will be built without donation and the necessary equipment? If this is really the case, has the Government compromised on the policy it has been upholding with resolution just because someone has provided the money needed?*

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, a total of 12 smoking lounges are provided on the 5/F and 6/F of the Hong Kong International Airport. Sponsorship was offered for one of these lounges only.

MR ALBERT HO (in Cantonese): *Madam President, my supplementary question is: Was there a requirement specifying that one less smoking lounge would be built without the donation? Is that what happened?*

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the donation has been used for replacing the air-conditioning system of this bigger smoking lounge. Actually, we had planned to replace the system at that time.

PRESIDENT (in Cantonese): Although we have spent more than 16 minutes on this question, Dr Raymond HO was the first one to indicate a wish to raise a supplementary question. Since he has raised a number of supplementary questions in this Legislative Session, I have asked him to wait until the 10 Members before him have raised their questions. Now I would let him raise his supplementary question.

DR RAYMOND HO (in Cantonese): *Thank you, Madam President. The Secretary pointed out earlier that the provision of smoking lounges in the Airport was meant to cater to the needs of tourists. However, I see that there are no smoking areas in railway stations and compartments. Yet I do not think tourists are discouraged from using the railway. Will the Government encourage the AA to follow the example of the railway corporation?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I think the operation of the railway corporation is completely different from the operation of the AA. But still I will convey the Honourable Member's suggestions to the AA.

WRITTEN ANSWERS TO QUESTIONS

Co-ordinated Maintenance of Buildings Scheme

7. **PROF NG CHING-FAI** (in Chinese): *Madam President, with regard to the Co-ordinated Maintenance of Buildings Scheme (CMBS) introduced by the Buildings Department (BD) in August last year, will the Government inform this Council:*

- (a) *of the division of responsibilities between the Scheme and the Building Management Co-ordination Committees (BMCCs) serviced by the various District Offices;*
- (b) *whether it plans to review the role and functions of the Committees in order to avoid overlapping with those of the Scheme; if so, of the details; if not, the reasons for that; and*

- (c) *whether it plans to enlist the assistance of District Councils in implementing the Scheme; if so, of the details of the plan?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, my reply to the question is as follows:

- (a) The CMBS is an integrated and collaborative approach adopted by the BD to tackle the safety problems of existing buildings. It aims at assisting owners of selected buildings to pursue a comprehensive programme of building safety and maintenance in an efficient and cost-effective manner. The BD is the co-ordinator of the CMBS which is participated by five other government departments, namely, the Home Affairs Department, Fire Services Department, Electrical and Mechanical Services Department, Water Supplies Department and Food and Environmental Hygiene Department. Owners of buildings included in the CMBS may apply for low interest loans from the BD and seek technical support from the BD and other participating departments in order to improve the conditions of their buildings and meet the statutory building safety requirements.

The BMCCs are inter-departmental working level committees chaired by the District Officers of the Home Affairs Department. The BMCCs' members comprise representatives of seven government departments, which are the BD, Lands Department, Labour Department, Hong Kong Police Force, Fire Services Department, Food and Environmental Hygiene Department and Home Affairs Department. A BMCC is mainly tasked with identifying buildings with building management problems within the district. The owners would benefit from advice on building management from the Building Management Co-ordination Team (BMCT) of the relevant District Office. The BMCTs, which comprise officers seconded from the Housing Department to Home Affairs Department, are the executive arms of the BMCCs. The BMCTs work with owners of the identified buildings to tackle building management problems and to monitor progress of subsequent improvements made to these buildings.

- (b) A mechanism is already in place to ensure that the roles and functions of the CMBS and the BMCCs do not overlap. The Director of Home Affairs has established an inter-departmental steering group to co-ordinate the work of the relevant departments. The group, among other tasks, co-ordinates the respective roles and functions of the CMBS and the BMCCs with a view to avoiding overlap.

As mentioned in (a) above, the CMBS is an integrated and collaborative approach which ultimately will enable owners of selected buildings to meet their statutory obligations in building safety. The BMCCs were set up to assist owners' organizations to make general improvements in building management. The two have different purposes. They complement each other and do not overlap.

- (c) The BD has presented the CMBS to various committees of the District Councils in the past two months. The views and comments raised by District Council members in these meetings will be taken into account in refining the *modus operandi* of the CMBS and in formulating similar exercises in future.

Cases of Default on Payment of Wages

8. **MR ANDREW CHENG** (in Chinese): *Madam President, regarding employers who default on payment of wages to their employees, will the Government inform this Council:*

- (a) *of the total number of such cases (other than those in which the employers have become insolvent) received by the Labour Department over the past three years, and the number of employees involved in such cases; and*
- (b) *among such cases in (a), the number of those in which the Labour Tribunal (LT) ruled that the employers concerned had defaulted on payment of wages to their employees; the respective numbers of cases in which the employers complied and did not comply with the orders made by the Labour Tribunal in respect of their default on payment of wages; and the number of successful prosecutions against the employers for non-compliance with such orders?*

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

- (a) The Labour Department has handled 20 555 claims against non-payment of wages over the past three years. However, the Labour Department has not kept any record of the number of employees involved in such cases.

The above figure includes all cases in which employees complained about employers' failure to comply with the legal requirements to pay wages when they lodged their claim. There is no statistical breakdown of the reasons for non-compliance, such as insolvency or wilful default.

- (b) Over the past three years, the LT has handled a total of 13 855 claims for non-payment of wages. Since the LT does not keep track of or collate statistics on its rulings, the number of cases in which the LT ruled that the employers concerned had in fact defaulted on payment of wages to their employees is not available.

According to the provisions of the Labour Tribunal Ordinance, a final award or order of the LT which has been registered in the District Court shall become a judgement of the District Court and may be enforced accordingly.

Under the District Court Ordinance and the Rules of the District Court, the District Court may, for the effective enforcement of an award or order made by the LT, make various orders including seizure and sale of property of the debtor, requiring the bank in which the debtor has deposited money to make payment to the creditor from the debtor's account, imposing charges on any land or interest in land of the debtor, prohibiting the debtor from leaving Hong Kong, and so on.

Information from the Judiciary shows that in the past three years the District Court has made a total of 805 orders in respect of the enforcement of awards or orders made by the LT. As the Judiciary has not categorized the claims involved, the number of orders made by the District Court for the purpose of enforcing the LT's awards or orders in relation to non-payment of wages is not available.

Child Abuse Problem

9. **MISS CYD HO** (in Chinese): *Madam President, given the persistently high number of child abuse cases in recent years, will the Government inform this Council:*

- (a) *of the date of the last meeting of the Committee on Child Abuse which is responsible for co-ordinating multi-disciplinary efforts to prevent child abuse; if the Committee has not convened any meeting for months, the reasons for that; and*
- (b) *whether it has devised positive measures and plans to deter child abuse; if so, of the details; if not, the reasons for that?*

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

- (a) The last meeting of the Committee on Child Abuse was held on 15 September 1999. The next meeting will be held on 19 January 2001 at which, Committee members will be informed of the progress of recent work undertaken and its effectiveness. The Social Welfare Department (SWD) has, since the last meeting, continued to strengthen co-ordination on child protection work, implemented work strategies previously agreed by the Committee and improved service quality. Details are highlighted below.
- (b) The SWD combats the problem of child abuse primarily through publicity and public education, early intervention, service integration, co-ordination of community resources and strengthening family support services.

Publicity and Public Education Programmes

Under the auspices of the Committee on Child Abuse, the Public Education Sub-committee on Child Abuse co-ordinates the efforts of relevant departments and non-governmental organizations in launching publicity and public education programmes. These are aimed at promoting public awareness about preventing child abuse

and encouraging those affected to seek early professional assistance. The main theme of the publicity campaign for 1999-2000 was "Child Discipline not Child Abuse" and for 2000-01, "Good Parenting". Television and radio programmes, Public Announcements, posters and leaflets have been produced to spread the message.

Early Intervention

The SWD actively provides and promotes parent education. An experimental project with the Department of Health to educate parents-to-be in seven Maternal and Child Health Centres has been conducted since November 1999. Parent education is also provided in schools and through Parent-Teacher Associations to educate students and parents about the importance of family education and ways of handling family problems, so as to prevent child abuse caused by inappropriate child discipline. In order to reach more parents, family life education officers also approach private firms and their employees.

Service Integration

As regards service integration, the SWD has recently expanded its three Child Protective Service Units into five Family and Child Protective Service Units. This aims to strengthen family and child protective services and help prevent the occurrence of child abuse and domestic violence. Sixteen additional social work posts have been created to handle child abuse cases, increasing the number of child protection workers from 32 to 48. The Department will provide an additional seven social workers and one clinical psychologist this year to strengthen the provision of direct services.

Co-ordinating Community Resources

The 13 District Co-ordinating Committees for Family and Child Welfare Services under the SWD co-ordinate and enhance co-operation among relevant government departments, professionals and the local community to prevent and combat the problem of child abuse. These Committees implement preventive programmes each year according to individual district's needs and characteristics.

Strengthening Family Support Services

Apart from providing intensive counselling service, the Family and Child Protective Service Units also work actively with Clinical Psychology Units to provide therapeutic group work service to child abuse victims and their families.

In addition to these activities, in November 1999, the SWD, Against Child Abuse and the International Society for Prevention of Child Abuse and Neglect (ISPCAN) co-organized the ISPCAN 5th Asian Conference on Child Protection in Hong Kong. Over 400 participants from 23 countries/districts attended the conference to discuss new strategies to promote the welfare of children and families and to strengthen co-operation among Asian countries and internationally.

Problem of Juvenile Smoking

10. **MR LAW CHI-KWONG** (in Chinese): *Madam President, as the findings of a survey have shown that the percentage of junior secondary school students with smoking habit has increased in recent years, will the Government inform this Council:*

- (a) *how it enforces the provision in the Smoking (Public Health) Ordinance (Cap. 371) prohibiting the sale of cigarettes to persons under the age of 18 years; of the number of persons prosecuted for contravening the above provision in the past three years;*
- (b) *of the amount of public expenditure in disseminating anti-smoking messages last year; and*
- (c) *the other measures to address the problem of juvenile smoking?*

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

- (a) Under section 15A of the existing Smoking (Public Health) Ordinance (Cap. 371), selling tobacco products to persons under the age of 18 is strictly prohibited. Investigation and the issue of verbal warning and summons are carried out by the police when they witness the act of violation or upon receipt of public complaint. In the past three years, there was one prosecution taken for contravening this provision. To successfully prosecute an offender, the police require admission of the act of violation by both the offender and the young person who purchased the tobacco products from the former. The Tobacco Control Office, to be established under the Department of Health (DH), will reinforce the educational and enforcement activities in respect of selling tobacco products to persons under the age of 18 years.
- (b) In the 1999-2000 financial year, about \$6 million was allocated to the Hong Kong Council on Smoking and Health (COSH), which is a statutory body tasked with undertaking educational, promotional and publicity activities to discourage smoking.

There are also expenditures incurred by other institutions, such as the DH, individual schools and District Councils, on the dissemination of anti-smoking messages. A detailed breakdown is not available as the anti-smoking element usually forms part and parcel of a broader programme or activity.

- (c) The Administration, in collaboration with the COSH, has put in place a tobacco control regime comprising legislative, promotional and educational measures designated to control the promotion, sale and use of tobacco products. With regard to juvenile smoking in particular, we note that education helps significantly in combating the problem of youth smoking. The topic on the adverse influence of smoking on health forms an integral part of the existing syllabus for senior primary and junior secondary classes. The syllabus covers the harmful consequences of smoking, and the practical skills for students to refrain from taking up the habit.

In addition to formal syllabus, there are anti-smoking teaching aids produced by the DH and other voluntary organizations for primary and secondary school students, with a view to further reinforcing the anti-smoking messages. The COSH has been staging a drama entitled "Smoke-Free Master" in schools to convey the messages about the hazards of smoking. Other efforts by the COSH include the Tobacco Control Ambassador Development Programmes, a new Mini TV programme on Tips for the Young Generation, and other media promotional materials aiming at educating youngsters not to smoke, and providing them with practical refusal skills.

In the context of our current review of the Smoking (Public Health) Ordinance, we shall actively consider imposing a statutory complete smoking ban in all school premises to ensure a smoke-free learning environment for students.

Enhancing Alertness of PRH Residents to Fires

11. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, with regard to reducing the number of false fire alarms in public rental housing (PRH) estates and enhancing the alertness of PRH residents to fires, will the Government inform this Council:*

- (a) *of the number of false alarm reports received by the relevant authorities in each of the past five years;*
- (b) *of the measures in place to reduce the number of such false alarms;*
- (c) *in order to avoid causing confusion to PRH residents, whether it will consider adjusting the sounds of the emergency alarms in the elevators and other systems used in the estates to make them distinguishable from the fire alarms; if so, of the details; if not, the reasons for that; and*
- (d) *of the measures in place to enhance the alertness of PRH residents to fires, and whether these include regular fire drills?*

SECRETARY FOR HOUSING (in Chinese): Madam President,

- (a) Neither the Fire Services Department (FSD) nor the Housing Department (HD) has records of the total number of false alarms in PRH.
- (b) Most false alarms are caused by fumes from cooking, smoking and burning incense, and so on. To reduce the incidence of false fire alarms, the HD and the FSD have introduced the following measures:
 - (i) installation of ventilation fans and relocating the smoke detectors to less sensitive locations inside the flats; and
 - (ii) constantly reminding tenants of good housekeeping practices to prevent false alarms, for example, closing the kitchen door, opening windows or keeping the ventilation fan on whilst cooking.

In addition, the Housing Department and the Fire Services Department will consider removing smoke detectors at lower risk locations and installing stand-alone smoke detectors (that is, smoke detectors complete with buzzers which are not connected to the building's fire services system) in order to avoid false alarms.

- (c) The sound of lift alarms in PRH estates are already distinguishable from the sound of fire alarms. Lift alarms sound intermittently as long as the alarm button in the lift car is being pressed whereas fire alarms ring continuously. Moreover, lift alarms only ring at the top of a lift car, at the ground floor lobby and in the lift pit; whereas fire alarms activate all alarms in the entire building.
- (d) The following measures have been introduced to enhance tenants' awareness of fire risks:
 - (i) Fire drills are arranged by the Estate Management Advisory Committees of individual PRH estates;

- (ii) Since 1997, the FSD has promoted the Fire Services Ambassador Scheme among public housing tenants. By end 2000, 53 Fire Safety Ambassador training courses have been conducted by the FSD for the Estate Management Advisory Committees and 882 Fire Safety Ambassadors from various PRH estates have been trained. They will help disseminate fire safety precautions and knowledge among tenants; and
- (iii) Fire safety education and publicity have been enhanced in recent years. In 1999, the Housing Authority established a publicity and exhibition centre, known as Fire Safety Education Path, at On Yam Estate to educate public housing tenants on precautionary measures against fire risks. The second centre in Tin Wan Estate was opened in December 2000 and the third one in Kai Tin Estate will be opened in February 2001.

Nuisance Caused to Tourists by Touting Activities for Fortune-telling

12. **MR HOWARD YOUNG** (in Chinese): *Madam President, recently, I have received a complaint from a member of the public alleging that a gang of people frequently tout for fortune-telling service to tourists in Tsim Sha Tsui, Admiralty and Wan Chai waterfront; and that although the complainant had reported such cases to the Tsim Sha Tsui Police Station over the past year, the situation has not improved. In this connection, will the Government inform this Council:*

- (a) *whether it is aware of such activities;*
- (b) *of the number of complaints lodged by the public or tourists with the police or other departments in the past year about the nuisance caused by such activities; details of how the complaints have been followed up and the results of the follow-up actions; if the complaints have not been followed up, of the reasons for that; and*
- (c) *of its plans to prevent these activities from causing nuisance to tourists?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) The police are concerned about the touting activities for fortune-telling in areas such as Tsim Sha Tsui, Admiralty and Wan Chai. However, the level of reports does not indicate that this is a serious problem.
- (b) The police do not maintain statistics of complaints concerning such touting activities. There are also no records of such complaints as received by the Hong Kong Tourist Association and the Consumer Council. Under normal circumstances, should such complaints be received by the police, beat control officers would be despatched to conduct inquiries and to investigate whether such activities amounts to an offence of "touting" under section 6A of the Summary Offences Ordinance (Cap. 228). This provision stipulates that any person who in a public place, to the annoyance of or in a manner likely to annoy any other person, importunes the latter to buy anything or service shall be guilty of an offence.

Difficulties, however, do exist in taking enforcement action against such activities as touting in itself is not illegal. The relevant section 6A provides that touting only becomes an offence if it is done to the "annoyance of or in a manner likely to annoy any person". Therefore, to prove the offence, the prosecution usually have to call witnesses to support that annoyance has been caused. When those people approached by touts are tourists, there are considerable difficulties in securing the necessary evidence from the witnesses.

- (c) The police will continue to monitor the situation and take enforcement action as appropriate. In addition, when the Hong Kong Tourist Association receives any relevant complaints by visitors, it will refer them to the police for follow-up action.

Regulation of Sale and Promotion of Health Food Products

13. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, regarding the regulation of the sale and promotion of health food products, will the Government inform this Council whether:*

- (a) *it is a breach of the relevant provisions of the Food and Drugs (Composition and Labelling) Regulations (Cap.132, sub. leg.) to sell health food products without "best before" or "use by" dates labels;*
- (b) *it is an offence to sell health food products without information on contraindications and instructions for consumption; if so, of the details;*
- (c) *legislation is in place to regulate the promotion of health food products under names which look like medical organizations or medical professionals; and*
- (d) *legislation or measures are in place to restrict the distribution of promotional materials on health food products within the confines of public hospitals and public libraries under the Hospital Authority (HA) and the Leisure and Cultural Services Department?*

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

- (a) The so-called "health food products", for which there is no generally accepted definition, are considered as food products. All food products are subject to regulation by the Food and Drugs (Composition and Labelling) Regulations of the Public Health and Municipal Services Ordinance (Cap. 132), which require all pre-packaged food to be marked with either a "use by" or a "best before" date. Any "health food product" that falls within the legal definition of "pre-packaged food" must be labelled with an appropriate date marking.
- (b) "Health food products" as general food products are regulated under the Public Health and Municipal Services Ordinance (Cap. 132). The Ordinance and its subsidiary legislation do not require food products for sale to be accompanied by information on contraindications or instructions for consumption.

Food products containing Chinese medicinal substance will be regulated under the Chinese Medicine Ordinance (Cap. 549). Upon the implementation of the relevant provisions of the Ordinance next year, these products will be subject to registration control and labelling requirements.

- (c) Advertisements relating to health care matters are regulated under the Undesirable Medical Advertisements Ordinance (Cap. 231). This Ordinance provides that no person shall publish any advertisement likely to encourage the use of any medicine, surgical appliance or treatment for the diseases specified in the Ordinance, such as cancer, sexually transmitted diseases and AIDS. Moreover, health care professionals are regulated by their respective Codes of Practice which stipulate rules governing their professional conduct and involvement in advertising health care products.
- (d) The HA exercises stringent control on the distribution of promotional materials at public hospitals and its Health InfoWorld. As a general rule, all activities relating to commercial promotion (including advertisements) of the so-called "health food products" are not allowed.

It is the Government's policy to prohibit any person from distributing any promotional materials within the confines of public libraries. Under the Libraries Regulation of the Public Health and Municipal Services Ordinance (Cap. 132), the librarian may require any person distributing promotional materials to leave the library and it is an offence if such distribution obstructs, disturbs, interrupts or annoys any person in the lawful use of the library. Offenders are liable to a fine of \$5,000 or to imprisonment for one month.

Regulation of Practice of Chinese Medicine Dispensers

14. **MRS SOPHIE LEUNG** (in Chinese): *Madam President, given that Hong Kong has enacted legislation to regulate the registration, eligibility for practice, continuing education, conduct and discipline of Chinese medicine practitioners, will the Government inform this Council whether it plans to formulate a similar legislative framework for the regulation of the practice of Chinese medicine dispensers; if so, of the details and the legislative timetable; if not, the reasons for that?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, under the Chinese Medicine Ordinance (Cap. 549), which has yet to be fully implemented, a retailer of Chinese herbal medicines is required to nominate a person to be responsible for the supervision of the dispensing of the medicines and a deputy to act in the person's absence. The Chinese Medicine Council of Hong Kong (the Council) is empowered by the Ordinance to make subsidiary legislation to prescribe the requirements regarding the experience and knowledge of this responsible person and is at present consulting the trade on this matter. The Ordinance also empowers the Council to make subsidiary legislation to prescribe the practising conditions or duties applicable to the holder of a retailer licence in Chinese herbal medicines, as well as requirements and conditions for, among other things, packaging, storage and dispensing of Chinese herbal medicines.

The Council is preparing the relevant subsidiary legislation, which will be submitted to the Legislative Council later this year. The safeguards stipulated in the Ordinance and in these subsidiary legislation will ensure a high standard of dispensing practice for the safety of the consumers.

Duty Rosters of Immigration Officers at Border Control Points

15. **MR LAU KONG-WAH** (in Chinese): *Madam President, regarding the duty rosters of officers of the Immigration Department at border control points, will the Government inform this Council:*

- (a) *of the respective average hourly numbers of officers deployed to man immigration counters at Lo Wu Control Point during the Lunar New Year, the Easter and the Christmas holidays in each of the past three years, and their respective proportions to the average hourly numbers of people travelling to and from the Mainland via that control point during the same periods;*
- (b) *whether it has assessed if the number of officers is adequate to cope with the service demand; if it is assessed to be inadequate, whether it has plans to increase the establishment; if so, of the details;*
- (c) *of the longest number of hours of duty undertaken continuously by officers at immigration counters at Lo Wu Control Point during the*

last Christmas holidays; how it compares with the corresponding figures for the Christmas holidays in the previous two years;

- (d) *of the arrangements during the peak hours of cross-boundary travel for officers manning immigration counters to take rests or have meals; and*
- (e) *whether officers are required to give written or oral explanations if they refuse their superiors' request at short notice to undertake overtime work at immigration counters?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) During the Lunar New Year, Easter and Christmas holidays in the past three years, the respective average hourly numbers of officers deployed to man immigration counters at the Lo Wu Control Point, the average hourly numbers of people travelling via that Control Point and the respective proportions are as follows:

	1998			1999			2000		
	Officers at immigration counters	Number of travellers	Proportion	Officers at immigration counters	Number of travelers	Proportion	Officers at immigration counters	Number of travellers	Proportion
Lunar New Year	129	11 501	1:89	113	12 819	1:113	144	13 461	1:93
Easter	123	13 185	1:107	145	16 700	1:115	148	16 816	1:114
Christmas	140	15 299	1:109	157	15 130	1:96	147	15 692	1:107

- (b) Over the past three financial years, the passenger volume at the Lo Wu Control Point saw an average annual growth rate of 17%. The Immigration Department has been closely reviewing the manpower requirement of the Control Point and takes the view that there is a need to increase the number of staff to cope with the passenger demand. Indeed, in 1998 and 1999, the Control Point had 21 and 26 officers added to its staff establishment respectively. Besides,

staff are deployed from other divisions and control points to provide support if required. Taking into account the sustained rapid growth of the passenger volume at the Control Point and the need to further improve the quality of service provided to the passengers, the Immigration Department has once again asked for additional manpower and their application is now being processed.

- (c) Under the existing shift duty arrangement at the Lo Wu Control Point, the longest working hours performed by staff manning the immigration counters are nine hours, that is, from 2.45 pm to 11.45 pm.

During the last Christmas holidays, the longest working hours performed by staff at the Lo Wu Control Point were nine hours and 30 minutes in order to cope with the 30-minute extension of service at that Control Point on the night of 28 December.

During the Christmas holidays in 1999, the longest working hours performed by staff at the Lo Wu Control Point were 11 hours. This overtime arrangement was necessary as the Kowloon-Canton Railway Corporation suspended its train service from Sheung Shui to Lo Wu because of mechanical failures on the night of 23 December. The Control Point had to extend its service for two hours to clear all passengers leaving for the Mainland.

During the Christmas holidays in 1998, the longest working hours of staff at the Lo Wu Control Point were nine hours as normal.

- (d) According to the existing arrangements at the Lo Wu Control Point, staff who are continuously on duty for eight hours or more are given an hour for lunch. In addition, a short break of 10 to 15 minutes is given to them every two to three hours as far as possible, subject to the passenger volume and the availability of manpower. Under special circumstances like unexpected surge of large volume of inbound and outbound travellers, staff may be instructed to defer or even shorten their lunch hour and the break so as to increase the number of counters to clear the crowd as quickly as possible.

- (e) As mentioned in (c), when the Lo Wu Control Point is crowded with passengers, all staff, or some of them, may be instructed to work overtime with a view to shortening the waiting time of the passengers. Those who are unable to work overtime for very special reasons need to fill in a simple form and apply to their supervisors for an exemption. The management will consider the applications on their merits.

Incidents of Falling Concrete Structures or Collapsed Canopies

16. **MR CHEUNG MAN KWONG** (in Chinese): *Madam President, will the Government inform this Council of:*

- (a) *the total number of incidents over the past five years in which the concrete structures on the external walls of buildings fell off or canopies collapsed, the resultant casualties in these incidents, as well as the respective numbers of investigation orders and repair orders issued to the owners concerned; and*
- (b) *the measures to minimize these incidents?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, in the past five years (that is, 1996 to 2000), there were 27 incidents of pieces of concrete falling off from the external walls of buildings resulting in 17 injuries and two deaths, and 13 cases of canopy collapse resulting in 10 injuries and one death. The Buildings Department (the Department) in the same period issued 762 investigation and repair orders and 2 582 repair orders.

One of the principal aims of building control is to ensure the structural safety of buildings. To tackle building safety problems, the Department has taken the following measures:

- (a) Since 1997, the Department has investigated 3 000 slab-type canopies and taken action to rectify any defects found. The Department will complete the investigation of the remaining 2 300 slab canopies by July 2001.

- (b) The Department removed about 1 400 unauthorized canopies in 1996 and about the same number in 1997. This target has been increased to 2 000 a year since 1998.
- (c) The Department regularly inspects all pre-war buildings to ensure timely repairs by owners. A consultancy study was commissioned by the Department to study the conditions of buildings constructed between 1946 and 1958. As follow-up action to the study, the Department has completed the investigation of the buildings constructed during this period and caused necessary repairs to be carried out.
- (d) To prevent concrete fragments and canopies falling off from the external walls of buildings, the Department launched a large-scale clearance exercise in 1999 (that is, the "Blitz Operation") to clear some 14 000 unauthorized projections from the external walls of more than 300 buildings located in districts with heavy pedestrian traffic. As part of the operation, owners were also required to repair the external walls of these buildings where necessary. The Department will intensify its enforcement action in the coming years. The goal is to target 400 buildings in similar exercises in 2000-01, and 1 000 buildings a year thereafter.
- (e) In late 2000, the Department initiated a pilot scheme, the Co-ordinated Maintenance of Buildings Scheme, to systematically inspect 150 buildings in the 20 to 40-year old age group and to require owners to carry out repairs where necessary. In addition, the Department will continue to respond to reports of building defects from members of the public by issuing investigation or repair orders.

The Government set up a Task Force on Building Safety and Preventive Maintenance under the Planning and Lands Bureau in February 2000 to work out a comprehensive strategy on timely maintenance and measures to promote and enforce building safety. The principal measures and initiatives proposed by the Task Force include enhancing assistance to owners in carrying out maintenance and repairs, stepping up enforcement action, modernizing the law on building control, maximizing market forces in promoting maintenance, promoting community participation, and strengthening public education on owners'

responsibility for timely maintenance of their buildings. This package of proposals has been presented to Members of the Legislative Council Panel on Planning, Lands and Works at a number of meetings since November last year. Members generally supported the proposals. The Task Force is now consulting the 18 District Councils and the community on the proposed new measures.

Cracking Incidents of Main Aqueducts for Conveying Dongjiang Water

17. **DR RAYMOND HO** (in Chinese): *Madam President, regarding the maintenance and cracking incidents of the main aqueducts for conveying Dongjiang water, will the Government inform this Council of:*

- (a) *the details of the maintenance plans for the main aqueducts within Hong Kong for conveying Dongjiang water;*
- (b) *the number of reports received concerning cracking of such aqueducts in the past three years, and the measures in place to reduce such occurrences; and*
- (c) *the criteria adopted for deciding whether to offer compensation to persons who have suffered losses caused by the cracking of aqueducts?*

SECRETARY FOR WORKS (in Chinese): Madam President,

- (a) The maintenance plan of the Dongjiang water mains (DJWM) can be divided into the following two major parts:

- (i) *Regular Inspection*

The Water Supplies Department (WSD) has a special team responsible for the operation and inspection of the Dongjiang water transfer system. This team carries out routine inspections on the DJWM with particular attention to any abnormalities, such as damage of external protective coating to the exposed water mains, and signs of seepage. The team will also initiate repair works as found necessary. If any

water main is likely to be affected by nearby construction works or other factors, the team will step up the inspection on the portion of the water main in question and take appropriate protective measures as necessary. On average, one inspection cycle takes a month. Through the inspection programmes, problems can be identified and dealt with at an early stage to reduce the chance of main burst.

(ii) *Regular Maintenance Schedule*

The major maintenance works include the following:

- Regular maintenance and repair to the external protective coating of the DJWM.
- During the annual water supply shutdown period in December, inspection and repair to the internal lining of the DJWM.
- Regular inspection and maintenance to the supporting structure of the DJWM.
- Regular grass cutting alongside the DJWM, so as to facilitate regular inspections and to prevent damage to the pipe external coating in the event of the grass being on fire.
- Rehabilitation and maintenance of the access to the DJWM so as to ensure through access at all times for speedy inspection and maintenance purposes.
- Regularly clearing of the discharge points along the DJWM to ensure unobstructed flow of the discharged water.

- (b) In the past three years, there were only two main bursts involving DJWM; one in 1998 and one in 1999. To minimize recurrence of such incidents, the WSD will continue the inspection and maintenance works, and will replace those water mains which are aged and deteriorating.

- (c) If a claim for damage arising from a burst of government water main is brought against the Administration, legal advice would be sought. Should it conclude that there is negligence on the part of the Administration resulting in the main burst, the Administration will offer an appropriate amount of compensation to the claimant. If it concludes that the Administration is not legally liable for the main burst, compensation will not normally be made.

However, the Government may consider to offer ex gratia payment for very exceptional hardship experienced by the claimant, on a case by case basis, without admitting legal liabilities.

Redevelopment of Kwun Tong Town Centre

18. **MR FRED LI** (in Chinese): *Madam President, regarding the redevelopment of Kwun Tong town centre, will the Government inform this Council:*

- (a) *whether a redevelopment timetable has been drawn up, if so, of the details; if not, when this will be done;*
- (b) *whether it will conduct public consultation on the redevelopment plan; if so, of the timing of the consultation; if not, the reasons for that; and*
- (c) *of the expected improvements in air quality, traffic flow and community facilities after the district has been redeveloped?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, the Kwun Tong Town Centre redevelopment project is one of the 26 projects announced by the Land Development Corporation in January 1998. 25 of these projects, including the Kwun Tong Town Centre project, have not yet been started and would be taken over by the Urban Renewal Authority (URA) when it is established. The timetable for these 25 projects would be determined by the future URA in the context of its five-year Corporate Plan and annual Business Plan.

In accordance with sections 23, 24 and 25 of the Urban Renewal Authority Ordinance, all projects of the URA, including both development projects and development schemes, will be published in the Government Gazette and local newspapers for information. The public will also be able to raise objections within a statutory period of two months. Development schemes are projects which involve amendments to the Outline Zoning Plan, whereas development projects require no such amendments. The general public, including the Kwun Tong District Council and the local residents, would be consulted by the URA before the Kwun Tong Town Centre project is implemented.

The Kwun Tong town centre is a developed area and serves as a major transport interchange for the district. A major environmental concern at present is the noise and air quality problems generated by the heavy traffic in the area. Besides improvement to the physical environment through redevelopment of some of the buildings which are old and dilapidated, a comprehensive redevelopment of the Kwun Tong town centre would offer an opportunity, *inter alia*, to:

- (a) restructure the obsolete street pattern, widen existing roads and provide a properly designed transport interchange with grade-separated pedestrian links to improve traffic and pedestrian circulation in the area;
- (b) segregate road traffic and pedestrian flow to minimize the impact of traffic noise and air pollution on the residents and visitors to the area; and
- (c) improve the provision of open space and Government/Institution/Community facilities.

Insurance Companies' Refusal to Provide Medical Insurance Coverage to Persons with Serious Illness

19. **MISS EMILY LAU** (in Chinese): *Madam President, will the executive authorities inform this Council:*

- (a) *of the institutions or government departments with which complaints may be lodged by persons who have been refused medical insurance*

coverage by insurance companies because they suffer from serious illness; the respective numbers of such complaints received by those institutions or departments in the past three years, together with a breakdown by the subject of such complaints; and

- (b) *whether legislation is in place to regulate such acts of insurance companies; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES (in Chinese): Madam President,

- (a) Persons who suffer from serious illnesses may approach the Equal Opportunities Commission if they have difficulties in taking out insurance policies. According to the Health and Welfare Bureau, the Commission has received four complaints in the last three years in respect of insurance-related issues. One complaint concerned the exclusion of coverage of a pre-existing condition in a hospitalization insurance plan offered by an insurance company to the complainant. Another complaint concerned the provision of accident insurance coverage by an insurance company to a group of employees in an organization with one of the employees who had one of his legs amputated excluded. The remaining two complaints were interrelated and concerned alleged poor customer service provided by the insurance company and the agent to the complainant, who had a mental illness. Persons refused medical insurance coverage may also seek help from the Hong Kong Federation of Insurers. The Federation has not received any such complaints over the past three years.
- (b) Several sections of the Disability Discrimination Ordinance (DDO) are relevant to the provision of insurance services. Section 26(1) provides that persons who provide services (including insurance companies) may incur liability if they discriminate by refusing to provide specific services (for example, insurance services) or if they discriminate in the terms and conditions upon which those services are offered. Section 26(2) provides such persons with a defence of "unjustifiable hardship".

Section 52 of the DDO makes it clear that differential treatment in relation to any class of insurance business, or similar matter involving an assessment of risk, is not unlawful if the following two criteria are met:

- (a) the different in treatment is by reference to actuarial or other data, from a source on which it is reasonable to rely; and
- (b) the differential treatment itself is reasonable having regard to the data and any other relevant factors.

In respect of the operation of insurance companies, it is the insurance companies' practice to balance all risks before deciding whether a certain medical insurance product should be provided to any person. In this context, insurance companies will make reference to relevant data on the principle of reasonableness. This approach is accepted under the DDO.

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bills: First Readings.

LAND REGISTRATION (AMENDMENT) BILL 2000

HONG KONG TOURIST ASSOCIATION (AMENDMENT) BILL 2001

CLERK (in Cantonese): Land Registration (Amendment) Bill 2000
Hong Kong Tourist Association (Amendment) Bill
2001.

Bills read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading.

LAND REGISTRATION (AMENDMENT) BILL 2000

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, I move that the Land Registration (Amendment) Bill 2000 be read a Second time. The Bill provides for amendments to the Land Registration Ordinance to improve the services which the Land Registry offers its customers, to introduce new services and to increase its efficiency. The proposals have been the subject of thorough consultation and have the general support of the customers of the Land Registry.

I shall now briefly highlight the key proposals in the Bill.

The principal aim of the Bill is to make provisions for the introduction of a Central Registration System in the Land Registry. At present, the Land Registry maintains registration offices in nine districts — Urban and Islands Land Registries in its headquarters at the Queensway Government Offices and seven other New Territories Land Registries. Each registration office is independent and maintains a separate set of registration records for its own district.

Conveyancing solicitors are required to deliver documents to the respective registration offices for registration. Nearly 96% of all law firms doing conveyancing work are located in the urban area. Under the present arrangement, the law firms have to deliver documents relating to New Territories properties to the relevant New Territories Land Registries. This arrangement is time-consuming and unnecessarily expensive for law firms and their customers. Under the proposed Central Registration System, all documents for registration would be lodged at a central registration office at the Queensway Government Offices. There would be one set of consolidated registration records to determine the priority of each registered instrument. As at present, members of the public will be able to conduct cross-district searches in the headquarters of the Land Registry and its New Territories offices.

To improve its services, the Land Registry is procuring a colour imaging service in which the coloured plans contained in new and existing registered instruments will be imaged in colour. In future, the quality of copies of plans will be enhanced as coloured plans will be produced directly from the colour images, rather than by colouring black and white copies manually. Amendments to the land Registration Ordinance are required to implement this service which is expected to be fully operational by the end of next year.

The Land Registry has conducted an overall review of the Land Registration Ordinance and the Land Registration Regulations. A number of proposals resulting from the review require legislative changes. For example, we propose that provisions be made to govern the temporary withdrawal of instruments. The Land Registrar would be authorized to remove from the land register the entries of deeds withheld from registration due to a mistake or other problem after one year.

Madam President, the proposed amendments in the Bill would improve the efficiency of the Land Registry and bring convenience to its customers. I commend the Bill to this Council. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Land Registration (Amendment) Bill 2000 be read the Second time.

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

HONG KONG TOURIST ASSOCIATION (AMENDMENT) BILL 2001

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I move that the Hong Kong Tourist Association (Amendment) Bill 2001 be read the Second time.

The purpose of the Bill is to amend the Hong Kong Tourist Association Ordinance to implement the major recommendations of the Strategic Organization Review (SOR) completed by the Hong Kong Tourist Association (HKTA).

The HKTA was set up as a membership organization in 1957. Since then, the tourism industry in Hong Kong has experienced many challenges, including keen competition from other tourist destinations. In mid-1997, the Board of Management of the HKTA commissioned a consultancy to undertake the SOR to better define the role of the HKTA so as to draw up appropriate development strategies to meet the challenges ahead. The SOR also reviewed the HKTA's organization structure including its governance and the membership system. As part of the SOR, the HKTA has undertaken thorough consultation with the tourism industry and relevant organizations.

One of the major recommendations of the SOR is that the main role of the HKTA should be to promote Hong Kong as a tourist destination, to enrich visitors' travel experience and to enhance Hong Kong's attractiveness through improving and developing new tourism itineraries in collaboration with the tourism industry.

The SOR also made the following recommendations. (a) The outdated membership system should be abolished. The HKTA has been working with concerned organizations of the tourism industry in its promotion work and not just with its members. (b) The name of the HKTA should be changed to the Hong Kong Tourism Board to better reflect its overall role in the tourism industry. (c) The size of the Board of Management of the HKTA should be expanded from 11 members to 20 members to enhance its representativeness. (d) The HKTA should remain as a public body with the flexibility of working independently. It should continue to co-operate with the Government and the private sector to enhance the effectiveness of marketing and promotional activities. The Government and the Board of Management of the HKTA have accepted these recommendations.

Consistent with the above recommendations, the Bill has incorporated the following main provisions. First, we propose that the Hong Kong Tourism Board be established to replace the HKTA and its Board of Management. Second, some of the objects of the HKTA shall be updated to put emphasis on promoting Hong Kong globally as a world class destination and stepping up its advisory role to the Government. Third, provisions relating to the membership system of the HKTA shall be repealed. Fourth, the Hong Kong Tourism Board shall consist of 20 members and a new Deputy Chairman shall be appointed from amongst the Board members. Besides, the legislation shall be brought into effect on a date to be appointed by the Secretary for Economic Services by notice in the Gazette. This is intended to allow time for the HKTA to complete the procedures for abolishing the membership system and changing its name.

We hope that the recommendations of the Bill would clearly define the marketing role of the HKTA so as to enhance the effectiveness of the HKTA's work. The Government will continue to work closely with the HKTA and the trade in promoting the development of our tourism industry. I hope Members will support the Bill. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Hong Kong Tourist Association (Amendment) Bill 2001 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Five proposed resolutions under the Interpretation and General Clauses Ordinance.

First motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW: Madam President, I move the motion standing in my name on the Agenda.

At the meeting of the House Committee on 5 January 2001, Members decided to form a subcommittee to study the Waterworks (Amendment) Regulation 2000 gazetted on 15 December 2000 which was related to revision of fees.

To allow time for the Subcommittee to convene meetings and then report its deliberations to the House Committee, Members proposed that the scrutiny period of the subsidiary legislation be extended to the Council meeting of 7 February 2001.

Madam President, I urge Members to support the motion.

Mrs Selina CHOW moved the following motion:

"That in relation to the Waterworks (Amendment) Regulation 2000, published as Legal Notice No. 358 of 2000 and laid on the table of the Legislative Council on 20 December 2000, the period referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) for amending subsidiary legislation be extended under section 34(4) of that Ordinance to the meeting of 7 February 2001."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mrs Selina CHOW be passed.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

PRESIDENT (in Cantonese): Mr LAU Chin-shek and Mr James TIEN have each given notice to move four resolutions. The motions proposed by Mr LAU Chin-shek and Mr James TIEN are identical and have the same effect. As Mr LAU Chin-shek submitted his notice at an earlier date, I will call upon Mr LAU Chin-shek to move his motions.

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. This resolution seeks to amend the Country Parks and Special Areas (Amendment) Regulation 2000, in order to freeze the proposed increase of 7% in the application fees for permits to conduct various activities in country parks and special areas.

Together with the four resolutions sponsored by the Honourable James TIEN and me today, close to 40 resolutions have been moved in this Chamber over the past month seeking to freeze increases in fees and charges proposed by the Government. Over 300 items of fees and charges for government services have been involved.

In lobbying support from Honourable colleagues for its fee increase proposals, the Government has been emphasizing that the increases will not involve the people's livelihood and general business activities, and that they will only affect a very small number of people. I believe Members know only too well whether that is true. At least from the voting results of the 12 resolutions moved in this Council last week, we can see that the majority of Members apparently took exception to the Government's view that the proposed increases would only affect a very small number of people. More importantly, some of the increases involved the cardinal principle of seeking justice through legal proceedings.

I have explained time and again the social impact of the Government increasing its fees and charges, so I believe colleagues present are well-versed with them and there is no need for me to repeat them here. The question is the Government, with or without justifications, gazettes a whole lot of subsidiary legislation to increase fees and charges almost every week. I can assert that the increases are bound to affect more and more sectors, people, and industries and

businesses, and the pervasiveness of such increases will not be less in any way. Of course, the Government can say that the increases do not necessarily have a great impact taken individually. But as fee increases are proposed one after another, and when this fee is increased and that fee is increased too, everyone will be eventually affected without exception, and a surge of all kinds of fees will thus begin.

I hope the Secretary for the Treasury can seriously give it some thought. Why can she not wait for a longer while and reconsider these increases after the financial conditions of the people and the small and medium enterprises have genuinely improved? Let me make it clear to the Government again that I do not always oppose increases in fees and charges proposed by the Government. But at this point in time, I will not support any proposal to increase government fees and charges.

There has been little good news to members of the public these days. On the contrary, news that adversely affects people's livelihood has come in succession. For instance, the recent proposal by banks to levy service charges on small depositors is shocking indeed. Now that the year is fast approaching the end, the decision of the China Light and Power Company Limited to give its customers a \$200 rebate may be the only piece of news that has enlivened the people recently. I hope the Government can also bring some good news to the people.

The increases related to country parks and special areas under this resolution, together with those related to marine parks and marine reserves that will be dealt with in the next resolution, are related to fees charged for conducting activities in these areas. Apart from activities of a commercial nature, some of the activities are non profit-making or even for educational purposes. I believe these increases will have an impact on the public and warrant the attention of Honourable colleagues.

With these remarks, Madam President, I beg to move. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the Country Parks and Special Areas (Amendment) Regulation 2000, published as Legal Notice No. 349 of 2000 and laid on the table of the Legislative Council on 13 December 2000, be repealed."

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

I will call upon Mr James TIEN to speak on the motion.

MR JAMES TIEN (in Cantonese): Madam President, in our discussions on motions on fee increases recently, we are like playing worn-out records in that the same reasons are advanced each time. As regards the position of the Liberal Party, we supported increases in government fees and charges before because of inflation and pay rise for civil servants. But this year, with a deflation and given that the salary of civil servants has seen no increase, we do not see why the costs of the Government would increase. If the Government wants to achieve full recovery of costs, we will, as we have stated before, support the recovery of 40% to 50% of costs by the Government. However, the fees at their present levels have already recovered 70% to 80%, or even 90%, of the costs. So, in view of this year's economic environment, we think the Government should freeze its fees and charges for another year. Next year, if a slight inflation is registered and if the Civil Service is given a pay rise following that in the commercial sector, which subsequently leads to an increase in costs, the Liberal Party will support the fee increases.

Madam President, we are now discussing again whether the several motions today are related to the people's livelihood. While Mr LAU Chin-shek has given many views on behalf of the industrial and commercial sector and the small and medium enterprises, I will look at this motion from the angle of the grassroots. If marine park permits and permits for barbecue and camping are considered not related to the people's livelihood, then what can be considered to be related to the people's livelihood? Could it be that the companies would barbecue? These fees are certainly payable by members of the public. Regarding other permits such as the permit to hold public meeting or sporting competition, and the permit to hold fund-raising events, we consider that they are directly related to the people's livelihood. Nevertheless, the Government has explained that the fees are payable by organizations only and therefore, they have nothing to do with members of the public. But when the Government has increased these fees, albeit by a small rate, I believe organizers of barbecues will have an excuse to charge a higher fee on participants.

For these reasons, Madam President, I appeal again to Honourable colleagues to oppose these fee increase items today.

MR CHAN KAM-LAM (in Cantonese): Madam President, on 15 December, the House Committee of the Legislative Council agreed to form a Subcommittee to study five items of subsidiary legislation gazetted on 8 December in relation to revision of fees. First, I will speak in my capacity of the Chairman of the Subcommittee.

Of those five items of subsidiary legislation, some are proposals to lower the fees charged for certain services. For example, the fees for obtaining duplicate permits to conduct various activities in marine parks and marine reserves will be lowered by 38%. Moreover, five items of fees relating to electricity registration and certification will be lowered by 1% to 17%.

With regard to the fee increase proposals, the Administration stated that the fees proposed to be increased will only have a slight impact on the people's livelihood. At Members' request, the Administration has provided further information on these proposals. After discussions, the Subcommittee agreed that individual Members shall consider whether they will support the proposed fee increases.

Madam President, I will now express our views on the resolutions proposed by Mr LAU Chin-shek and Mr James TIEN earlier on. After considering the fee revisions proposed by the Government, the Democratic Alliance for Betterment of Hong Kong considers that some are indeed directly related to the people's livelihood. So, we think we can support the revision of fees by the Government in respect of the Country Parks and Special Areas (Amendment) Regulation 2000, Marine Parks and Marine Reserves (Amendment) Regulation 2000, Electrical Products (Safety) (Amendment) (No. 2) Regulation 2000 and Electricity (Registration) (Amendment) Regulation 2000.

But regarding the Electricity (Wiring) (Amendment) Regulation 2000 under which certain commercial organizations and residential households are required to conduct periodic tests, the owners, owners' corporations or commercial organizations concerned will have to pay an increased rate. This, in our view, will directly affect the people's livelihood. Although the fee will be increased by a very small rate, we do not consider it an appropriate time to increase this fee now. Therefore, we will support Mr LAU Chin-shek's resolution and oppose an increase in this fee.

Madam President, I so submit.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, the Hong Kong Progressive Alliance (HKPA) does not oppose the Government increasing its fees and charges for 18 items of public services covered by four items of subsidiary legislation. The HKPA considers that 15 of the proposed fee increases involving permits to conduct activities are related to the protection of conservation areas against unnecessary damage. The proposed increases for a great majority of these fees range from some \$10 to tens of dollars, and only 188 applications for these permits were received last year. Besides, the other three fee increase proposals relating to the Electricity Ordinance will affect very few people, companies or trades. To sum up, the HKPA considers that compared with the increases proposed on the last two occasions, the Government's application for fee increase this time will have even less substantive or direct impact on the people's livelihood and industries and businesses. Therefore, there is no strong reason for the Legislative Council to ask other members of the public or trades to continue subsidizing the fees charged for those services. For this reason, the HKPA does not oppose the fee increases proposed by the Government.

Madam President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): Madam President, today, the Democratic Party will vote in support of Mr LAU Chin-shek's motions concerning country parks and special areas, and marine parks. The Honourable Andrew CHENG, our spokesman on cultural and recreational policies, will explain the reasons.

Regarding the two motions on electricity wiring, and safety and registration of electrical products, the Democratic Party will not support Mr LAU Chin-shek. In making this decision, our consideration is whether the motions are related to the people's livelihood. Our view is that these two motions have little to do with the people's livelihood.

Last week, many Honourable colleagues mentioned the fiscal deficit. I remember I also said that the deficit would be greater than the original forecast of \$6 billion. I believe there will be continuous projections from larger accountancy firms this week that the deficit would be in the range between \$10 billion to \$15 billion. Of course, ultimately it is the Secretary for the Treasury, our "junior treasurer", or the Financial Secretary who knows best about the figure.

Obviously there will be a fiscal deficit because if we look at the finances in the year 2000-01, the tax revenue of the Government will be tax collected in the year before last, that is, the tax revenue in the year when the economy was at its lowest and corporate profits dropped across the board. As for this year, when can the overall economy fully recover and start to grow again? No one has a crystal ball to make an accurate projection. Two weeks ago, market players might be rather pessimistic in their projection for they were wondering if the United States would enter a period of recession. Then this week, they consider that the economy of the United States might only be undergoing a "soft landing", or that their economy would perform badly only in the first and second quarters and it would rebound a bit in the third and fourth quarters to show a difference between 3.3% to 3.5% finally.

On these issues, I think we should look at them this way. There are bound to be cyclical fluctuations in any economy. So, it is indeed difficult to wait for a time when all trades and industries have stabilized to effect full cost recovery or fee increases. I remember the first time when we debated this issue on 6 November, Mr LAU Chin-shek opined that fee increases should be proposed six months later. Does it mean that the economy can fully recover four months from now? I find it difficult to predict whether the people of Hong Kong will be doing any better financially four months later. It is indeed very difficult to make a prediction. It is also difficult for me to say if Mr LAU Chin-shek's judgement on 6 November is correct with regard to the situation four months later, say, on 4 April. By then, the Financial Secretary's Budget may have been endorsed. Whether it can be endorsed or not is still unknown. By then, will the living of the people be any better? I think it is really difficult to tell. The Financial Secretary's Budget may have brought some stimuli to the economy. Here, let me reiterate that the Democratic Party calls on the Government to increase public expenditure through its medium range forecast in the forthcoming Budget, and I believe there is a concrete basis for the Government to do so. Only in this way can the problem be genuinely resolved and the grassroots be provided with assistance to improve their livelihood.

Honestly, I really have doubts about how many grass-roots people will be affected by these slight increases in fees. The Government should consider using some of our reserves or providing financial assistance to improve the services for the grassroots. I think this is what the Government should do. It is because many of those who genuinely require government assistance may not afford even those services at country parks, and of course, I am referring to the ordinary public.

The Financial Secretary will release the Budget in about two months' time. In fact, when the Government proposes fee increases, we should not consider the amounts of the increases only. Our Honourable colleague, Mr LAU Chin-shek, may consider that increases in government fees and charges will lead to a surge of other fees and charges. But in my view, we should analyse the fee increases in the context of the overall fiscal policies of the Government and ascertain whether resources should be provided to stimulate the economy and improve services when appropriate, with a view to helping the people. If we consider it from the perspective of how the people's livelihood can be improved, I think there are reasons for the Government to recover costs from those people who do not require government assistance at a time when the economy is not overly volatile.

When can the majority public feel the economic recovery? Even in 1997 when the economy was at its peak, there were still people who considered that the economy was doing badly. Therefore, it is not scientific to make a decision simply based on people's feelings. Nor is it a strategy of sound financial management. This is the view of the Democratic Party.

MR ANDREW CHENG (in Cantonese): Madam President, I am the person in charge of cultural and recreational policies in the Democratic Party. With regard to the motions moved by Mr LAU Chin Shek on the various fees and charges under the two regulations on country parks and marine parks, there is actually not much that I can say on behalf of the Democratic Party. What I wish to say is very similar to the comments made by Members in support of Mr LAU Chin-shek, particularly those of Mr James TIEN. The reason is that these fees and charges do involve the people's livelihood. It is the practice of the Democratic Party to ask Mr SIN Chung-kai to speak for the Party if we support the Government. If we oppose the Government, and in this case we support Mr LAU Chin-shek, the spokesman for the relevant policy purview will speak on behalf of the Party. As I am in charge of the cultural and recreational policies, I must say a few words on the fees and charges in relation to country parks and marine parks.

Madam President, with regard to the various fees and charges under these two regulations, I think they are related to the leisure activities of the public. Allowing the Government to increase these fees will certainly add to the burden of the people, so we cannot support these increases proposed by the Government.

Moreover, before making a decision to increase these fees, we must also consider the organizations affected by these increases. These organizations may be non-governmental organizations, but they still have to face these fee increases when applying for the use of these venues for such activities as barbecues, camping, public meetings or sporting competitions, even though these activities are for charity purposes. For this reason, we cannot accept these fee increases.

Therefore, on behalf of the Democratic Party, I now make a brief statement to support Mr LAU Chin-shek's motions and oppose the increases in fees and charges under these two regulations. Thank you, Madam President.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, last Wednesday this Council rejected the seven proposals made by the Government to increase fees and charges. By so doing, the Council sent a clear message to the Government that it would not approve of these proposals to increase fees and charges. If the Government continues to act in blatant disregard of the hardship faced by the people and tries to increase fees and charges when the public has yet to benefit from the economic recovery, we will have no other choice but to oppose these proposals again. We will show our strong opposition and stand firmly on the side of the people should the Government pursue the attempt to table fee revision proposals before this Council while ignoring the hardship and outcries of the people. A few days ago, Secretary Denise YUE wrote a letter to us again. She was trying to lobby Members into accepting the Government's position. In the letter she reiterated the importance of cost recovery and the user pays principle. However, as many Honourable colleagues and I said in last week's meeting, the Government cannot make these as the justification for raising the fees and charges. The fee revision proposals should be examined and studied on an individual basis.

Madam President, on the questions of cost recovery and the user pays principle, Miss YUE mentions in her letter that Members have moved motions to reject the 19 fee revision proposals while accepting the six proposals to reduce the fees and charges. In her view, since we can accept a reduction in fees as a result of reduced costs and since these fees are determined by application of the cost recovery principle, we should accept any increase in fees when costs go up because the fees have been determined under the cost recovery principle. I wish to point out in the first place that we are supporting the fees reduction items

not because we agree with the cost recovery principle, but because we think that the fees and charges of the Government have always been on the high side. It follows that a downward adjustment is necessary. Moreover, as I pointed out in my speech last week, cost recovery and "user pays" should not be taken as general principles to be applied to all government fees and charges. Each item should be dealt with and studied on an individual basis. The fee revisions proposed by the Government today are apparently not reasonable. For example, most of the fees regarding the country parks and the marine reserves have already represented a cost recovery of 93% to 94%, then why should there be a need for full cost recovery? As I said last week, the Government has a responsibility to make financial commitment on some of these items from the public interest angle. On the other hand, as pointed out by many Honourable colleagues earlier, the principles of cost recovery and "user pays" should not apply to charitable activities held in the country parks. The Government should bear the costs. So in respect of such activities, fees should not be determined by application of the principle of full cost recovery.

The Government has repeatedly stated that the annual overall operating costs for chargeable items in the country parks and marine parks are about \$70,000 and there is no room for downward adjustment, so the fees cannot be reduced. Among the various costs, there should be quite a number which are shared costs and fixed costs, such as office costs or central administrative costs. So I would think that adjustments can certainly be made. The question remains what criteria are set for cost computation. The proper approach is to abandon the principle of determining charges with reference to the costs. The most important thing is to think of ways to lower costs. The Secretary has also talked about those people who will be affected. That is a commendable thing for the Secretary to do. In her reply, she does not talk about our argument that the Government is causing a surge of fee increases by taking the lead to do so. I am not sure if that means Miss YUE has agreed to our argument or not. On the point of the impact of fee increases on the people's livelihood, Miss YUE still argues that the fee increases will have no impact on the people's livelihood. I wish to point out that some of these increases in fees and charges do seem to have no impact on the people's livelihood if we look at them on the surface. However, we cannot rule out the possibility that there will be some impact on the people's livelihood in an indirect manner or in other aspects. Many Members have said earlier that the increase of fees and charges in the country parks and marine parks would have some impact on the participation of those people or groups.

Although the Government has only increased the endorsement fee for the periodic testing certificates under the Electricity (Wiring) (Amendment) Regulation 200 by \$45 from \$650 to \$695, if we consider the proposal carefully, this will involve 7 000 commercial operators. These operators include those places of public entertainment, factories, hotels, hospitals, and so on. The impact is quite extensive. Therefore, we cannot agree to Miss YUE's argument that the impact is not far-reaching.

Madam President, let me repeat once again, when the public at large has yet to benefit from the economic recovery, the Government should not increase any fees and charges and thereby cause a surge of such increases. I therefore support the motion moved by Mr LAU Chin-shek.

Thank you, Madam President. I so submit.

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, earlier on in describing his feelings about motions on fee increases, Mr James TIEN said it had seemed to him that this Council had been playing worn-out records every Wednesday. I do share his view and therefore do not intend to repeat the major arguments I have already given an account of at Council meetings over the past few weeks when speaking on the Government's fee adjustment proposals. However, I just cannot accept the alleged stance of the Government referred to by Mr LAU Chin-shek earlier on.

Insofar as I understand the speech made by Mr LAU just now, it appears Mr LAU is of the opinion that the Government has been stubbornly and deliberately turning a deaf ear to public opinion, so much so that government officials have been persistently tabling proposals for increases in government fees and charges to this Council for consideration every Wednesday. As a matter of fact, in the middle of last year the Government consulted the relevant Panels of the then Legislative Council on the proposed increase in government fees and charges covered by the four resolutions that Members discuss this afternoon. It was only after no objections had been received from the relevant Panels that the Government started to draft the four pieces of subsidiary legislation providing for the proposed increases for approval by this Council. More importantly, the proposed fee increases under the four resolutions before this Council today have in fact been reported extensively by the media — I can tell Members that I read at least eight newspapers every day and pay special

attention to reports on government fee increases because I am particularly sensitive to media reportage in this respect — and yet, Madam President, there has not been any news report or voice of the media reflecting the objection of the public and the general business operators to the proposed government fee increases or the four pieces of subsidiary legislation in question. Such being the case, I just cannot understand why certain Members of this Council still consider that the Government pays no regard to public opinion and deliberately seeks to increase government fees and charges against the people's wishes. The four resolutions proposed by Mr LAU Chin-shek today are related to subsidiary legislation providing for increases in 19 government fees and charges. These fees and charges can be broadly classified into two categories, namely, fees payable for the permits to conduct specified activities in the natural conservation areas in Hong Kong, and fees payable under the Electricity Ordinance. I have already pointed it out in the letter I sent to Honourable Members, and I should like to emphasize it again here that the relevant government fees and charges affect only an extremely limited number of people, and that the public at large and the general business operators will not be involved certainly. Besides, the proposed rate of increase is also very mild. As such, I really hope very much that Members will adopt a practical attitude and make their own personal voting decisions regarding the resolutions on the four pieces of subsidiary legislation concerned.

I should like to give a combined response in relation to the proposed fee increases in these four pieces of subsidiary legislation. According to the relevant provisions of the law, any person must obtain a permit issued by the Agriculture, Fisheries and Conservation Department (AFCD) to conduct specified activities in the country parks, special areas, marine parks and marine reserves territory-wide. These activities include selling or letting on hire any commodity, carrying on business activities, displaying any signs or objects for advertising purposes, holding public meetings or sporting competitions, and making public speeches or addressing any public meeting. The purpose of the permit requirement is to put such activities under supervision, so as to ensure that the conservation areas in Hong Kong will not suffer any unnecessary damage. There are altogether 16 items of fees payable for the issuance, renewal and duplicate of the relevant permits. The last increase in such fees was implemented four years ago in November 1997. In order to reflect the cost for the services, we propose to reduce the fees for the issuance of duplicates of permits under the Marine Parks and Marine Reserves Regulation by 38%, and to

introduce a small increase of 6% to 7% to the other fees. With the exception of the proposed increase in the fees payable for permits to sell or let on hire commodities, which will increase by \$100, the other rates of increases are rather mild, ranging from \$13 to \$33. Over the past year the AFCD has received a total of 188 permit applications submitted mainly by organizations holding group activities, rather than from individuals. Hence, not many people will be affected by the proposed fee increases, and there will be little impact, if not nil, on the public at large. Moreover, we consider it unreasonable to continue using the taxpayers' money to subsidize the users of these services. From June to September last year, we consulted the Panel on Environmental Affairs of the former Legislative Council and the Country and Marine Parks Board on the proposed increases in fees and received no objection from any of them.

Under the Electricity Ordinance, all electrical contractors, generating facilities, certification bodies and manufacturers must be registered, and that all electrical installations must be tested periodically to ensure the safety standard of electrical products and electrical installations. The proposed fee increases affect a total of eight items of fees payable under the Ordinance, four of which have seen no increase since 1994, that is, more than six years ago. As regards the remaining four items, the last increase was made in 1997. According to a cost review conducted by the Electrical and Mechanical Services Department recently, the costs for a number of services have reduced significantly as a result of computerization and streamlining exercises. Hence, among the eight fees concerned, we propose to reduce by 1% to 17% the five fees payable for registration and renewal of registration as an electrical contractor, and for registration of a generating facility. As regards fee increases, we propose to increase only three items, which are the fees payable for registration as a recognized certification body, registration as a recognized manufacturer, and certificate of periodic tests for electrical installations. The proposed rates of increase, which range from 7% to 10%, are rather mild. In order to ensure that the electrical products can meet the required safety standard, agencies must apply for registration as recognized certification bodies to be qualified to issue certificates of safety compliance in respect of electrical products. Likewise, electrical product manufacturers must also apply for registration as recognized manufacturers to be qualified to certify and sell the electrical products manufactured by them. This registration fee is one-off and payable at the time the application concerned is approved. Over the past year, only three

applications for registration as recognized certification bodies have been approved, and no applications for registration as recognized manufacturers have been received during the same period. At present, there are altogether 55 certification bodies and six recognized manufacturers in Hong Kong, of which over 50 are foreign enterprises. As such, the proposal to increase the one-off registration fee by \$550 will have no impact on the people's livelihood or the general business environment.

To ensure public safety, it has been provided in law that the electrical installations of certain specified buildings must be inspected annually or every five years. Such buildings include buildings where places of public entertainment and premises for manufacturing or storing dangerous goods are located. Since we only propose to increase the relevant inspection fees by \$45, the increase should not constitute any burden on the operators of the premises concerned, nor would it cause the relevant operators to transfer the increase onto consumers. Similarly, the Panel on Economic Services of the former Legislative Council was consulted on the proposed fee increases on 19 June last year and raised no objection to the proposed increases to the fees payable under the Electricity Ordinance. In our opinion, the resolutions proposed by Mr LAU Chin-shek today, which seek to repeal only the 18 proposed fee increases but retain the six fee reduction proposals, are indeed unacceptable. Basing on the "user pays" principle and the principle of fairness, if Members should accept the fee reductions proposed in accordance with the "user pays" and "cost recovery" principles, they should not oppose the fee increases proposed by the Government under the same principles, which are so mild and will not affect the people's livelihood or the general business environment.

For these reasons, I earnestly urge Honourable Members to vote against the four resolutions proposed by Mr LAU Chin-shek to adjust the charges for permits to carry on specified activities in the natural conservation areas in Hong Kong and the fees payable under the Electricity Ordinance. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr LAU Chin-shek, you may now reply.

MR LAU CHIN-SHEK (in Cantonese): Madam President, just now the Secretary talked about public opinion. She was referring to the scanty coverage by the mass media and the newspapers. However, I believe public opinion does not come from the newspapers and the mass media alone. It has to come from contact with the people so that their living can realistically be felt.

I am convinced that Mr James TIEN is well-acquainted with the commercial and industrial sectors, especially the situation of the small and medium enterprises. As unionists, we also support these resolutions, for we understand the position and views of the grassroots. All these come from our contact with the public. The Secretary also asks why we will support a reduction of the fees and charges. That shows precisely the fact that we will support moves made by the Government if they are well done, and we will oppose to actions taken by the Government if they are not appropriate. We will not oppose to everything the Government proposes. We will certainly lend our support to actions which can really solve the problems. I do not want to sound like a squeaking old record. I just want to finish my speech early so that we can celebrate the birthday of the Chief Secretary for Administration. Thank you, Madam President. *(Laughter)*

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG and Mr Michael MAK voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr WONG Yung-kan, Mr Timothy FOK, Mr Henry WU, Mr LEUNG fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi and Mr Frederick FUNG voted for the motion.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Ms Audrey EU, Mr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 16 were in favour of the motion and 10 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, 15 were in favour of the motion and 12 against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

MR SELINA CHOW (in Cantonese): In accordance with Rule 49(6) of the Rules of Procedure, I move that in the event of further divisions being claimed at this meeting in respect of motions on subsidiary legislation as set out on the Agenda, the Council shall proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

In the event of further divisions being claimed at this meeting in respect of motions on subsidiary legislation as set out on the Agenda, the Council shall proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): The third proposed resolution under the Interpretation and General Clauses Ordinance.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. This is the second resolution that moved by me today to freeze fees and charges on which the Government has proposed to increase.

This resolution seeks to amend the Marine Parks and Marine Reserves (Amendment) Regulation 2000, in order to freeze the fees for the first issue and renewal of permits for conducting various activities in marine parks and marine reserves, and also that charged for obtaining a duplicate permit. As I have already mentioned the coverage of these increases earlier on, I will not repeat it here.

With these remarks, Madam President, I beg to move. I urge Members to support the motion.

Mr LAU Chin-shek moved the following motion:

"That the Marine Parks and Marine Reserves (Amendment) Regulation 2000, published as Legal Notice No. 350 of 2000 and laid on the table of the Legislative Council on 13 December 2000, be amended by repealing section 2(a)."

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG and Mr Michael MAK voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr WONG Yung-kan, Mr Timothy FOK, Mr Henry WU, Mr LEUNG Fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi and Mr Frederick FUNG voted for the motion.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Ms Audrey EU, Mr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 16 were in favour of the motion and 10 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, 15 were in favour of the motion and 12 against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): The fourth proposed resolution under the Interpretation and General Clauses Ordinance.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion printed on the Agenda be passed. This resolution, the third one proposed by me today, seeks to freeze a fee increase proposed by the Government.

This resolution seeks to amend the Electricity (Wiring) (Amendment) Regulation 2000 in order to freeze the Government's proposed increase of 7%, from \$650 to \$695 the fee payable for endorsement by the Director of Electrical and Mechanical Services of periodic test certificates in respect of fixed electrical installations.

The increase will increase the operating costs of small operators and a number of buildings and warehouses will be affected too. I hope Honourable colleagues can support the freezing of this fee.

With these remarks, I beg to move. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the Electricity (Wiring) (Amendment) Regulation 2000, published as Legal Notice No. 352 of 2000 and laid on the table of the Legislative Council on 13 December 2000, be repealed."

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG, Mr Michael MAK, Mr LEUNG Fu-wah and Mr IP Kwok-him voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr SIN Chung-kai, Mr Timothy FOK, Mr LAW Chi-kwong, Mr Henry WU and Dr LO Wing-lok voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss Emily LAU, Mr Frederick FUNG and Mr YEUNG Yiu-chung voted for the motion.

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr Andrew WONG, Dr YEUNG Sum, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr Albert CHAN, Mr WONG Sing-chi, Ms Audrey EU, Mr David CHU, Mr NG Leung-sing and Mr Ambrose LAU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 17 were in favour of the motion and nine against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, 11 were in favour of the motion and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Mr LAU Chin-shek, you may now move the fourth motion under your name, that is, your last motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. This is the fourth resolution proposed by me to freeze the fee increases by the Government.

This resolution seeks to amend the Electrical Products (Safety) (Amendment) (No. 2) Regulation 2000, in order to freeze the proposed increase in the fees for registration as recognized certification body and as recognized manufacturers by 10% from \$5,400 to \$5,950.

I believe the upward adjustment of costs as a result of increased registration fees of the electrical contractors, generating facilities, recognized certification bodies and recognized manufacturers will ultimately be transferred

onto the general public and there will be increased costs for practitioners and organizations, therefore, I hope that colleagues will support freezing the relevant fee increases. Madam President, I so submit. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the Electrical Products (Safety) (Amendment) (No. 2) Regulation 2000, published as Legal Notice No. 353 of 2000 and laid on the table of the Legislative Council on 13 December 2000, be repealed."

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the question is not agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion negatived.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates. I would not repeat the recommendations here, but I would like to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Expediting the incorporation of Chinese medicine into the public health care system.

EXPEDITING THE INCORPORATION OF CHINESE MEDICINE INTO THE PUBLIC HEALTH CARE SYSTEM

MR DAVID CHU (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

I have moved this motion today in support of the development of Chinese medicine in Hong Kong. After voting on the amendment, I will recommend some Chinese medicines to Members who are here in this Chamber in giving my last reply to demonstrate to them the effectiveness of Chinese medicine. Let us get down to business.

On behalf of the Hong Kong Progressive Alliance (HKPA), I have moved this motion to urge the Government to expedite the incorporation of Chinese medicine into the public health care system. There are three main reasons:

First, the general low cost of Chinese medicine can help reduce government expenditure on health care if Chinese medicine can be incorporated into the public health care system expeditiously.

Second, although a regulatory framework for Chinese medicine is being built up gradually, the Government should at the same time provide the impetus for the supporting measures essential to the development of Chinese medicine, such as manpower training, research facilities, exchange channels, and so on.

Third, although the professional status of Chinese medicine practitioners will be established as a start with the first batch of practitioners to be registered shortly, the Government should adopt appropriate measures, as the next step, to ensure that registered Chinese medicine practitioners enjoy their due statutory rights.

Compared to mainland China and Taiwan, the development of Chinese medicine in Hong Kong is only at a preliminary stage in terms of regulation, quality assessment, appraisal, education training, research and development, and so on. If the Government can speed up the incorporation of Chinese medicine into the public health care system in the next few years, it will greatly help the development of Chinese medicine. For these reasons, the HKPA has the following suggestions:

First, the Hospital Authority (HA) should, in addition to setting up Chinese medicine out-patient clinics, expedite the introduction of Chinese medicine services in hospitals under its management and to establish Chinese medicine hospitals. Though these Chinese medicine hospitals will be dominated by Chinese medicine, Western medical practitioners will not be excluded. Indeed, Members should be aware that there is always a need for surgery and Western medical services in hospitals. Furthermore, Chinese medicine hospitals have been set up in both mainland China and Taiwan. According to overseas experiences such as the experience drawn from the first Chinese medicine hospital operating in Germany, Chinese medicine hospitals do not require complicated and expensive machinery. Moreover, the capital costs are relatively low and the expenditure of patients relatively less.

Second, the Government should further encourage local universities to offer specialized courses on Chinese medicine. At the same time, it should allocate more resources to introduce mainland experience in providing education on Chinese medicine and nurture more professional talents in Chinese medicine.

Third, as it is common for Hong Kong people to consult Chinese medicine practitioners and take Chinese medicine, the Government should implement the proposal for the establishment of an Institute for Chinese Medicine expeditiously and encourage the private sector to conduct research and development in Chinese medicine in Hong Kong.

Fourth, the Government should promote exchanges and co-operation between the regulatory bodies of health care professions in Western medicine and Chinese medicine with a view to encouraging the combined application of Chinese and Western medicines.

Fifth, the Government should grant Chinese medicine practitioners their due statutory rights, including such rights as issuing sick leave certificates, certificates for employment-related injuries, and so on. In addition, Chinese medicine practitioners with relevant qualifications should be allowed to use medical instruments.

Madam President, Chinese medicine plays a key role in our future medical services. The development of Chinese medicine will not only be conducive to upgrading the quality of our medical services, it will also provide the people of Hong Kong with a cheaper medical service.

With these remarks, I beg to move.

Mr David CHU moved the following motion: (Translation)

"That this Council urges the Government to adopt effective measures to expedite the incorporation of Chinese medicine into the public health care system, including:

- (a) providing the impetus for the Hospital Authority, in addition to operating Chinese medicine out-patient clinics, to expedite the introduction of Chinese medicine services, including clinical research and treatment, in hospitals under its management and to establish Chinese medicine hospitals;
- (b) allocating additional resources for local tertiary institutions to offer more professional courses on Chinese medicine, so as to nurture talents and enhance the standard of the profession;
- (c) implementing the proposal for the establishment of an Institute for Chinese Medicine, and attracting the private sector to conduct researches in Chinese medicine and develop the Chinese medicine industry in Hong Kong;
- (d) promoting exchanges and co-operation between the regulatory bodies of health care professions in Western medicine and the Chinese Medicine Council to encourage the combined application of Chinese and Western medicines;

- (e) vigorously facilitating the exchange of professional knowledge and experience between Chinese medicine organizations in the Mainland and overseas countries and the Chinese medicine sector in Hong Kong; and
- (f) apart from recognizing the statutory status of Chinese medicine practitioners, granting them their due statutory rights."

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

PRESIDENT (in Cantonese): Dr LO Wing-lok and Mrs Sophie LEUNG will move amendments to this motion. Their amendments have been printed on the Agenda. In accordance with the Rules of Procedure, the motion and the two amendments will now be debated together in a joint debate.

I will call upon Dr LO Wing-lok to speak first, to be followed by Mrs Sophie LEUNG; but no amendments are to be moved at this stage.

DR LO WING-LOK (in Cantonese): Madam President, before coming to the proper of my speech, I would like to declare interests first. I am President of the Hong Kong Medical Association, member of the Medical Council of Hong Kong and Legislative Council Member representing the medical constituency. My wife is taking a part-time course on Chinese medicine, so upon her graduation, there will be both Chinese and Western medical practitioners in my home and I am looking forward to the co-operation between Chinese and Western medical practitioners. I am not speaking for the interest of any doctor but on the basis of my profound understanding of medical services, and I wish to tell colleagues the actual operation of medical services and the difficulties encountered for their reference.

With the formal implementation of the Chinese Medicine Ordinance and the commencement of the registration of Chinese medicine practitioners, Chinese medical services will become an important link of medical services in Hong Kong. But there are still quite a few problems in respect of resources allocation, demand for services and manpower planning that need to be solved in an orderly

manner. Although I often criticize the medical policies of the Government, I would like to borrow the expression "we should feel our way across the river", which is frequently used by Deputy Secretary Gregory LEUNG, and apply it to the development of Chinese medical services. If we acted with undue haste, we might miss a step and fall into the river and we might be soaked to the skin, probably contracting pneumonia. It might then take us longer to cross the river, impeding the development of Chinese medicine.

At present, public medical service accounts for 14.7% of the total public expenditure and ranks third behind education and housing. In view of the proportion of medical expenditure to the total public expenditure, I believe there will be limited scope for increase in public medical resources in future. This is certainly not what I would like to see, therefore, I have expressed my worry that the medical system may hardly be maintained for long and we have to probe into the issue of medical financing. Many people take for granted that Chinese medicine should be incorporated into the public health care system. However, I must ask this question: Where do we get the money.

Given that there will be a limited increase in public medical resources, does it mean that the existing medical services have to be reduced if Chinese medicine services are to be provided? What kinds of services should be reduced and to what extent? Will this impact on the quality of the existing medical services? Will the public agree? We should probe into and consider all these.

To improve our medical services, we cannot only raise the people's expectation for medical services and overlook the costs of delivery. We have to pay when people have demands and I hope that colleagues in this Council will bravely tell the public the truth.

From the people's standpoint, it is more satisfactory for the Government to provide more, cheaper, faster and better services, but still I have to ask this question: Where do we get the money. How much public resources can be allocated to medical services? How much is the public willing to bear? After all, we must consider the question of resources if we are to expand the services, and we can definitely not merely focus on the ideal but not the reality. Therefore, I agree that public medical organizations can operate out-patient Chinese medicine services on a trial basis while observing whether Chinese medicine services in private practice can satisfy the people's demands for

Chinese medicine services before deciding the direction of development of out-patient Chinese medicine services within the public organization system.

Concerning the provision of Chinese medicine in-patient services, the establishment of Chinese medicine hospitals may not be the best choice. The establishment of Chinese medicine hospitals requires supporting Western medical clinical services, otherwise, in case a patient has sudden pathological changes and needs an emergency operation, he has to be transferred immediately and there may be a delay in treatment. Installing all the necessary Western medical support facilities in Chinese medicine hospitals to facilitate independent operation may ultimately duplicate efforts and constitute a waste of resources. In my view, probing into the possibility of incorporating Chinese medicine in-patient services into the existing polyclinic structure is the correct direction, and probably also the most cost-effective. But I wish to stress that my stance is absolutely not contradictory to that of colleagues who demand the establishment of Chinese medicine hospitals. I only wish to present my arguments in this Council from a more practical angle on the basis of my experience.

How many degree places on Chinese medicine are there in Hong Kong? Let me give some figures for Members' reference. According to the figures released by the Chinese Medicine Council last month, they have received 8 000 applications for practice from Chinese medicine practitioners who wish to be registered. Many of these applicants will directly become registered Chinese medicine practitioners through appraisals and examinations. Undergraduate Chinese medicine courses are also run by the Hong Kong Baptist University, The Chinese University of Hong Kong and the University of Hong Kong, and most tertiary institutions have hundreds of places for the relevant part-time degree courses. It may be too early for us to say that more resources should be allocated for more Chinese medicine training courses before making a comprehensive evaluation about whether the Chinese medicine manpower resources and training courses can meet the needs of the medical development of Hong Kong in future. If there is surplus manpower or underemployment of Chinese medicine practitioners in future, it will waste public money and downgrade the professional standard of Chinese medicine practitioners. There will also be an excessive supply that will have a consequence of pulling demand. Such a negative phenomenon is not a blessing for Hong Kong people.

As regards how Chinese and Western medical practitioners can effect exchanges and co-operation, I think the two professions should examine this question together. Chinese medicine and Western medicine are two different systems and there is no common language between them, thus, it is not easy to attain mutual understanding. The mode of co-operation warrants further deliberation if we wish to achieve a better match between the two. We may even wish to use both Chinese and Western medicines at the same time, but I believe this requires long-term exploration and study before we can put it into practice. I hope that colleagues of this Council will give the two professionals more room and autonomy. It is perfectly fine if it is Members' good intention to let Chinese and Western medical practitioners to "date" one another, but if they would like Chinese and Western medical practitioners to "get married and have children" as soon as possible, then they might be spoiling things out of excessive enthusiasm and doing something bad though they have good intentions.

Chinese and Western medical practitioners have co-existed in mainland China for many years, but what is the actual situation now after years of development? According to the figures published in the *China Health Yearbook* in 1998, among all the medical practitioners in the country in 1997, 82% were Western medical practitioners, totalling over 1.2 million; Chinese medicine practitioners accounted for only 17%, totally over 200 000 while medical practitioners who integrated Chinese and Western medicines only accounted for 1%, totally over 10 000. Actually, there may be a big distance between the integration and equal emphasis on Chinese and Western medicines as deemed by Members from the actual situation. I hope that colleagues will make reference to the above figures objectively.

Lastly, the key to weighing up the medical values of Chinese or Western medical practitioners lies in whether treatment can withstand the tests of scientific proof, and the exchanges and co-operation between Chinese and Western medical practitioners also rely on a common language of science. Whether Chinese medicine can face the world and make its mark in the international arena hinges on scientific proof. I sincerely hope that we will adopt an objective and scientific attitude and probe into this issue practically and realistically when we discuss the development of Chinese medicine services in Hong Kong.

I so submit.

MRS SOPHIE LEUNG (in Cantonese): Madam President, Chinese medicine has been widely used by people from all walks of life in Hong Kong and I believe many people and Members present will consult Chinese medicine practitioners when they are ill. I am one of such subscribers who like to consult Chinese medicine practitioners and take Chinese medicine. I am very glad that a lot of proposals have been made to promote the development of Chinese medicine in the Consultation Document on Health Care Reform recently published by the Government. I very much agree to the proposal of the Honourable David CHU to expedite the incorporation of Chinese medicine into the public health care system, including operating Chinese medicine out-patient clinics, the introduction of clinical research and treatment in public hospitals, allocating additional resources to offer more courses as well as implementing the proposal for the establishment of an Institute for Chinese Medicine. Yet, I have reservations about the establishment of Chinese medicine hospitals.

The term "Chinese medicine hospitals" as used in the original motion may be misleading. People will generally think that the proposal is to establish hospitals that make diagnoses merely by means of traditional Chinese medicine methods without using any modern medical equipment, X-ray, computerized axial tomography scan or endoscope. As Mr David CHU has explained, this may not be his original intention, for the proposal is evidently unrealistic. To establish pure Chinese medicine hospitals, the Government would have to make substantial changes to the existing medical structure such as manpower arrangements, quality verification of Chinese medicines and resources allocation. All these are causes of concern to Dr the Honourable LO Wing-lok. Certainly, Western medical practitioners can very effectively treat and cure a lot of diseases and injuries, especially surgery, serious trauma and emergency treatment for acute patients. I do not see any reason why we should exclude Western medicine and effective modern medical diagnosis and treatment facilities from Chinese medicine research or treatment. At present, many Chinese medicine practitioners make reference to modern medical theories and are assisted by modern medical instruments when they make diagnoses. I know that mainland Chinese medicine hospitals and Western medicine hospitals with resident Chinese medicine practitioners implement a medical system that integrates Chinese and Western medicines and draws on strong points from each other.

The development of a medical system, especially one that integrates Chinese and Western medicines, in a region depends on the level of its medical development. While the relevant development on the Mainland has been in

progress for a decade or two, we have our own path. It is unrealistic to say that we must first deal with a large number of ancillary problems if we want to establish Chinese medicine hospitals. Instead of emphasizing that Chinese medicine hospitals should be established, we might as well consider our characteristics and actively promote the effect of exchange and co-operation between Chinese and modern medical professionals under the existing medical system and ascertain the mode of a comprehensive hospital. Although Chinese medicine has been implemented in the Mainland for nearly two decades, just as Dr LO has said, the number of Chinese medicine practitioners only accounts for 1% to 2% of the total. This is unimportant because there are satisfactory results. Thus, I propose deleting the point on the establishment of Chinese medicine hospitals from the original motion.

It seems that there is not much problem with the amendment of Dr LO Wing-lok on the whole. Dr LO has lobbied me time and again and pointed out that there is not much problem. However, amending individual wordings may give people an impression that this will slow down the progress of the introduction of Chinese medicine, and they may think that the Government needs to be more careful or it does not need to conscientiously promote the development of Chinese medicine. I believe the views of the general public run counter to those of Members present, so we cannot lend it our support.

For instance, the first proposal of the original motion is that the Hospital Authority should expedite the introduction of Chinese medicine services, including clinical research and treatment, in hospitals under its management. This proposal is very helpful to promoting the development of Chinese medicine because clinical research is an indispensable element in the modernization and standardization of Chinese medicine. Moreover, only through strict clinical scientific research can we test and verify and confirm Chinese medicine treatment methods do achieve actual clinical effects. Actually, charitable organizations such as the Tung Wah Group of Hospitals have co-operated with some universities in establishing clinical research centres in hospitals under its management. The Government should take matching actions in the light of the development of Chinese medicine. Dr LO Wing-lok has sought to delete this proposal and change it to "examining the feasible mode of providing Chinese medicine in-patient services in hospitals", and he has also regressively changed "providing the impetus" to "examining the feasible mode". Over a thousand hospitals in the Mainland have concurrently established a Chinese medicine division and the results are obvious to all. Now that we can make reference to

successful examples in the Mainland, Hong Kong is obliged to take forward such work as it is a suitable place outside mainland China for the integration of Chinese and Western medicines. Therefore, we practically need not waste time to conduct further researches and we can start off from this angle and continue to move forward, feeling our way across the river, instead of conducting researches slowly. In fact, people yearn to have systematic and regulated Chinese medicine services and they will be disappointed if we do not actively promote the development of Chinese medicine.

Moreover, the community has a great demand for professional courses on Chinese medicine. The original motion proposes allocating additional resources to offer more professional courses on Chinese medicine to respond to the needs of institutions and the community. It merits approval. Dr LO opined that a review should be made before offering more courses on Chinese medicine in order to avoid surplus manpower and a waste of social resources. However, the first batch of locally trained students on the professional courses on Chinese medicine will only graduate in 2003 and the courses on Chinese medicine offered by various universities have just been launched. Besides, the development in this respect at present fails to keep up with the needs of the community and it fails to give play to the excellent tradition and potential of Chinese medicine. "Scarcity" rather than "inequality" is the problem. Making a review at the initial stage is tantamount to stifling the scheme. Rather I think that the contents of the courses should be reviewed. For instance, we should explore how we can better integrate Chinese and Western medicines in order to provide people with one-stop primary health care in future.

It is a worldwide consensus, not only that of the Hong Kong community, to step up research on the curative possibilities of Chinese medicine and to formally recognize the status of Chinese medicine. Given our proximity to China and its many resources, Hong Kong should take up the responsibility. For example, British Columbia, Canada passed an act at the end of last year to recognize the legal status of Chinese medicine practitioners. Victoria in Australia has recently established a Chinese Medicine Authority and half of the residents there have used Chinese medicine. Various parts of the world have also conducted researches on Chinese medicine and the efficacy of Chinese medicine on senile dementia and anthrasilicosis has already been proved. Dr David HO, the famous AIDS specialist and an ethnic Chinese, has also taken part in the research and development of Chinese herbal medicine for the treatment of AIDS. The International Chinese Medicine Rheumatology and Bone Disease

Research Institute has conducted a statistical survey on around 10 000 patients since 1992 and it discovers that Chinese medicine has a 95% effective rate in the treatment of rheumatoid arthritis. All these examples are sufficient proof that the development of Chinese medicine is a general trend and it is indeed late for Hong Kong to start off now. We should put aside different views and consider how we can further promote the development of Chinese and Western medicine with accommodation. Yet, we should not be excessively cautious because it is too late for us to feel our way across the river. But we should quicken our steps and compete with the world.

Madam President, the community has reached a consensus on expediting the development of Chinese medicine and the Government has already given the green light and extensively taken concerted actions. As the community has made explicit requests and the Government made well-meaning responses, we should not remain hesitant. The Liberal Party cannot approve of the amendment of Dr LO Wing-lok because it will impose unnecessary barricades and hurdles. I sincerely urge colleagues to support my motion and that of Mr David CHU. However, I fully agree that Dr LO has boldly made a lot of points in great detail today. For instance, if we are to improve various medical services, we cannot just discuss how to heighten the people's expectation of medical services without talking about the costs of service delivery. He has also pointed out that we must pay if we have demands for services, and he hope that colleagues of the Council will bravely tell people the truth. I believe Dr LO must be able to persuade more Members to bear responsibilities when we discuss the medical financing proposals in future.

With these remarks, I propose an amendment. Thank you, Madam President.

DR RAYMOND HO (in Cantonese): Madam President, after the Chief Executive emphasized in the policy addresses of 1997 and 1998 that Hong Kong had the potential to develop into an international Chinese medicine centre, the Government had tried its best to develop Chinese medicine. For example, it enacted in July 1999 the Chinese Medicine Ordinance, providing for the establishment of a statutory framework for control of Chinese medicine in Hong Kong. But it is a pity that Chinese medicine has not yet been incorporated into the public health care structure so far. In my view, the efficacy of Chinese medicine are definitely not inferior to those of Western medicine. As stated in

the Consultation Document on Health Care Reform published by the Government last year, Chinese medicine had evident effects in the prevention of diseases, health care and treatment. Quite a few relatives and friends of mine have fully recovered from their illnesses after receiving Chinese medicine treatment such as acupuncture. I have to declare an interest here, for I am the honorary consultant of the Hong Kong Acupuncturists Association. The above demonstrates the excellent curative possibilities of Chinese medicine.

For this reason, I urge the Government to expedite the incorporation of Chinese medicine into the public health care system in addition to developing Chinese medicine so as to benefit the public and give them more options. But while we do so, we must note the following points:

Firstly, is it necessary to establish Chinese medicine hospitals in Hong Kong? Secondly, are the Chinese medicine courses offered by local institutions adequate?

As we all know, the establishment of a hospital incurs enormous costs. If there is a great demand for such hospitals, it is certainly worthwhile to establish them. But many people will consult Western medical practitioners first when they are sick and I doubt if the Chinese medicine hospital eventually established by the Government will have a reasonable utilization rate. So it begs this question: Is it true that only an independent Chinese medicine hospital can provide Chinese medical services? Medical expenditure has always been a heavy burden for the Government. Although only \$68 is charged for maintenance in a public hospital, the sum already includes the charges for maintenance, meals, consultation and medicine. Although only \$44 is charged for specialist out-patient services at government clinics, many users are chronically ill and they will take home a lot of medicine whenever they revisit an out-patient clinic. We will know from these two examples that the revenue end of the Government is much less than its expenditure counterpart insofar as medical services are concerned.

Given such a heavy medical burden, if the Government should establish a Chinese medicine hospital with a relatively low usage rate, it would only put an even heavier burden on public expenditure, ultimately, the quality of medical services will deteriorate and the public will suffer. I suggest that, at this stage, the Government should first establish Chinese medicine out-patient clinics in several hospitals and see how the public responds. It can then designate part of

the in-patient wards of hospitals as Chinese medicine in-patient departments. It should then observe the results before probing into the feasibility and necessity of Chinese medicine hospitals.

At present, three universities offer full-time degree courses on Chinese medicine. Apart from undergraduate courses, there are other part-time courses and web-based courses will also be offered. It is learnt that the Hong Kong Polytechnic University executed an agreement with the Web-based Teaching College of the Beijing University of Traditional Chinese Medicine at the end of last year for the provision of web-based Chinese medicine teaching. The Chinese medicine courses offered in Hong Kong may be adequate and the Government should not offer more similar courses immediately before conducting a comprehensive review. Conversely, it should focus its attention on improving the quality of the courses. For example, it should give students more opportunities of practical training and conduct academic exchanges and researches with Chinese medicine institutions on the Mainland.

As Chinese medicine and Western medicines have respective merits and demerits, I agree that the Government should promote exchanges between the regulatory bodies of health care professions in Western medicine and the Chinese Medicine Council as well as joint medical researches in order to upgrade the medical standards of Hong Kong and our status in the international medical arena.

I think the statutory status of Chinese medicine practitioners must be recognized and respected. However, when the Government vets the qualifications of Chinese medicine practitioners for registration, it must ensure that the applicants are qualified so as to guarantee the medical standards of Chinese medicine practitioners and safeguard public health.

Madam President, Chinese medicine has a distant origin and its development has continued since the ancient times, with recognition in the Mainland and by Western countries.

To give the public one more option, I urge the Government to expedite the incorporation of Chinese medicine into the public health care system, recognize the statutory status of Chinese medicine practitioners, operate Chinese medicine out-patient clinics in public medical organizations on a trial basis and study the feasibility of Chinese medicine in-patient services. Insofar as Chinese medicine

practitioner training is concerned, I hope the Government will review and actively improve the existing Chinese medicine professional courses to ensure the quality of graduates. It should also evaluate the demand for Chinese medicine manpower resources so as to work out a long-term programme for Chinese medicine practitioner training. If the above proposals are adopted, I believe many people in Hong Kong will be benefited.

Madam President, I so submit. Thank you.

THE PRESIDENT'S DEPUTY, MRS SELINA CHOW, took the Chair.

MR LEUNG FU-WAH (in Cantonese): Madam Deputy, Chinese medicine has a very long history. Although Chinese medicine treatment has never been considered a form of mainstream medical treatment in Hong Kong, and although some even look at it with skepticism and resistance, we still cannot ignore the long-standing preference of the general masses for Chinese medicine treatment. In the past, due to various reasons, Chinese medicine was not addressed squarely by the Government, hence its development was left largely to the disposal of God. However, following its reform and opening, our country has not only achieved admirable results in its economic development, but also obtained international recognition of its scientific research and development, and, in particular, it has also become the leader of Chinese medicine treatment worldwide. Chinese medicine is now developed in many countries overseas, and the research and development of proprietary Chinese medicine, in particular, is widely regarded as a "lucrative" business.

We have lagged behind others in this respect, but the Federation of Trade Unions (FTU) still welcomes the Government finally agreeing to pay proper attention to Chinese medicine treatment and to put in place a registration system for Chinese medicine practitioners as the first step towards recognizing their professional status and establishing a regulatory system. Actually, even without any government and social support, the Chinese medicine clinic set up under the workers' clinic of the FTU 45 years ago has still developed into one of the most well-established Chinese medicine clinics offering non-profit-making out-patient services in Hong Kong. The number of consultations sought at the clinic in recent years reached record-high levels again and again; for each of the past three years, it recorded as many as 400 000 consultations, showing that the

public are in great demand for Chinese medicine treatment. As a non-public medical institution, the workers' clinic of the FTU had to fight a lone battle in the past few decades, in the course of which it encountered various difficulties in operation. I wish to give some examples to show how the Chinese medicine clinic has updated its treatment methods in response to social changes and people's demand in recent years. For example, we have developed a Chinese medicine powder mixture with the co-operation of Chinese medicine manufacturers in the Mainland, thereby doing away with the need for making up a prescription. As we all know, a patient has to make up a prescription and decoct the prescribed medicine after consulting a Chinese medicine practitioner. But we have invented a Twenty Tastes Powder Mixture using two qians of magnolia officinalis bark as ingredient. This is an advancement, as the mixture can be taken after mixing with hot water as a replacement of decoction. All these improvements are well received by the general public. This also shows that there is plenty of room for the development of Chinese medicine treatment. We believe that if the Government can take the lead in promoting the development of Chinese medicine in Hong Kong, it will certainly open up new horizons. As stated in the Consultation Document on Health Care Reform, the Government plans to set up a pilot Chinese medicine clinic next year (2001-02). The FTU welcomes this initiative, and is of the view that this can benefit more people. However, we also note with deep concern the almost complete absence of any Chinese medicine services in the existing public health care system. It is therefore very doubtful whether a system of satisfactory Chinese medicine services can really be put in place within a limited span of one year according to the timetable set down by the Government. We sincerely hope that when it seeks to develop its out-patient Chinese medicine services, the Government can study the long experience of those already in existence and refrain from working behind closed doors. We also propose the Government to work with those existing and well-established Chinese medicine clinics in the community, so as to speed up the development of public out-patient Chinese medicine services.

The modernization of Chinese medicine is now an irresistible trend, and we agree with Mr David CHU that the Government should take concrete steps to establish an Institute for Chinese Medicine, so as to attract private-sector organizations to conduct Chinese medicine research in Hong Kong. We also endorse the suggestion that the Government should allocate more resources to local tertiary institutions for the purpose of offering greater numbers of professional courses on Chinese medicine, so as to train up more people and upgrade the standards of the profession. However, we also wish to point out

that while a satisfactory health care system, a regulated Chinese medicine profession and a research and development centre are no doubt very important, we must not ignore the career prospects and training of the hundreds and thousands of front-line Chinese medicine personnel. In trying to regulate the standards of the Chinese medicine profession, we must not put all the emphasis on those at the top and ignore those at the bottom. We should note that in terms of the provision of treatment services, Chinese medicine is just the same as Western medicine, for it also involves the participation of nurses and dispensary personnel. The quality of front-line personnel will therefore also affect the overall standard of Chinese medicine services.

According to the Hong Kong Chinese Medicine Workers' Association, an affiliate of the FTU, the salaries of Chinese medicine workers are on the low side, and the range of their salaries is huge. Many of them earn as little as \$6,000 a month, but have to work 12 hours daily. Therefore, even though some people may wish to join the trade and support the Government's advocacy of lifelong learning, how many of them can afford the course fees, which often amount to \$8,000 or \$9,000? We hope that the Government can pay proper attention to the prospects of these workers. In order to raise the overall standard of the profession, the Government should provide subsidy to those workers attending training courses and provide a diversified range of in-service training courses, so as to encourage more people to join the Chinese medicine profession.

With these remarks, Madam Deputy, I support the original motion.

MR LEUNG YIU-CHUNG (in Cantonese): Madam Deputy, Chinese medicine and Western medicine are much more than simply two alternative forms of treatment for patients. Rather, what is involved is a social problem connected with people's way of life and cultural values. A person who is used to Western medicine may dismiss the curative effect of a bunch of leaves or plant roots. Similarly, a person having faith in the wholesome and holistic effects of Chinese medicine may not necessarily think much of the strong and suppressive nature of Western medicine, and he may also criticize Western medicine for curing only the symptoms but not the causes of illnesses. For this reason, today, when we discuss how we can elevate the status of Chinese medicine and incorporate it into the public health care system, we should note that we cannot possibly achieve our desired objective simply by improving the relevant government policy or increasing the resources for the development of Chinese medicine. More

importantly, we must try to change the attitude of the public and increase their confidence in Chinese medicine by enhancing its professional status, so as to back up the policy of the Government and ensure the effective use of resources.

Chinese medicine is actually attracting increasing attention all over the world. To nature-lovers, Chinese medicine, which is based mainly on herbs, is of course much more preferable than Western medicine. And, as confirmed by past research, Chinese medicine is useful in treating many diseases, such as heart diseases, senility diseases or even rehabilitation after stroke. In some countries in the West (as already pointed out by some colleagues), such as Victoria in Australia, equal status is even accorded to both Chinese medicine and Western medicine. But can all this prove that Chinese medicine is now widely accepted by the public? A survey was conducted by the University of Hong Kong last year, and the findings show that 80% of the respondents said that they did not know much about Chinese medicine; only 4.6% said that they knew about it. And, under a confidence rating scale of 10, the score for Chinese medicine practitioners was only 5.54 and that for Western medical practitioners was 7.12; the score for Chinese medicine was 6.03 and that for Western medicine was 7.19. These findings show that people have not yet built up their confidence in Chinese medicine, and more must be done by the Government in terms of support and publicity.

The building up of patients' confidence in Chinese medicine depends most importantly on its professionalization and the institutionalization of its training. The development of a Chinese medicine system requires more clinical research opportunities, so that its treatment methods can be tested and more experience accumulated. That way, Chinese medicine treatment can be widely applied, thus building up its credibility. But Chinese medicine students in Hong Kong are precisely facing the problem of inadequate clinical experience. Some students even have to go to the Mainland for their internship, which is much too time-consuming. At present, there is already an out-patient Chinese medicine clinic in the Kwong Wah Hospital, and The Chinese University of Hong Kong is also operating a number of out-patient Chinese medicine clinics in Tuen Mun and Wong Tai Sin with the co-operation of some charitable organizations. As the next step, the Government must indeed provide Chinese medicine services in public hospitals, one example being the provision of in-patient Chinese medicine services, so that there can be more opportunities of clinical practice for Chinese medicine practitioners in Hong Kong.

Besides, quality assurance is even more important in building up patients' confidence in Chinese medicine practitioners. There are currently some 8 000 Chinese medicine practitioners in Hong Kong, but their standard and quality vary a great deal. There have been many complaints about how some Chinese medicine practitioners try to cheat patients of their money by delaying treatment or prescribing unnecessary medicines. These black sheep of the profession have impaired people's confidence in Chinese medicine, but the regulation of Chinese medicine practitioners under the Chinese Medicine Ordinance seems to be unable to eliminate such unscrupulous practices. Under the existing registration system for Chinese medicine practitioners, people with 15 years of practical experience in Hong Kong can apply for direct registration as a Chinese medicine practitioner; those with 10 to 14 years of experience and recognized qualifications can also continue to practise after undergoing an assessment. In other words, even a person without any relevant training can continue to practise in the interim, as long as he claims to be a Chinese medicine practitioner. Even if only a handful of these people are dishonest, the credibility of our Chinese medicine system will be dealt a very severe blow already. This means that a regime of strict regulation is very important. The responsibility of the Government is much more than simply injecting more resources into the provision of medical facilities and research. It must at the same time provide more infrastructural back-up.

Training is the most important element of professionalization. To achieve professionalization, we must pay attention to the availability of resources and job prospects for Chinese medicine graduates. At present, a university has to spend some \$3 million on training up a Western medical practitioner, and the spending is the highest among all academic disciplines. In contrast, the funding for the teaching of Chinese medicine is just the same as that for all other disciplines. But if Chinese medicine practitioners are to attain the same standard as that of Western medical practitioners, they must be given similar training in some areas. For example, knowledge about anatomy, physiology, pathology, pharmacology and biochemistry, and also the use of medical equipment and apparatus, are in fact required by both Chinese medicine practitioners and Western medical practitioners. So, the former should also enjoy the same training resources. For job prospects, some Chinese medicine institutions have already said that they may not necessarily employ local graduates as practitioners, and these graduates may have to start from the bottom. Since job prospects are not good enough, how can we encourage talented people to join the profession and raise the quality and credibility of Chinese medicine practitioners?

Apart from regulating the quality of personnel, the Government must also impose strict control over diagnosis and prescription. For example, Chinese medicine has been characterized by many so-called "secret prescriptions". According to some informal estimates, there are as many as some 300 000 secret prescriptions in China, and since "secret prescriptions" are by definition handed down and applied secretly, their contents as people know them now are often inaccurate, full of omissions, or not tested by any scientific research. This leads people to doubt their effectiveness. Therefore, the Government must spend more resources on ensuring the quality of Chinese medicines. One possibility is to promote the co-operation of the Chinese and Western pharmaceutical professions, so as to increase public confidence in Chinese medicines.

The people of Hong Kong need more choices of medical care. Therefore, it is their wish to improve the quality of Chinese medicine, so that it can build up its credibility and in turn become an option of treatment. I hope that the Government can pay attention to this and promote its development. I so submit.

MR HUI CHEUNG-CHING (in Cantonese): Madam Deputy, the people of Hong Kong have all along been making use of the benefits of both Chinese and Western medical science. In view of the professional public health care system, modern medical equipment, well-developed information network and sufficient financing channels, the Chief Executive therefore affirmed in his first policy address his belief in Hong Kong's potential to develop into an international centre for Chinese medicine and Chinese medicine practitioners. Moreover, in his second policy address, the Chief Executive also mentioned that through the application of innovation and technology, Chinese medicine could become an impetus for the economic development of Hong Kong. For a while, the prospects of Chinese medicine and practitioners have become all very bright.

However, after three years, the effort to develop Chinese medicine is still no more than lip service. In this connection, there has not been any specific plan as to what kinds of Chinese medical services should be introduced into public hospitals, and the role of the Department of Health in providing support for Chinese medicine and practitioners also has yet to be established. Besides, so far no licensing and registration regulations have been enacted to monitor the manufacturing and trading of Chinese medicines. It was only in the Consultation Document on Health Care Reform published by the end of last year

that all these issues were made subjects of consultation. Furthermore, the Consultation Document is still silent on certain questions which may be of even greater importance to the development of Chinese medicine, including the timing of registered Chinese medical practitioners being entitled to the same statutory authority as that of practitioners of Western medicine, whether or not the Hospital Authority will establish any Chinese medicine hospitals after the practice of Chinese medicine has been recognized as a statutory profession, the approaches to attracting the private sector to invest in Chinese medicine, and so on. Under such circumstances, the Chinese medicine industry still has a profusion of tasks waiting for it to tackle even though the first batch of registered Chinese medicine practitioners will be announced shortly.

In the view of the Hong Kong Progressive Alliance (HKPA), expediting the incorporation of Chinese medicine into the public health care system will be conducive to the professionalization of the industry in such aspects as regulation, treatment, research and development, as well as promotion. Moreover, Chinese medicine is not only generally more affordable to the public at large, its effectiveness in daily health maintenance and disease prevention is also very remarkable. In particular, with its relatively lower costs and proven effectiveness in treating senile hypofunction and chronic diseases, Chinese medicine should be able to provide a possible way out for Hong Kong in the midst of a continuous increase in public health care cost and an ageing population. For this reason, rather than adding to the public medical expenditure, incorporating Chinese medicine fully into the public health care system will give users one more option on the one hand and alleviate the public medical expenditure pressure in the long run on the other. Besides, it is only in this way that the exceptional edge of Hong Kong in developing both the practice of Chinese medicine and the practice of Western medical science will not be wasted.

In view of the circumstances, the HKPA considers that the Government should expeditiously incorporate Chinese medicine into the public health care system, and that Chinese medicine services should also be introduced on a comprehensive scale into all public hospitals and subvented hospitals territory-wide. In the event that the Government has finalized the financing method and mode of service provision of Hong Kong's health care system, it should also look into ways to mobilize insurance companies to expand their insurance coverage to include Chinese medicine services. Moreover, Hong Kong should also play an active role in ensuring and enhancing the quality of Chinese medicines. If

Hong Kong should make good use of its ample capital and well-connected international network to join forces with the well-founded Chinese medicine tradition in the Mainland, so that the advantages of the two regions can complement each other in straightening out the quality control of Chinese medicines, not only could the development of Chinese medicine in Hong Kong be given a boost, the international status of Chinese medicine would also be further confirmed. That way, the knock-on economic effect would just be inestimable.

With these remarks, Madam Deputy, I support the motion moved by Mr David CHU. Thank you.

MR MICHAEL MAK (in Cantonese): Madam Deputy, before I discuss the motion topic today, I wish to talk about a recent incident which was widely covered by the mass media. It was reported that a businessman had attempted to commit suicide, but in the end, he narrowly escaped death, thanks to the timely resuscitation by hospital medical staff and the help of our country's traditional medical treatment — Chinese medicine.

I do not have any reliable information about this rare case, which has been talked about so much among the medical profession and the common people, and it is not my intention to find out which of the two types of medicine is better either. The only point I wish to make is that traditional Chinese medicine is a cultural heritage of 5 000 years of history, a sophisticated discipline which has made marked contributions to the health of our people. In recent years, many people overseas have been fascinated by this branch of traditional medicine, and they have been trying hard to learn it.

Following the Chief Executive's announcement in his 1998 policy address that he would seek to develop Hong Kong into a research centre of Chinese medicine, the academic circle and even the business sector were immediately caught by a tide of Chinese medicine fervour, and this overwhelmed the whole community later. So, all of a sudden, the idea of developing a "Chinese medicine harbour" became a popular news topic in the local press. Unfortunately, due to indecision and delay, the idea has recently died down.

In my view, if the Government is really determined to develop Chinese medicine in Hong Kong properly, it must refrain from repeating the experience of the technology shares fervour, which means that it must not emphasize mere concepts only. Instead, it must plan properly and undertake the development step by step, such as by implementing the construction of a Chinese medicine research institute in co-operation with the Hong Kong Jockey Club, so as to foster research on proprietary Chinese medicines. It must not work only for the interests of some famous brands of proprietary Chinese medicines, or else the whole idea will fall flat, in very much the same way as the concept of technology shares.

Although Western medicine has all along been regarded as the symbol of medical advance, one cannot deny the fact that Chinese medicine has also been occupying a certain position of importance among us. People having some minor ailments such as a fever, or those who suffer from various diseases, or even those who wish only to generally improve their health, would very often consult Chinese medicine practitioners. But there has been an absence of objective assessment standards for Chinese medicine and most traditional Chinese medicine practitioners prefer to hand down their knowledge to their family members or apprentices in the form of "secret prescriptions". This, together with the fact that they usually use the four methods of diagnosis, namely observation, auscultation and olfaction, interrogation and pulse feeling and palpation, has invariably made it difficult for people to judge the effectiveness of their diagnoses, so they often have to count on their luck as a result.

Moreover, whenever people hear that there is any miracle-working practitioner who claims he can cure all sorts of strange and incurable diseases, they will swarm to him for treatment, but as for his real competency, no one except Heaven will know.

Although I agree that the Government should ask tertiary institutions to offer Chinese medicine courses as much as possible to satisfy the demands for such courses, I also think that it should give thoughts to the required ancillary facilities while speeding up the development of Chinese medicine. One example is that Chinese medicine clinical research and treatment are still at the preparatory stage, and as a result, students taking Chinese medicine courses have not yet been able to gain any adequate clinical experience in hospitals. Therefore, the Government needs to conduct a comprehensive assessment of the manpower development for Chinese medicine and the ancillary facilities required.

It must also set up a Chinese medicine hospital. This can enable people to enjoy quality, safe and unique Chinese medicine services besides enhancing the professional status of Chinese medicine practitioners.

In addition, I also think that under the existing medical care system dominated by Western medicine, courses relating to Chinese medicine and other relevant courses should be offered, particularly those on nursing and pharmacology, so as to achieve the aim of getting the best from Western and Chinese medicinal theories.

Dr LO Wing-lok's amendment seeks to replace the proposal on urging the Hospital Authority to set up out-patient Chinese medicine clinics by another proposal on operating such services on a trial basis. The underlying concept of his proposal is obviously too conservative and biased towards the protection of the interests of his constituency. This is not in line with the wish of the public at large and will also hinder the progress of incorporating Chinese medicine into the medical care system of Hong Kong.

People already have a certain degree of confidence in Chinese medicine, and the 21st century is also going to be a knowledge-based, information era. For all these reasons, and also because of the Chief Executive's emphasis on promoting the development of Chinese medicine, we must adopt an open and scientific attitude towards traditional Chinese medicine. This means that we must provide practical clinical training for Chinese medicine practitioners and raise their professional standard. The Government must therefore provide concrete policy backing, because many Chinese medicine practitioners are already trying to combine the technologies and theories of Western medicine and Chinese medicine in their practice, and they are also making use of modern medical equipment. This is an added reason for incorporating Chinese medicine into the existing medical care system of Hong Kong. In other words, besides the four hospitals which now provide out-patient Chinese medicine services funded and managed by charitable organizations, the authorities concerned should extend such services to all public hospitals.

The Chinese Medicine Practitioners Board of the Chinese Medicine Council of Hong Kong under the Department of Health received a total of some 8 000 applications for registration as Chinese medicine practitioners as at the end of last year. This is only the first step towards the regulation of Chinese medicine practitioners, and I think the regulation of Chinese medicines should be the next step.

Finally, I think that Chinese medicine should be incorporated into the existing health care system of Hong Kong through the setting up of Chinese medicine hospitals and the enhancement of the training for Chinese medicine practitioners and other related professionals. But I also hope that the Government can pay attention to the balanced distribution of resources and study ways of combining the best of Western medicine and Chinese medicine. At the same time, the Government should also put in place a satisfactory package of ancillary measures as soon as possible to ensure the parallel development of the finest qualities of these two branches of medicine, so as to cater for people's needs.

Madam Deputy, I so submit.

PROF NG CHING-FAI (in Cantonese): Madam Deputy, I wish to declare interest first. The institution in which I am working offers courses in Chinese medicine. After the reunification, it can be said that Chinese medicine is an area which has witnessed the greatest changes and its social status has been elevated very quickly. In a short span of some three years, the Government of the Special Administrative Region has taken the advice of the Chinese medicine sector and economists to develop Chinese medicine as an engine of growth for the development of a diversified economy. The Legislative Council deliberated on and passed the Chinese Medicine Bill. Consequently, the Chinese medicine sector is given a statutory status so that it can then take on a course of orderly growth. The Innovation and Technology Fund has approved of the funding of 29 projects related to the research and infrastructure building of Chinese medicine. Five of these are research projects conducted through the collaborative efforts of the sector and the universities. A number of local universities have begun to set up faculties of Chinese medicine while the Government has also decided to set up a Chinese medicine research institute under the Applied Science and Technology Research Institute with the task of co-ordinating and encouraging collaboration between the sector and the universities for the promotion of research and development in Chinese medicine. All these developments demonstrate clearly that in this period of more than three years, there have been marked and substantial growth and changes in Chinese medicine in Hong Kong.

While these achievements should be recognized, we must admit that it does not mean that there are no problems with the development of Chinese

medicine in Hong Kong. We cannot say that the objective of our becoming an international centre for Chinese medicine can be reached soon. We are only beginning to develop Chinese medicine and there are lots of problems that we have to deal with in the days to come. The Government, in particular, must put in more efforts. The motion and amendments moved by Mr David CHU, Dr LO Wing-lok and the Honourable Mrs Sophie LEUNG today have all pointed to some urgent issues confronting the development of Chinese medicine in Hong Kong for which solutions must be found. I can support in principle the motion and all the amendments. In my opinion, the issues raised by these Honourable Members are generally similar in nature, that is, to incorporate Chinese medicine into the public health care system as soon as possible. However, there are differences among the three Members as to the specific measures that should be taken to achieve this goal. I would like to talk about my views on this and share them with Members here.

First, the incorporation of Chinese medicine into the public health care system should be made one of the objectives of our health care reform. First, there is a demand for Chinese medicine in health care and many people in Hong Kong do seek consultation from practitioners of Chinese medicine. It is therefore appropriate to incorporate Chinese medicine into the health care system in terms of respecting the rights of the patients. Second, the special features of Chinese medicine are to strengthen the constitution and to arrest the deterioration of a disease at its initial stage. The medicine used is usually inexpensive. There is also a comparatively less need for hospitalization. So in the long run, if Chinese medicine is incorporated into the health care system, it will reduce the per capita commitment to health care spending, and that is very important. The direction of health care in the 21st century is maximizing the strong point of diversity and combination of all forms of medical treatment and to answer the call made by the World Health Organization to develop traditional medicine. The necessity to achieve this goal is obvious. As to how this is to be achieved, there should be a gradual process whereby Chinese medicine is to be incorporated into the health care system. We should not aim at making rash moves in the hope of achieving success in a single attempt. The original motion and the amendments have mentioned six measures and it is very important to make these a reality. However, we do not have to wait until these measures are all in place before incorporating Chinese medicine into the public health care system.

The second point I wish to talk about is Chinese medicine hospitals, for it is an important part of this motion debate. Due to the limited resources of public health care, it would be more feasible to operate Chinese medicine out-patient clinics on a trial basis and to look into the mode of hospitalization in public sector medical institutions. The building of Chinese medicine hospitals is necessary when seen from a long-term perspective. The kind of Chinese medicine hospitals I have in mind are not those which only offer Chinese medicine services but those which combine Chinese and Western medicines. If we look into the experience of other places, such as the Mainland and South Korea, we will find that modern diagnostic equipment are used in such hospitals. This may even be a more practical approach to take. It remains, of course, that there is a possibility of converting an existing hospital into a combined Chinese and Western medicine hospital. That can be done more quickly. I would like also to mention in passing that clinical practice is indispensable to any modern programme in Chinese medicine. As long as we do not have a Chinese medicine institution with a sizeable hospitalization service, our Chinese medicine students can only go to such places as Guangzhou to have their clinical training. That kind of arrangement will never be satisfactory. In addition, without a sizeable hospitalization service, there can be no clinical research. That will impede the growth in the research in Chinese medicine. Therefore, while we think that a gradual approach can be taken, we must never just pay lip service. We must promote Chinese medicine by putting in the best of our efforts.

The third issue I wish to discuss is the combined application of Chinese and Western medicines. This is something which many people in the medical profession all over the world would want to do. The combined application of Chinese and Western medicines is an issue that entails in-depth study and long-term accumulation of experience. In the Mainland, there has been half a century of development in the combined application of Chinese and Western medicines and it is well recognized in the mainland community. Though there are some achievements in this respect, it is still a long way to a truly integration of Chinese and Western medicines. As such, the Mainland does not stress too much on integration but rather it attaches equal importance to and the concurrent application of both Chinese and Western medicines. A natural integration of the two medicines is only to be contemplated at a later stage. In other words, both Chinese and Western medicines can chart their respective course of development. But there should be some kind of mutual understanding between the professionals of these two schools of medicine. This I support, for only with more contact and a greater willingness to learn from the other side, plus a

mutual respect for each other, that there can be better co-operation between Chinese and Western medicines. In the final analysis, as the human body is one single entity, it is inevitable that different branches of medicine will eventually converge as one.

Lastly, I would like to talk about the teaching of Chinese medicine and research and development in Chinese medicine. With regard to the increase of government funding to local tertiary institutions for the purpose of offering courses in Chinese medicine, I think that is a right step to take. I wish to mention, in particular, that suitable resources should also be injected into courses on Chinese pharmaceutical studies, instead of Chinese medicine courses alone. Emphasis should be placed on quality instead of quantity. That should be clear. In addition, the Government should formulate a clear and specific policy on professional education in Chinese medicine and its related research. I also wish to mention that if we are to promote the research and development of Chinese medicine and raise its quality, then we would need not only the help of experts in biotechnology, but also that of people with profound knowledge of traditional medicine.

Madam Deputy, I so submit.

DR TANG SIU-TONG (in Cantonese): Madam Deputy, in the recently published Consultation Document on Health Care Reform, the role to be played by Chinese medicine and its practitioners in the health care system of Hong Kong is given a more specific description, and a number of concrete targets and timetables are also laid down. The HKPA supports all this. Actually, as a result of the SAR Government's determination to develop Chinese medicine and put in place a regulatory regime in recent years, the Chinese medicine trade has succeeded in establishing its professional status. The next step should be to bring in the required ancillary measures to foster the development of Chinese medicine, so as to enhance its role in the health care system of Hong Kong. I am of the view that to achieve this objective, the Government must make vigorous efforts to promote exchanges between practitioners of Western medicine and Chinese medicine, so as to enhance their mutual understanding, because Western medical practitioners have been playing a very important role in the health care system of Hong Kong. Besides, the Government should also allocate more resources to local universities for the purpose of training up more talents required for promoting exchanges between Western medical practitioners and their Chinese medicine counterparts.

To begin with, the Consultation Document on Health Care Reform proposes the establishment of models of interface between Western medicine and Chinese medicine in public hospitals, so as to promote their parallel application. Western medicine and Chinese medicine both have their own strengths, and naturally, if they can establish a complementary partnership, drawing on each other's merits, we should then be able to achieve more comprehensive protection for public health. As a matter of fact, the parallel application of Western medicine and Chinese medicine has been adopted in China for many years. However, since the fundamental theories and directions of development of these two schools of medicine are after all different in many respects, and also since their parallel application is a new model of medical care in Hong Kong, it will take quite some time for exploration before any effective co-operation mechanism conducive to patients' interests can be set down. What is so encouraging, though, is the fact that there has been a gradual increase in the number of research projects on the co-operation of Western medical practitioners and their Chinese medicine counterparts in recent years. In some hospitals of Hong Kong, research projects have been started to explore and practise the parallel application of Western and Chinese medical treatment to a number of diseases such as terminal cancer, stroke rehabilitation, rheumatism and skin diseases. In addition, the Hospital Authority has also compiled a set of guidelines on Chinese medicine clinical research, thus paving the way for introducing Chinese medical treatment. When it comes to the promotion of co-operation between Western medicine and Chinese medicine, the Medical Council and the Chinese Medicine Council, two professional bodies being responsible respectively for regulating the Western medicine and Chinese medicine professions, do in fact have a very important role to play. For example, they can explore the difficulties in introducing Chinese medical treatment to hospitals and set down the safety standards for clinical treatment and use of medicines, so as to establish some sort of interface between these schools of medicine.

Another point is that although full-time degree courses on Chinese medicine are now offered by three local universities, we will surely be unable to meet the manpower needs imposed by the incorporation of Chinese medicine into the public health care system and the development of Hong Kong into a Chinese medicine centre, because given that only a few dozen such degree places can be offered each year, these universities will at most be able to train up some 300

Chinese medicine graduates over the next 10 years. It is therefore necessary for the Government to allocate more resources, because the Chinese medicine professionals thus trained up will all have received formal university education, and with their knowledge about modern medicine and sciences and also their clinical experience, they will be of immense help to fostering exchanges between Western medicine and Chinese medicine and even in promoting Chinese medicine in the rest of the world. For this reason, the Government should allocate more resources to assist tertiary institutions in offering more places and providing internship prospects in hospitals for Chinese medicine graduates. Besides, the Government must also make positive efforts to encourage Chinese medicine professionals from the Mainland or even the rest of the world to come to Hong Kong for clinical teaching and research.

Madam Deputy, Chinese medicine has always been popular among the people of Hong Kong; many of them believe in the effectiveness of traditional Chinese medicine, particularly when they suffer from chronic diseases or feel the need for fortification. A survey conducted by the Hong Kong Baptist University last year shows that over 80% of the respondents support setting up public out-patient Chinese medicine services. That being the case, the incorporation of Chinese medicine into the public health care system can actually be regarded simply as a response to public demand and aspirations. It is of course true that the implementation of such a policy will involve many technicalities. On the one hand, the Government must study the experience of other places, particularly that of China, in order to perfect the policy. On the other hand, it must make extra commitments in respect of financial and manpower support, for it must make sure that the existing resources allocated to different departments of medical care and also the standard of services enjoyed by the public will not be adversely affected; if the Western medicine and Chinese medicine sectors have to compete for resources as a result, it will be difficult for them to work together harmoniously, hence in detriment to close co-operation. "To feel our way across the river" is a reliable approach to promoting the eventual integration of Chinese medicine and Western medicine. It should also be noted that the establishment of Chinese medicine hospitals should only be regarded as a foundation for the development of the Chinese medicine practice and a first step towards the development of Chinese medicine. If there are no further research and improvement afterwards, Chinese medicine will only be reduced to a subordinate to Western medicine in the end, instead of becoming an

alternative but formal type of medical treatment having its unique theories and clinical experience. The Honourable Michael MAK mystified the effectiveness of Chinese medicine in the case he referred to earlier on, but such a mystification will only hinder the development of Chinese medicine. Mystification has no prospects at all. The future of Chinese medicine should depend on scientific research and clinical experience.

With these remarks, Madam President, I support the original motion.

MR AMBROSE LAU (in Cantonese): Madam Deputy, Hong Kong has established a licensing and registration framework for Chinese medicine practitioners and Chinese medicines. However, to further consolidate the basis for the development of Chinese medicine and practice so that it can serve the people better and to eventually develop Hong Kong into an international centre for research, manufacture and trading of Chinese medicine, we must incorporate Chinese medicine into the public health care system. This will remove the greatest hurdle in the development of Chinese medicine in Hong Kong.

Traditional Chinese medicine has a history of several thousand years. Theories in Chinese medicine have systematically introduced theories of *yin* and *yang* in ancient Chinese philosophy to study the physiology of the human body and pathology to conduct diagnosis and treatment based on an overall analysis of the illness and the patient's conditions. With its time-honoured treatment practice, Chinese medicine and pharmacology have become a vast and profound scientific treasure-house. Chinese medicine has become a very effective tool in the prevention and treatment of diseases for the Chinese race and its ethnic development. Given the superb efficacy and wide acceptance of Chinese medicine, it would be a closed-door policy to exclude Chinese medicine from the public health care system not in keeping with the situation of Hong Kong.

As the modernization process of Chinese medicine continues on the Mainland, the merits of Chinese medicine become more prominent as time goes on. Treatment by Chinese medicine is never piecemeal treatment. Its philosophy and methodology in respect of diagnosis and treatment is in fact in line with the spirit of modern science. A better understanding of Chinese medicine can help us know more about its scientific base. However, the long-standing exclusion of Chinese medicine from the public health care system has not been conducive to the development of Chinese medicine.

The development of any medicine requires clinical cases. We must incorporate Chinese medicine into the public health care system before we can build up clinical data for scientific research in Chinese medicine. At present, the integration of Chinese and Western medicines and the modernization of Chinese medicine are moving forward quickly. If Hong Kong is to develop into an international centre for research, manufacture and trading of Chinese medicine, we must make it a pressing task to implement the proposals espoused in Mr David CHU's motion.

Madam Deputy, I have these comments to make on Mr David CHU's motion:

First, if the Hospital Authority (HA) only sets up an out-patient clinic with Chinese medicine services, the effects are obviously limited. Only when all hospitals under the management of the HA introduce Chinese medicine services and when Chinese medicine hospitals are established where possible can we achieve the goal of a full-scale incorporation of Chinese medicine into our public health care system.

Second, the proposal for the establishment of an Institute for Chinese Medicine should be implemented as soon as possible. Only if private sector organizations can be attracted to conduct research in Chinese medicine in Hong Kong can the development and production of modernized Chinese medicine products that meet the demands of the international market take place. In this regard, the effort of the Government alone is far from sufficient. Thus, it is necessary for the Government and private organizations to join hands in the development of Chinese medicine.

Third, the combined application of Chinese and Western medicines has become a trend. On the Mainland, there have been rapid developments in this respect. Hong Kong must try hard to catch up. Hence, proposals to promote exchanges and co-operation between the regulatory bodies of health care professionals in Western medicine and the Chinese Medicine Council to encourage the combined application of Chinese and Western medicines should be put on the agenda.

Fourth, it is important to recognize the benefits of facilitating the exchange of professional knowledge and experience between Chinese medicine organizations in the Mainland and overseas countries and the Chinese medicine sector in Hong Kong as this will help the Chinese medicine sector in Hong Kong to broaden its horizons and grasp the latest information in technological development in the profession. The Government should put in more efforts in this regard.

Fifth, after recognizing the statutory status of Chinese medicine practitioners, their statutory authority should also be protected because for some time neither their statutory status nor their statutory powers have been recognized. This unfair state of affairs should be rectified.

With these remarks, Madam Deputy, I support Mr David CHU's motion.

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

MR LAW CHI-KWONG (in Cantonese): Madam Deputy, the Democratic Party will eventually support the original motion and the two amendments tabled today. However, we have some reservations about the motions, which I will explain later.

The Hong Kong Council of Social Service conducted a survey in 1997, which revealed that a lower percentage of the elderly people and the low-income group than other groups consulted Chinese medicine practitioners. This was a rather strange finding because we thought the elderly would use Chinese medicine more than the other groups. The survey result showed that it was not the case and I believe the cause was financial. So, the Democratic Party supports the incorporation of Chinese medicine into the public health care system. I must remind everyone, however, that in this process, it is of paramount importance that the Government allocates new resources for the incorporation. If we just juggle with the existing resources, the resources for existing health care services will be reduced, thereby affecting their quality. Though Dr LO's amendment does not specifically refer to this point, it fully reflects the reservations shown by Western medical practitioners about the incorporation of

Chinese medicine into the public health care system. So, Dr LO's amendment to a certain extent gives people the impression that he is playing safe. I hope Secretary YEOH may respond to that point later. If we incorporate Chinese medicine into the public health care system, will the Government allocate new resources, so as to put the mind of Dr LO and his constituents at ease?

As regards primary medical care, I am sure the general public has an idea what Chinese medicine is about. So, if Chinese medicine is incorporated into the public health care system, the first step is to provide out-patient service. Dr LO's amendment uses the wording: the incorporation of Chinese medicine into the health care system in public medical institutions "on a trial basis". This is indeed slightly conservative. Dr LO may of course argue that any new service is naturally a new initiative, which, by definition, will be done on a trial basis. Of course, he may say that, but still we hope that when the registration system is launched smoothly, the next step should be incorporating Chinese medicine into the existing health care system as soon as possible.

Regarding the establishment of Chinese medicine hospitals, the Democratic Party does have some reservations about this idea as this may not be the most cost-effective way of utilizing resources. In addition, it may not be very convenient to provide territory-wide Chinese medicine hospital services to the public. The introduction of Chinese medicine in-patient services in hospitals within the existing health care system can be regarded as an innovation that merits further study. We support this part of Dr LO's amendment.

To improve the quality of services in Chinese medicine, we must make it a subject of study in our tertiary institutions and enhance its academic status. If we do allocate more resources for this purpose, we must do so step by step to avoid a mismatch between training and needs. In the long run, it would not be in the interest of Chinese medicine or its development in Hong Kong if trainees are trained not for the needs of the profession.

Part (d) of Mr David CHU's original motion suggests that the combined application of Chinese and Western medicines be encouraged. I think there is a faulty wording here. I do not wish the Legislative Council to send a wrong message to the people that we encourage a combined application of Chinese and Western medicines because it may give them the impression that they are advised

to take Chinese and Western medicines at the same time. This can be fatal. I believe Mr CHU means services in Chinese and Western medicines should complement each other and effect co-operation, rather than advising people to take Chinese and Western medicines simultaneously. The latter should not be what he means to say, but he might have used faulty wording.

Thus, I think Dr LO's amendment is acceptable. However, I note with some regret that Dr LO's amendment stops at fostering mutual understanding between health care professionals in Chinese and Western medicines. I do hope Dr LO can go further after suggesting that mutual understanding should be promoted. Hence, his amendment inevitably makes people feel he is slightly conservative. I hope Dr LO may go on to consider ways to promote co-ordination between professionals in Chinese medicine and those in Western medicine. This would be a more satisfactory approach.

Though the Democratic Party does not entirely agree with all of the wording in both the original motion and Dr LO's amendment, by and large, we still support the spirit behind the motions, despite some parts of them not being entirely agreeable to the Democratic Party, as stated by me at the beginning of my speech. That spirit is about expediting the incorporation of Chinese medicine into the public health care system. Thus, we will vote for the original motion and all the amendments. Thank you, Madam Deputy.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, I believe we have talked about Chinese medicine for many years. It may be said that Chinese medicine has entered a new era or has induced a new round of discussions following the first batch of applications made for the registration of practitioners in Chinese medicine and the recent proposal to promote Chinese medicine contained in the recently-released Consultation Document on Health Care Reform.

Apparently, the SAR Government supports the development of Chinese medicine in Hong Kong. In the 1997 policy address, we could see a paragraph on the promotion of Chinese medicine. Some tertiary institutions have also begun to offer degree courses on Chinese medicine, contributing their part in training a new generation of experts in Chinese medicine. In recent years, we

have seen some government effort in developing Chinese medicine as a profession, including the enactment of the Chinese Medicine Ordinance, which puts in place a proper regulatory framework for Chinese medicine practice, the application, manufacture and trading of Chinese medicine. The Ordinance also sets practising standards for services in Chinese to protect the health of the people. Moreover, the registration of Chinese medicine practitioners, the licensing of traders and manufacturers of Chinese medicine and the registration of proprietary Chinese medicines have together formed the base upon which the standards and quality of existing treatment by Chinese medicine will be developed and raised continuously.

The statutory professional status of Chinese medicine practitioners is recognized by law, which is in my opinion necessary. Madam Deputy may recall those times when we scrutinized the relevant legislation together. We must point out clearly that there is a real need, I personally see the developments of Chinese medicine practice and Chinese medicine as inseparable.

We have witnessed the determination of the Government to develop Hong Kong into a centre of Chinese medicine. Despite that, in its all-out effort to promote the practice of Chinese medicine, the Government seems to have lost sight of the development of Chinese medicines. Since there are only very few plants for the processing of Chinese herbal medicines or manufactories of proprietary Chinese medicines, most of the Chinese herbal medicines and proprietary Chinese medicines in Hong Kong are imported from the Mainland. In fact, through the co-operation with the Mainland and establishing an Institute for Chinese Medicine, we can learn and absorb mainland knowledge and expertise in Chinese medicine to benefit the relevant development in Hong Kong. The Hong Kong Federation of Trade Unions (FTU) has been making numerous suggestions to the Government in this regard.

In addition to giving extra support in scientific research, the Government should also adopt measures that are necessary to bring about a more comprehensive development of Chinese medicine in Hong Kong. For example, other than scientific research, the development of front-line basic technical personnel like dispensers in Chinese medicine is also very important. Hong Kong has few well-trained personnel in this field and the number of proper shops selling Chinese medicine is small. As the development of Chinese medicine

progresses, we can expect a rising demand for dispensers in Chinese medicine. It seems the Government is not paying attention to the development of such front-line personnel. At present, the Institute of Vocational Education operates a relevant three-year day-time diploma course and it has been reported that the School of Professional and Continuing Education of the University of Hong Kong also operates a course of a similar nature for practising Chinese medicine practitioners. Despite that, the Government does not have corresponding policies to assist the trade, in particular, in the training of front-line workers in Chinese medicine and in finding ways to attract young people to join the profession. Traditional views maintain that people who dispense Chinese medicines are just "helpers" and they are never regarded as experts. Nevertheless, in reality, as colleagues in the Chinese medicine clinics of the FTU have told me, they play a very important role in Chinese medicine. Dispensers of Chinese medicine form a very important part of Chinese medicine, just like their counterparts in Western medicine. Hence, we think the Government should expedite the registration of dispensers in Chinese medicine, recognize their expertise and enhance their quality. We think all these are essential. In the course of our scrutiny of the relevant legislation, we mentioned that we hoped the Government could do more work about the subject under discussion today. We hope we are not just speaking on the side of practitioners; we are also speaking for the community, in which quite a number of grass-roots members very much hope the Government can incorporate Chinese medicine into the existing public health care system as soon as possible. Thus, our medical services can cater to those who prefer treatment in Chinese medicine and those who may prefer treatment in Western medicine, just like the case of the Kwong Wah Hospital, where services in both Chinese medicine and Western medicine are available to patients with either preferred mode of treatment. I hope the Government can work harder in promoting such medical services in both streams.

Next, I come to the views of the FTU and the Democratic Alliance for Betterment of Hong Kong (DAB) on the original motion and the amendments. By and large, we agree with the original motion, despite some improper wording used, as pointed out by Mr LAW Chi-kwong. However, I understand what Mr CHU means, and we agree to his ideas. But we do have some reservations about the two amendments. We think Dr LO's amendment is obviously rather conservative — I need to thank Dr LO for sending me his draft speech. I have

read it carefully but I think his ideas in the speech are conservative, evident in the wording used by him. He said in effect no resources were left and asked how we might set aside resources for Chinese medicine. So, his conclusion was that we should not press ahead with it. My view is that we determine our action by need. If it is determined there is a need, we should request more resources. Even if 14%-odd has been allocated, we can still request for more. So, need is the determining factor. Other than that, I think Dr LO may encompass more flexibility in his amendment. For example, while Mr CHU wishes to provide the impetus for the Hospital Authority, a public body, to operate Chinese medicine out-patient clinics, Dr LO only proposes to operate Chinese medicine out-patient clinics on a trial basis. Do we need to operate Chinese medicine out-patient clinics on a trial basis? The Kwong Wah Hospital has been providing the service for many years and it has gained considerable experience. I was citing the Kwong Wah Hospital just as an example. I think Dr LO might still be speaking on the side of the Western doctors and he could be afraid of the unforeseeable situation where Chinese medicine is introduced into the present health care service, in which Western medicine has been the mainstream. As I went through Dr LO's speech, I came to understand that Dr LO's wife is studying Chinese medicine. I do hope all, be they practitioners in Chinese medicine or Western medicine, will be open enough to join hands in assisting the development of both streams of medicine in Hong Kong.

Furthermore, in regard to the establishment of Chinese medicine hospitals, the subject is dealt with in Mrs Sophie LEUNG's amendment. I do agree there is room for discussion as regards whether Chinese medicine out-patient clinics should be placed in Western medicine hospitals or whether there should be independent Chinese medicine hospitals, but our premise has been fixed. That premise is the establishment of a Chinese medicine hospital, and if the premise is agreed, we may introduce many things. We should not rule out the inclusion of advanced health care equipment in Western medicine to provide assistance to Chinese medicine practitioners in Chinese medicine hospitals. Nor should we play down some of the advantages of Western medicine. That kind of arrangement is, I believe, good for a start. I hope that through the present debate everyone may come to know clearly the needs of the people and the situation of Chinese medicine, which is under development. Lastly, let me reiterate we support the original motion but not the two amendments. Thank you, Madam Deputy.

DEPUTY PRESIDENT (in Cantonese): Dr LO, do you wish to elucidate? You can only clarify the part of your speech that has been misunderstood or the points in Miss CHAN's speech, but you should not introduce new matter.

DR LO WING-LOK (in Cantonese): Madam Deputy, Miss CHAN said I was afraid. I have not expressed any sentiment of fright in my speech. I was only telling the truth, albeit not necessarily correct politically. Thank you, Madam Deputy.

DEPUTY PRESIDENT (in Cantonese): Dr LO, you have indeed introduced new matter. Elucidation means to clarify only the part of your speech which has been misunderstood.

Mr MAK, you want to elucidate on your views as mentioned in Dr TANG Siu-tong's speech, but you should have so indicated as soon as Dr TANG had spoken. I now allow you to elucidate, which is exceptional. I have done so with reference to situations in the past where the President accorded lenient treatment to Members. So, you may now elucidate. However, you can only elucidate, and, if your speech goes beyond elucidation, I will not accord any lenient treatment and will direct you to discontinue your speech.

MR MICHAEL MAK (in Cantonese): Madam Deputy, thank you for the relaxed treatment. Dr TANG Siu-tong said I had "mystified" Chinese medicine. I did not. Let me repeat what I said: I said a merchant who attempted suicide escaped death. It was reported that his life was saved partly because of the prompt action of the hospital staff and partly because of treatment by traditional Chinese medicine. I also stated I did not have any reliable information about this rare case, which was widely talked about by the medical sector and the common people. So, I made no judgement on the relative merits displayed by Chinese medicine and Western medicine in the case. I did not "mystify" Chinese medicine.

MR NG LEUNG-SING (in Cantonese): Madam Deputy, the Consultation Document on Health Care Reform recently released by the Government contains some positive proposals on the incorporation of Chinese medicine into the public

health care system. There are proposals to study the possibility of providing out-patient Chinese medicine services in the public sector and the practice of Chinese medicine in selected public hospitals to support clinical research and the development of standards and mode of interface between Western and Chinese medicines. The new proposals are underpinned by various policies that can only be implemented after the reunification, such as the enactment of the Chinese Medicine Ordinance and the offer of courses on Chinese medicine by tertiary institutions. All this will, I believe, improve the professional status and acceptance by the people of Chinese medicine. The proposals can also provide more choices in and enhance the cost-effectiveness of public health care services.

Another important point of departure of the public health care reform is enhanced cost-effectiveness, with emphasis on disease prevention. All sectors in the community, including the health care sector, agree that primary medical care should be improved and family medicine practice promoted. In this respect, we must not ignore the role of Chinese medicine. In the Chinese community, the application of traditional Chinese medicine has a long history. It has proved to be effective, as supported by a large number of treatment experiences. It is particularly effective in the prevention of diseases and preservation of health fundamentals and in curing chronological diseases. Moreover, the cost of providing services in Chinese medicine is not high. Hence, the effectiveness of Chinese medicine in the improvement of primary health care services for the public should be given due attention. From this perspective, it is necessary to incorporate Chinese medicine into the public health care system.

Undoubtedly, the development of a public Chinese medicine service will entail the allocation of resources. This is an issue we cannot evade. We must consider issues like professional training, facilities and resource allocation in terms of the overall cost-effectiveness of the public health care system. We must find a balance among all these factors. What is worth mentioning is that there is a significant difference in costs between services in Chinese medicine and Western medicine. Without suitable investment in terms of resources, Chinese medicine will never make any progress in the public health care system. From another angle, treatment by Chinese medicine may be regarded as a new clinical experience and treatment method in future public health care services just in the same way we introduce new treatment methods in Western medicine. Naturally, the introduction process should be gradual and prudent. We may start with the introduction of generally accepted treatment methods in Chinese

medicine in respect of individual diseases, regulate such methods and standardize them. In the long run, treatment should not be differentiated between Chinese and Western. Any treatment that cures is good treatment, as the saying goes: "All are good cats that catch mice irrespective of their colour". I trust those practitioners who pay attention to developments in both Chinese and Western medicine will be open-minded and positive enough to work together, understand each other in exchanging and integrating their professional knowledge to raise the standards of our health care services to take better care of our people.

As regards the establishment of Chinese medicine hospitals, my personal view is that the idea is at least worthy of some research. From the point of view of professional education and long-term developments in scientific research, there should be a specialized base for clinical research so as to facilitate teaching and scientific research. This is also conducive to raising the status and enhancing the professional image of Chinese medicine.

Madam Deputy, I so submit.

THE PRESIDENT resumed the Chair.

MISS CYD HO (in Cantonese): Madam President, the incorporation of Chinese medicine into the public health care system is a topic that has been discussed repeatedly by Members who would think the incorporation is long overdue. I support Mr David CHU's original motion.

For over a hundred years, the public health care system has excluded Chinese medicine and dismissed as a part of popular culture only. Thus, Chinese medicine has not been given any chance to accumulate clinical experience. For Chinese medicine, the collection of data has been delayed for over a hundred years, and the chance to come into contact with new health care technology taken away. Indeed, insofar as the application of health care technology is concerned, there should not be a distinction between Chinese medicine and Western medicine. For example, why should X-ray be used by Western medicine only? It can be used for Chinese medicine as well. Moreover, if we do not incorporate Chinese medicine into hospital services, but restrict it to out-patient clinics instead, we would fail to utilize the merits of Chinese medicine. Once Chinese medicine is incorporated into hospital care,

traditional Chinese medicine practitioners may start to collect clinical data and they may begin to apply Chinese medicine to complicated clinical cases. In this way, the development of Chinese medicine may be speeded up. Therefore, I wholeheartedly support Mr David CHU's original motion.

However, I do not think it is a good idea to establish a hospital that provides services in Chinese medicine only. Chinese medicine and Western medicine each has its own strengths and merits. Chinese medicine relies on homeopathy and has fewer side effects than Western medicine, which relies on contraria. Members have talked about this point many times. Certainly, Western medicine also has its strengths. Thus, I very much agree with Mrs Sophie LEUNG's amendment, that is, the deletion of "and to establish Chinese medicine hospitals" from the original motion.

I understand that Mr David CHU had tabled the motion out of good intentions, hoping to expedite the development of Chinese medicine, but I do not think he would mind supporting Mrs Sophie LEUNG's amendment.

Indeed, as we promote Chinese medicine, we should have one goal that can only be achieved by a unique place like Hong Kong. That goal is to fuse Chinese medicine with Western medicine. It is definitely beneficial to patients if they can be taken good care of by two schools of medicine at the same place and under the same health care system. In fact, if both Chinese and Western medicine services are available within the same hospital, the two streams may refer patients to each other or even provide services alternately at different stages of the treatment process for a patient so that the patient under medical care may get the best out of the treatment. We advocate Chinese medicine not just to raise the status of Chinese medicine, thereby producing another highly-profitable profession. Rather, our aim is to provide the best medical service for improving the health of the people.

Thus, Madam President, I support the amendment of Mrs Sophie LEUNG. I have, however, some reservations about Dr LO Wing-lok's amendment indeed. In my view, Dr LO's amendment started with neutral wording. Nevertheless, after receiving Dr LO's draft speech and after listening to his speech, I could not help opposing his amendment. Most of his speech was about resources. His premise was: this is the cake, that is, expenditure on health care is fixed; if cuts are needed, do not bother Western medicine, but if there is a surplus, then it can be used on Chinese medicine! Dr LO may elucidate, later, if he so wishes, but

that is an issue not mentioned in his draft speech. So, that is my interpretation of Dr LO's speech.

I think my worries are justified if we look at the issue from the employment perspective. As far as health care financing, a subject under discussion, is concerned, the Government will indeed not be providing additional resources. Resources taken up by one sector would mean less for another. Western medical practitioners, who have not studied Chinese medicine, are justifiably worried. But Dr LO's amendment assumes that Chinese medicine be incorporated into the present system while all factors remain unchanged. It is against this background that Dr LO proposed his amendment. However, things will not remain unchanged, Madam President. Everything is changing. The review of our medical services will soon be carried out and people are holding discussions on ways to finance our health care. All parties are trying to provide the impetus to expedite the fusion of Chinese medicine and Western medicine. Thus, things are changing and I hope Western medical practitioners can be more open-minded and contribute their fair share in promoting the change for the ultimate good of public health.

Madam President, the current review of the health care services may result in a re-integration of the existing resources to make the delivery of services more cost-effective. With the eventual savings, we can promote the development of Chinese medicine. Another point is that costs of Chinese medicine are comparatively low. Many of them are natural herbs or minerals without patents. If a single type of Chinese medicine is used, only the basic cost is needed; thus avoiding the expenses incurred in patents and in research and development by Western pharmaceutical companies. So, if treatment is done using Chinese medicine, costs may be lowered. In this way, medical expenses can be reduced but treatment with the same or even better quality can be obtained. Why do we not give our support to this cause with an open mind?

The fusion of Chinese and Western medicines is a logical and inevitable choice. Initially, a traditional Chinese medicine practitioner and a Western medical practitioner may provide treatment separately and the different languages used may cause communication problems, which is a scenario that worries Dr LO. The best way, however, is for Western medical practitioners to take up lifelong learning on Chinese medicine education and for education on Chinese medicine to incorporate education on Western medicine so that future doctors may be equipped with knowledge of both schools. Then, the same

doctor may decide when to use Chinese medicine and when, Western medicine, thereby solving the communication problems arising out of a difference in medical languages.

Madam President, we oppose Dr LO's amendment. Thank you.

PRESIDENT (in Cantonese): Dr LO Wing-lok, do you wish to elucidate some parts of your earlier speech that have been misunderstood?

DR LO WING-LOK (in Cantonese): Yes, Madam President.

PRESIDENT (in Cantonese): Please clarify only the part of your earlier speech which has been misunderstood.

DR LO WING-LOK (in Cantonese): Madam President, I hope colleagues will note that I made it clear at the beginning of my speech that I was not speaking in the interest of any doctors. I wish to put this on the record. Second, in my speech, I also pointed out explicitly that the Chief Executive had expressed in his policy address the concern that our current health care system was becoming unsustainable. That was why the issue of health care financing was raised. If we talk about the health care system, we cannot sidestep the issue of resources. What I said were the facts. I hope Members will see that LO Wing-lok was not speaking in the interest of Western medical practitioners

PRESIDENT (in Cantonese): Dr LO, you can only clarify the part of your speech that has been misunderstood.

DR LO WING-LOK (in Cantonese): I see. I am through. Thank you, Madam President.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, modern medicine is often helpless against some strange and complicated diseases. But if they are treated by an experienced Chinese medicine practitioner, a few prescriptions of medicine will be enough to cure the patient. Traditional Chinese medicine which has a history of 5 000 years is really quite amazing. However, whether the prescription given by Mr David CHU just now for "expediting the incorporation of Chinese medicine into the public health care system" will be effective will depend on the will of Members.

Chinese and Western medicines each has its own strength and curative possibilities. Chinese medicine stresses strengthening the body and helps to regulate bodily functions and strengthen one's immunity. Chinese herbal medicine is mild and has fewer side effects. It is particularly well-suited for treating chronic illnesses and diseases of the elderly. Its notable curative effects can make up for the inadequacy of Western medicine. In fact, there is also a great demand for Chinese medicine services. According to statistics, 40% of the people regularly take Chinese medicine. But due to the former Government's emphasis on Western medicine and neglect of Chinese medicine, Chinese medicine had no statutory status and been excluded and discriminated against. Most of the public hospitals do not provide Chinese medicine services and forbid in-patients from consulting Chinese medicine practitioners or taking Chinese medicine simultaneously. People can only consult private Chinese medicine practitioners. Moreover, most medical insurance provided by employers to employees does not cover Chinese medicine services. The sick leave certificates issued by Chinese medicine practitioners are very often not recognized and Chinese medicine practitioners have no right to refer patients. Undoubtedly, the development of Chinese medicine in Hong Kong has been subject to enormous restriction for a long time.

However, with the problem of the ageing of the population intensifying all the time, the public demand for Chinese medicine services in future will only increase, especially since Hong Kong has enacted the Chinese Medicine Ordinance, thereby establishing the statutory status of Chinese medicine. The registration of Chinese medicine practitioners has been recently completed. In order to further facilitate the provision of inexpensive and quality Chinese medicine services to the general public, the Government must expedite the incorporation of Chinese medicine into the public health care system. It would be a big joke if Hong Kong is to develop as a Chinese medicine centre and the public health care system does not provide any Chinese medicine services. The

registration of Chinese medicine practitioners has taken us more than five years. Do we have to wait another five years before Chinese medicine services can be provided in Hong Kong's public health care system? In my view, the Government must procrastinate no more. It should not make the cause hot air, as in the case of the "Chinese medicine harbour". It must take action immediately.

Madam President, in the motion on "Developing Chinese Medicine Centre" moved by me on 9 June 1999, I proposed to expedite the incorporation of Chinese medicine services into the public health care system. That is why I fully support the letter of the motion moved by Mr David CHU today. The Democratic Alliance for Betterment of Hong Kong (DAB) is in favour of incorporating Chinese medicine into the public health care system in a gradual and orderly manner. As a first step, Chinese medicine out-patient clinics can be established in a number of public hospitals to provide Chinese medicine out-patient services, while hospitals with resources can designate Chinese medicine beds in their in-patient department for those in need. Next, consideration can be given to setting up Chinese medicine in-patient departments in public hospitals. As to the question of whether independent Chinese medicine hospitals should be set up, we should consider it in conjunction with the training in Chinese medicine. Some universities have already offered degree courses on Chinese medicine, providing an increasing number of places. If the Government has the means of solving the problem of practical training, the setting up of Chinese medicine hospitals can no doubt be put off. Otherwise, setting up Chinese medicine hospitals to provide medical services and opportunities for clinical practice and practical training would be a matter of urgency.

The reason why Dr LO Wing-lok has proposed an amendment is that he fears Chinese medicine hospitals would drain on the already scarce health care resources. Such concern is understandable and yet unacceptable. It is understandable because Dr LO, in his desire to protect the interest of Western medicine, thinks of Chinese and Western medicines as being in opposition to each other, and that one will grow at the expense of the other. I say it is unacceptable because Chinese and Western medicines can complement each other and further the development of each other. The provision of Chinese medicine services can in fact ease the burden on Western medicine, without necessarily reducing the need for Western medicine services. With a growing population, the Government needs to allocate additional health care resources, which can be put into Chinese medical services. The patients' interest should come first. Regardless of whether it is Chinese or Western medicine, we should support it as long as it is good for the patients.

Since the registration of Chinese medicine practitioners has been completed and they now enjoy a statutory status, the DAB thinks that the Government should expeditiously accord to Chinese medicine practitioners the same statutory rights as those of Western medical practitioners. For instance, Chinese medicine practitioners should be given authority to issue statutory medical certificates and sick leave certificates. Moreover, Chinese medicine services should be covered by medical insurance soon and Chinese medicine practitioners should be entitled to making referrals.

Madam President, talent training is extremely important to the development of Chinese medicine services. Apart from allocating additional resources for the formal training of professionals at different levels at the universities, that is, bachelors, masters and even doctors in Chinese medicine, the Government should capitalize on the experience of famous old Chinese medicine practitioners. As the saying goes, the older the ginger is, the more pungent its flavour is. The difference between Chinese and Western medicines is that Chinese medicine attaches great importance to experience. Thus, the older the practitioner is, the more invaluable he is. The Government should inject resources into collecting and cataloguing the clinical experience of famous local old Chinese medicine practitioners. It should encourage them to take up university students in Chinese medicine as trainees in a new master-apprentice system to help young Chinese medicine practitioners accumulate experience and enhance their professional standards.

Apart from Chinese medicine practitioners, Chinese medicine dispensers also play an important role. However, the professional status of Chinese medicine dispensers has not been established by the Chinese Medicine Ordinance and their training is also inadequate.

I so submit. Thank you, Madam President.

MRS SELINA CHOW (in Cantonese): Madam President, I believe Chinese medicine should have a place in Hong Kong. Through the passage of the relevant legislation to regulate and raise the standards of Chinese medicine, and the views expressed in several relevant motion debates in this Council, we have clearly reflected the wishes of the community for giving Chinese medicine its due status.

I believe that people of all strata in society have a general consensus about the importance of Chinese medicine to the overall development of the Hong Kong economy. This Council is very much in favour of the Government's support for and development of Chinese medicine. Therefore, except for the Liberal Party's view on Chinese medicine hospitals put forward by Mrs Sophie LEUNG earlier, we do not have any strong objection to the six measures proposed by Mr David CHU in today's motion.

With regard to this issue, I wish to express our views on the various measures. When we say we should implement the proposal for the establishment of an Institute for Chinese Medicine, and attract the private sector to conduct researches in Chinese medicine and develop the Chinese medicine industry in Hong Kong, it is actually a subjective wish. It is no doubt a good idea. However, many Chinese medicine practitioners have told me that even if they have a strong desire to do so, there is at present inadequate support in Hong Kong in many respects. In particular, in terms of experiments and tests, there are inadequate personnel and facilities to support some active and speedy researches. The Government should pay more attention to this. We must also know that there are many small and medium sized pharmaceutical firms in Hong Kong. These firms and the structure of the whole industry are rather incompatible with the demands and concepts of the now restructured Chinese medicine. While these pharmaceutical firms may have been successful in the past, they are small-scaled and many prescriptions are secret formulas handed down in the family. They cannot meet the more scientific requirements now or adapt to the changes in the overall concept.

As we can see, the output of these pharmaceutical firms has been declining consistently. Their output value dropped from \$240 million in 1995 to \$140 million in 1996. It is in fact dropping at a very rapid rate. If we allow the total output value of these pharmaceutical firms to continue to fall, the industry will die out. Given the present requirements imposed on Chinese medicine, some pharmaceutical firms will inevitably be forced out of business, since our requirements and standards are much stricter than before. Still, I hope the Government can do its best to help them. If these small and medium sized pharmaceutical firms wish to restructure, they cannot do so with their own resources. The Government has to give them more assistance to help them understand the present state of research, so that they can open up new areas of investment and continue to develop after restructuring. I believe that in doing so, the Government can help some of the pharmaceutical firms to carry on their business and offer them a "way out".

In terms of talent training, a colleague mentioned the Chinese medicine dispensers just now. During our discussions on the relevant bill and prior to the passage of the bill, there were some disagreements among Members. Some Members said that since the Chinese medicine dispensers were responsible for making up prescriptions and it was a very important job, they wondered whether we should set up a licensing system to regulate this practice. At that time, we thought that since most Chinese medicine dispensers had several decades' experience and no major errors had been made, we could let them continue to work according to their own experience and there was no need to set up a complicated regulatory framework.

Since Chinese medicine has great prospects now, we must provide support in this respect. The training of even basic personnel must be strengthened, otherwise, our younger generation will not be able to enter the profession. This may create a vacuum. Any colleague who walks into a Chinese medicine shop will see that the dispensers are mostly elderly persons. While an apprenticeship system was implemented in the past, we need an improved structure since Chinese medicine is now developing on a greater scale.

Another point I wish to mention is Mr David CHU's suggestion about vigorously facilitating the exchange of professional knowledge and experience between Chinese medicine organizations in the Mainland and overseas countries and the Chinese medicine sector in Hong Kong. While this is basically a good thing, there is one point that I must raise. During past discussions, some Chinese medicine practitioners did express concern about this. They said that they could only practise after going through procedures such as registration and training (this applies to Chinese medicine practitioners of the younger generation). In the course of these exchanges, if the immigration control is not strict enough, the exchange channels can easily be abused. If the immigration control is too strict, it will hinder the exchanges. Thus, I hope that the Government will implement strict control to facilitate exchanges without jeopardizing the interest of local Chinese medicine practitioners.

Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, Chinese medicine has a long history of several thousand years. It can be said to be a great treasure of the Chinese nation. In recent years, as people increasingly believe

in natural cure, there is a growing demand for Chinese medicine which is highly effectively in terms of strengthening the body, preventing diseases and treating chronic diseases. Due to the neglect of Chinese medicine by the previous Government, the Chinese medicine sector had hardly enjoyed any professional status in Hong Kong. However, Chinese medicine has always played a not negligible role among the grassroots or in community health care in Hong Kong. Since traditional Chinese medicine is inexpensive, it is particularly popular with elderly people and those who are not very well-off. According to the Consultation Document on Health Care Reform, the services provided by approximately 7 000 Chinese medicine practitioners account for some 22% of the total out-patient services. Since its establishment, the SAR Government has actively responded to the community's needs by promoting the development of Chinese medicine in Hong Kong, in contrast with the former Government's neglect of Chinese medicine. This deserves our support and praise. Even so, the Government's policy so far has concentrated on regulation by legislation, without giving adequate support to other conditions necessary for the development of Chinese medicine. If the Government can expedite the incorporation of Chinese medicine into Hong Kong's public health care system, it can certainly further the development of Chinese medicine in terms of talents, resources and professional research. More importantly, it will give the people an option in health care. In my view, in order for Chinese medicine to bring greater benefit to the general public, there are two points that we should note.

First, the Government should expedite the establishment of Chinese medicine out-patient clinics in various districts. Since Chinese medicine emphasizes the strengthening of one's bodily resistance, it is especially useful in primary care. At present, some charitable organizations are operating Chinese medicine out-patient clinics in hospitals under their management, such as in Kwong Wah Hospital, Yan Chai Hospital, Tung Wah Hospital and Pok Oi Hospital. In implementing the relevant scheme, the Government can draw from their experience. Apart from setting up Chinese medicine out-patient clinics in various districts, the Government should also provide Chinese medicine beds in the public hospitals so that patients can receive more comprehensive Chinese medicine treatment. Actually, Chinese medicine can treat a wide variety of diseases. Only by integrating in-patient services and clinical treatment can Chinese medicine be brought into fuller play, such as in the treatment and care of the chronically ill. Moreover, Chinese and Western medicines can be combined to treat patients, drawing on their individual merits. In the long run, the Government should set up Chinese medicine hospitals. Not only can they

provide more comprehensive and specialized Chinese medicine services, they can also provide ample opportunities of clinical practice for the courses and research on Chinese medicine at the universities. At present, there are over 2 600 Chinese medicine hospitals in China and quite a large number of them in Taiwan. These facilities are necessary if Hong Kong is to promote the development of Chinese medicine locally.

Second, there is a great demand for Chinese medicine. Since the law has given Chinese medicine practitioners a professional status and the Government also intends to incorporate Chinese medicine into the public health care system, the Government should amend the relevant legislation to ensure that the certificates issued by registered Chinese and Western medicine practitioners are equally recognized by the law, so that the sick leave certificates and certificates for medical insurance issued by registered Chinese medicine practitioners will be recognized. To this end, the Government should promote the communication between the Chinese medicine sector and the insurance sector and help to bring about the incorporation of Chinese medicine into the coverage of insurance policies. According to a survey conducted by the School of Chinese Medicine and the Department of Social Work of the Hong Kong Baptist University last year, 78.5% of the interviewees thought that private medical insurance should cover Chinese medicine services and that registered Chinese medicine practitioners should be given authority to issue sick leave certificates. It is totally unreasonable if people who consult a Chinese medicine practitioner when they are sick are not entitled to sick leave and compensation from insurance.

Madam President, the purpose of incorporating Chinese medicine into the public health care system is meant to look after public health more comprehensively. This will not affect Western medical practitioners at all. I firmly believe that the purpose of any kind of medicine is to cure patients. Under this premise, the incorporation of Chinese medicine into the public health care system should be welcomed by the Western medicine sector. While some Western medical practitioners may fear competition between Chinese and Western medicine practitioners, such fears are unnecessary for they have different approaches to treating diseases and different and complementary effects. Many people who fall sick will consult Western medical practitioners. Nevertheless, Chinese medicine offers a mild and natural cure and has fewer side effects. People suffering from chronic diseases or who wish to strengthen their bodily resistance may choose Chinese medicine. They will choose according to their own conditions. Thus, incorporating Chinese medicine into the public

health care system merely gives people a good option in health care. Perhaps some may fear that resources will be taken away from Western medicine to fund the development of Chinese medicine, thus resulting in a decline in the quality of service. I hope the Government will develop Chinese medicine on the premise that the present resources for the Western medicine sector will not be reduced. Nevertheless, health care expenditure will increase due to population growth or other factors. Instead of using the additional resources to develop a single health care system, the Government should strike a balance and develop all kinds of possible treatments. Last, we must discard the old unscientific prejudice that Chinese medicine is backward and objectively review the role that Chinese medicine should play.

With these remarks, Madam President, I support the original motion.

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

(No Member responded)

PRESIDENT (in Cantonese): Mr David CHU, you may now speak on the two amendments. You have up to five minutes to speak.

MR DAVID CHU (in Cantonese): Madam President, first, I am very grateful to the Members who spoke just now and the two Members who have proposed amendments to my motion. I am especially grateful to Mrs Sophie LEUNG for her amendment. I did not formulate the part on the Chinese medicine hospitals in my motion very well. Any hospital must be supported by a certain number of Western medical practitioners and instruments and apparatuses.

In the amendment proposed by Dr LO Wing-lok, a Western medical practitioner, I could detect some wariness and fear about the development of Chinese medicine. This is understandable. However, I believe that through communication and co-operation, Chinese and Western medicine practitioners and Hong Kong people can create a win-win-win situation. Thank you, Madam President.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, while Chinese medicine has been practised in Hong Kong for decades and widely used by the public, it was only in recent years that it has come into the limelight. The Chief Executive's vision to develop Hong Kong as an international Chinese medicine centre was announced and reaffirmed in his policy addresses in 1997 and 1998. The motion moved by Mr David CHU today is indeed timely, as we are about to see the first batch of registered Chinese medicine practitioners in Hong Kong later this year, marking a new era in the development of Chinese medicine.

As the first step to develop Chinese medicine in Hong Kong, we are committed to establishing a statutory framework for the regulation of Chinese medicine. The system will help enhance the standard and public confidence in Chinese medicine practice. We have already made good progress on this front. With the enactment of the Chinese Medicine Ordinance in July 1999, providing for a system of registration and discipline, the professional status of Chinese medicine practitioners is given legal recognition. The Chinese Medicine Council (CMC), tasked with the responsibilities of devising and implementing the regulatory measures, was set up in September 1999 and proceeded immediately to prepare for the establishment of a registration system for Chinese medicine practitioners. Following the Legislative Council's endorsement of the relevant subsidiary legislation last year, the CMC invited applications from practising Chinese medicine practitioners for registration under the transitional arrangements as provided by the Ordinance. By the end of the application period which just ended on 30 December 2000, over 8 000 applications have been received. The CMC is now geared up to process the applications. We envisage that the first batch of registered Chinese medicine practitioners will be announced in mid-2001.

Meanwhile, the CMC is consulting the Chinese medicine trade to devise measures for the regulation of the trading and manufacture of Chinese medicines. Subject to the making of the relevant subsidiary legislation, the regulation of Chinese medicines, including the registration of proprietary Chinese medicines and licensing of manufacturers and traders in Chinese medicines, will be implemented in phases, commencing in 2001.

Apart from the regulatory framework, we are also committed to promoting education on Chinese medicine.

To promote the long-term development of Chinese medicine, formal education at tertiary level on Chinese medicine has been introduced in Hong Kong since 1998. Three local universities — the Hong Kong Baptist University, The Chinese University of Hong Kong and the University of Hong Kong (HKU) — are now offering full-time degree programmes on Chinese medicine with a total annual intake of 60. Moreover, the University Grants Committee (UGC) has recently approved a combined-studies programme of Bachelor of Medicine and Bachelor of Surgery/Bachelor in Traditional Chinese Medicine to be organized by the HKU. This seven-year full-time programme, to be offered from 2001-02, will produce medical graduates with a sound understanding of both Chinese and Western medicines to meet the global need for development of an integrative medicine based on modern scientific concepts. The graduates of these programmes will provide much-needed manpower for the future development of Chinese medicine in Hong Kong. The CMC will assess these Chinese medicine programmes to decide whether they meet the required standards. The Government will closely monitor and assess the demand and supply of Chinese medicine practitioners.

With its proven effectiveness in the prevention and treatment of diseases, and maintenance of health, the development of Chinese medicine will give patients another option. In the Consultation Document on Health Care Reform released last month, we propose to introduce the provision of Chinese medicine in the public health care system, and will, as the first step, examine how best out-patient Chinese medicine services may be provided in the public sector. As primary care is one of the strengths of Chinese medicine, this proposal will enable this strength to be maximized for the benefit of patients. In addition, we also propose to pilot the practice of Chinese medicine in selected public hospitals, supporting clinical research, and facilitating the development of standards and models of interface between Western and Chinese medicines. Appropriate referral guidelines will be formulated on basis of the experience so accumulated to support the development of combined application of Chinese and Western medicines.

I would like to point out here that, while we are prepared to provide Chinese medicine services in addition to Western medicine services in hospitals, we have no plans to set up "Chinese medicine hospitals" solely for the provision of Chinese medicine service. Our long-term objective is to promote the co-operation of Chinese and Western medicines to provide brand new health care and treatment services for the public. We believe that a hospital providing both

Chinese and Western medicine services will serve the best interest of patients in the long term. The views put forward by a number of Members earlier echo our idea.

On research, the Innovation and Technology Commission (ITC) is actively planning for the establishment of an Institute of Chinese Medicine (ICM) to act as a convergence point for action and co-ordination in the development of Chinese medicine research in order to promote Hong Kong as an international Chinese medicine centre.

The ICM, to be set up shortly under the Applied Science and Technology Research Institute, will formulate strategies for the development for Chinese medicine in Hong Kong and promote the development of standards for Chinese medicine materials and products. It will also facilitate the standard certification process in collaboration with the relevant authorities. The Institute will initiate, fund, co-ordinate and manage public sector research and development (R&D) programmes and projects in the Chinese medicine field, and promote the commercialization of R&D results. Moreover, it will promote partnership with the private sector to add value to Chinese medicine products. The ICM's capital and recurrent expenditures will be met by public fund. In addition, the Hong Kong Jockey Club Charities Trust has donated \$500 million to support the research and applied research activities of the Institute.

In recent years, the private sector has shown an increased interest in investing in Chinese medicine-related businesses. Private enterprises are making use of the research expertise in Chinese medicine of our universities built up over the past years with the support of the Government's Innovation and Technology Fund (ITF). Indeed, government funding in excess of \$100 million has been committed to financing Chinese medicine projects over the past few years.

On the regulation of health care professionals, we have all along adopted the principle of "professional self-regulation". Under this time-honoured principle, the CMC of Hong Kong, which consists mainly of persons from different sectors of Chinese medicine, was set up to regulate Chinese medicine. So was the Medical Council of Hong Kong for the regulation of Western medicine. The Department of Health has already taken the initiative of introducing the regulatory system of Chinese medicine to the Medical Council of Hong Kong and the Hong Kong Medical Association respectively. I am sure the regulatory bodies of the two professions will liaise and exchange information of mutual interest as appropriate.

Active exchanges among the Chinese medicine organizations in the Mainland and overseas and the local Chinese medicine sector have been going on for many years. The Preparatory Committee on Chinese Medicine visited the relevant mainland institutions in Beijing and Guangzhou between 1996 and 1999. After I took up the office of Secretary for Health and Welfare, I visited the relevant regulatory bodies in the Mainland in February 2000. In April 2000, the Department of Health co-organized with the World Health Organization (WHO) a meeting of international experts on "Methodologies on research and evaluation of traditional medicine". The WHO has recently published guidelines on the subject based on discussions at the meeting.

The Department of Health maintains close liaison with Chinese medicine institutions in the Mainland and overseas. Building on the existing network, the Department will actively explore ways and means to facilitate exchange of ideas, knowledge, expertise and experience in Chinese medicine among Hong Kong, the Mainland and overseas countries so as to promote the development of Chinese medicine in Hong Kong.

As regards statutory rights, registered medical practitioners and dentists may now issue certificates for employees, which would be recognized for the purposes of calculating sickness allowance, granting of sick leave, and the calculation of compensation for employment-related injuries and occupational diseases. The Government is now consulting the relevant parties on the role of registered Chinese medicine practitioners under the appropriate labour legislation.

In closing, Madam President, I wish to reassure Members that we are committed to promoting the development of Chinese medicine in Hong Kong, both as a health care system in its own right for the benefit of the needed and patients and as a business opportunity by developing Hong Kong into a world-class international centre of Chinese medicine. Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Dr LO Wing-lok to move his amendment to the motion.

DR LO WING-LOK (in Cantonese): Madam President, I move that Mr David CHU's motion be amended, as set out on the Agenda.

Dr LO Wing-lok moved the following amendment: (Translation)

"To delete "public" after "the incorporation of Chinese medicine into the"; to delete ", " after "health care system" and substitute with "and, under the premise that public resources are limited, formulate policies that define the scope and mode of Chinese medicine services in public health care,"; to delete "providing the impetus for the Hospital Authority,"; to delete ", to expedite the introduction of Chinese medicine services, including clinical research and treatment, in hospitals under its management and to establish Chinese medicine hospitals" and substitute with "in public medical institutions on a trial basis, examining the feasible mode of providing Chinese medicine in-patient services in hospitals"; to delete "allocating additional resources for" and substitute with "reviewing whether the professional courses on Chinese medicine offered by"; to delete "to offer more professional courses on Chinese medicine, so as to nurture talents and enhance the standard of the profession" and substitute with "meeting the practical needs of the development of local health care services, and assessing comprehensively the manpower resource requirement of the Chinese medicine profession in Hong Kong after the registration of Chinese medicine practitioners has been completed, so as to facilitate long-term education and manpower planning"; to delete "co-operation" after "promoting exchanges and" and substitute with "co-ordination"; and to delete "encourage the combined application of" and substitute with "foster mutual understanding between health care professionals in". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr LO Wing-lok to Mr David CHU's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Dr LO Wing-lok rose to claim a division.

PRESIDENT (in Cantonese): Dr LO Wing-lok has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Mr Timothy FOK, Mr LAW Chi-kwong, Mr Abraham SHEK, Miss LI Fung-ying, Mr Henry WU, Dr LO Wing-lok and Mr LAU Ping-cheung voted for the amendment.

Mr Kenneth TING, Mr James TIEN, Mrs Selina CHOW, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Tommy CHEUNG, Mr Michael MAK, Mr LEUNG Fu-wah and Mr IP Kwok-him voted against the amendment.

Geographical Constituencies and Election Committee:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG and Mr NG Leung-sing voted for the amendment.

Miss Cyd HO, Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Dr TANG Siu-tong, Mr David CHU, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the amendment.

Prof NG Ching-fai abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 28 were present, 14 were in favour of the amendment and 14 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 25 were present, 11 were in favour of the amendment, 12 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Now that we have dealt with Dr LO Wing-lok's amendment, Mrs Sophie LEUNG, you may move your amendment.

MRS SOPHIE LEUNG (in Cantonese): Madam President, I move that Mr David CHU's motion be amended, as set out on the Agenda.

Mrs Sophie LEUNG moved the following amendment: (Translation)

"To delete "and to establish Chinese medicine hospitals"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mrs Sophie LEUNG to Mr David CHU's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mrs Sophie LEUNG rose to claim a division.

PRESIDENT (in Cantonese): Mrs Sophie LEUNG has claimed a division. The division bell will ring for three minutes.

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

PRESIDENT (in Cantonese): Ms Audrey EU, do you wish to cast your vote? We are voting on the amendment moved by Mrs Sophie LEUNG to Mr David CHU's motion.

PRESIDENT (in Cantonese): If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Timothy FOK, Mr LAW Chi-kwong, Mr Abraham SHEK, Miss LI Fung-ying, Mr Henry WU and Mr Tommy CHEUNG voted for the amendment.

Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Dr Philip WONG, Mr LEUNG Fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the amendment.

Miss Margaret NG, Mr Michael MAK and Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Ms Audrey EU and Mr NG Leung-sing voted for the amendment.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LAU Kong-wah, Miss CHOY So-yuk, Dr TANG Siu-tong, Mr Frederick FUNG, Mr David CHU, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the amendment.

Prof NG Ching-fai abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 17 were in favour of the amendment, six against it and three abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 26 were present, 15 were in favour of the amendment, nine against it and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

(Note: The voting result was later revised with the President's consent after Dr LUI Ming-wah had indicated during the meeting that his vote had not been included in the voting result. Dr LUI Ming-wah had voted for the amendment. Therefore, the voting result of Members returned by functional constituencies should be: 27 present, 18 in favour of the amendment, six against it and three abstained.)

PRESIDENT (in Cantonese): Mr David CHU, you may now reply and you have up to 10 minutes 24 seconds.

MR DAVID CHU (in Cantonese): Madam President, may I recommend some Chinese herbal medicines to colleagues to convince them to expedite the incorporation of Chinese medicine into the public health care system?
(Laughter)

PRESIDENT (in Cantonese): Mr CHU, you may.

MR DAVID CHU (in Cantonese): Thank you, Madam President. The Chinese herbal medicines Twenty-Four Flavours and Wuji Baifeng Pill are very effective for reducing one's internal heat. They can make people more gentle. Those who take these two kinds of medicine will never protest by "lying on the street" or say things like "how could it be!". *(Laughter)* If Miss Emily LAU takes a dose of Twenty-Four Flavours before a meeting, she will very soon become "Gentle LAU". *(Laughter)* If she then takes a Wuji Baifeng Pill before going home, her husband will soon call her "little lamb", as reported by the newspapers. *(Laughter)* For those who are irascible by nature and like to scold other people, or make much ado about nothing, the bezoar heart-clearing pill is very effective. If Mr Albert CHAN, Mr CHEUNG Man-kwong and Mr Andrew CHENG take lots of bezoar heart-clearing pills, it may help them a little, but only a little. *(Laughter)* As for Mr Jasper TSANG (who is not in the Chamber right now), he has been looking rather "green" in the face ever since the last Legislative Council Election. All of us can see that. But do you know why? It is not on account of Mr Gary CHENG, but on account of Miss CHOY So-yuk who was sent by the Hong Kong Progressive Alliance to help them in the direct elections. Not only did Miss CHOY So-yuk win, but she won a seat for her partner as well. As a result, Mr TSANG feels much threatened and under pressure. It has created a situation where the yin and the yang have lost balance. *(Laughter)* As we all know, Miss CHOY So-yuk is sometimes very hard to bear. *(Laughter)* That is why I suggest that Mr TSANG should

MRS SELINA CHOW: Point of order.

PRESIDENT (in Cantonese): Mr David CHU, please sit down first. Mrs Selina CHOW, do you wish to raise a point of order?

MRS SELINA CHOW (in Cantonese): Madam President, though we all appreciate Mr David CHU's remarks, I still wish to know the relevance of his remarks to the points raised in the motion today.

PRESIDENT (in Cantonese): Mr David CHU, can you state the relevance of your remarks to the motion?

MR DAVID CHU (in Cantonese): Madam President, yes, I can. I wish to give a clear description of the effectiveness of Chinese medicines, in the hope of convincing Members to support their future development in Hong Kong.
(Laughter)

PRESIDENT (in Cantonese): Mr CHU, please sit down first. Mrs Selina CHOW, do you still have any point of order?

MRS SELINA CHOW (in Cantonese): Madam President, in motion debates, our remarks must all bear direct relevance to the motion. Though Mr David CHU is certainly well-intentioned, I notice that his remarks were not directly relevant to the motion today.

PRESIDENT (in Cantonese): Mr David CHU, your motion has been amended by Mrs Sophie LEUNG, so you should speak on the motion, that is, the six measures that can speed up the incorporation of Chinese medicine into the public health care system. You must establish the relevance of your remarks to the motion, or else I shall again ask you to speak on the motion or direct you to stop speaking.

MR DAVID CHU (in Cantonese): Very well, Madam President. If Chinese medicine is incorporated into the public health care system, every Legislative Council Member who is also a member of the public will be able to enjoy Chinese medicine services. As such, this theme is directly relevant to the motion. For instance, when I look at Mr Martin LEE

DR YEUNG SUM (in Cantonese): Madam President, point of order.

PRESIDENT (in Cantonese): Mr CHU, please sit down first. Dr YEUNG Sum, do you have a point of order?

DR YEUNG SUM (in Cantonese): Madam President, the incorporation of Chinese medicine into the public health care system is a very serious issue. If the President allows the Honourable Member to continue his speech, I am afraid the record will show a dramatic end to a serious debate. As far as I am concerned, this is a point of order that I must raise.

PRESIDENT (in Cantonese): Dr YEUNG Sum, I must act in accordance with the Rules of Procedure. I have already reminded Mr David CHU that his speech must be relevant to the motion.

Mr David CHU, if you wish to continue your speech, you must make sure that it is relevant to the motion. Otherwise, I will find it hard to convince Members that I am acting in accordance with the Rules of Procedure.

MR DAVID CHU (in Cantonese): Such being the case, I will just express my thanks to the President and wish Honourable Members a happy Chinese New Year! But then, is wishing Members a happy Chinese New Year relevant to this motion debate? *(Laughter)*

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr David CHU, as amended by Mrs Sophie LEUNG, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Second motion: Developing renewable energy resources.

DEVELOPING RENEWABLE ENERGY RESOURCES

DR RAYMOND HO (in Cantonese): Madam President, I move that the motion as printed on the Agenda be passed.

Some Honourable colleagues may recall that this Council discussed a motion on sustainable development in October 1998. The principle of sustainable development was agreed by an overwhelming majority of Members. However, we would still need to make great efforts if we are to adhere to this principle. The issue of energy alone is an urgent issue that deserves our concern. During the past few decades, as Hong Kong made rapid economic progress and as people lived a more affluent life, our consumption of energy was increasing all the time. We have been relying quite heavily on fossil fuels and our power generation mainly uses this kind of fuels which will cause pollution. Among the fuels used, coal and fuel oil account for more than 60% of the fuels used. A great amount of greenhouse gases such as sulphur dioxide and carbon dioxide is released in the process of power generation, with serious impact on air quality. As a matter of fact, 75% of the greenhouse gases in Hong Kong are released by the power generating plants, while 23% are produced by vehicle emissions.

As fossil fuels are not produced in Hong Kong, we have to rely on imports. Our energy supplies and fuel prices are therefore susceptible to changes in the

supply and demand situation of the world market or to the manipulation by certain countries and organizations. The confusion caused in a number of countries in Europe as a result of the surge in oil prices September and October last year was enlightening to us.

Doubtless we have a steady and reliable power supply. But as a place with a high power consumption, we need to think of the adverse effects on our environment as a result of our reliance on fossil fuels for power generation, especially in view of the worldwide increasing concern for greenhouse effect. As an economically advanced place, Hong Kong has the responsibility of reducing the emission of greenhouse gases. At the same time, our population is growing at an estimated rate of about 1 million in every 10 years. Over the past seven years, our population has grown about 1 million. When this growth in population is added to the demands for economic development and improvements to the quality of living, the demand for electricity will be on constant increase and there will be more consumption of fossil fuels the reserves of which are limited. This will not only be not friendly to the environment, but also inconsistent with the principle of sustainable development.

According to estimates done by the relevant parties, given the currently predominant coal-fired power generation method, the estimated emission of carbon dioxide a decade from now as a result of power generation would be as much as 3 900 tonnes. It represents an increase of 25% compared to 1998 and it will cause damage to the ozone layer in the long run. So I think we need to reduce our reliance on fossil fuels and develop renewable energy resources expeditiously. As far as I know, pilot projects on renewable energy resources have been undertaken by the Government recently. In last November, a 32-month consultancy contract was awarded to an international environmental engineering firm. However, I think that more efforts should be put in by the Government on the development and application of renewable energy resources, and the pace of such efforts should also be accelerated.

Renewable energy resources refer to those natural energy resources which will not be depleted. These include solar energy, wind energy, biomass energy, hydrogen power, geothermal power, tidal power and application of methane produced by waste, and so on. Owing to certain objective constraints, it is not possible for Hong Kong to develop all renewable energy resources. Large-scale hydro-electric power and geothermal power, and so on would be difficult to develop here. However, we do possess some geographical conditions that can

give us certain edges in developing other forms of renewable energy. For example, we have ample sunshine throughout the year and this is conducive to the development of solar energy. Solar energy can be used to produce electricity by the installation of photovoltaic (PV) panels in our high-rise buildings and on the sides of streets. The energy thus produced can be used to provide electricity to various facilities, including the 114 000 street lamps. This will save money and reduce the consumption of other conventional energy resources. In terms of wind power, some places in Hong Kong also have potentials for such development. An article by the Friends of the earth on renewable energy published recently points out that the wind velocity at Waglan Island is 6.6 m per second, even higher than that in Germany which sees the greatest application of wind power in generation of electricity. In addition, we can explore the application of biomass energy. We can use some technology to make use of organic materials to generate power or to convert them into fuels. For example, organic waste can be converted into natural gas and later decomposed into hydrogen and carbon. Hydrogen is a clean new source of energy and it is renewable. It can be used as a fuel in transport, heating and power generation. In fact many automobile companies are studying into engines powered by fuel cells using hydrogen. Research should also be undertaken on other renewable energy resources with development potentials.

Apart from our natural environment which is favourable to the development of renewable energy resources, there are many local experts who are undertaking research on renewable energy resources. Many academics in the local tertiary institutions are doing research work in this area. In the Department of Building Services Engineering in the Hong Kong Polytechnic University, for example, the staff there are doing serious research into the application of PV panels in the production of electricity in buildings. The Hongkong Electric Company Limited has recently commissioned the Friends of the earth to research into the feasibility of using wind to generate electricity. Test stations have been set up on Lamma Island and Po Toi Island for this purpose.

Our pace in the development of renewable energy resources is apparently slower than that of the Mainland. As much attention is paid in the Mainland to the development of renewable energy resources, and as the Mainland possesses suitable resources and natural conditions, considerable achievement has been made in this respect. It is known that the technologies for the production of methane from organic waste, wind power, geothermal power, and PV systems

are quite mature and products have been launched onto the market gradually. China has a total of 19 wind power sites with a total power generating capacity of 220 000 kW. The total area covered by geothermal heating facilities is more than 8 million sq m. There are more than 200 facilities using industrial sewage to produce electricity, and there are 540 facilities making use of animal waste. These two types of facilities produce as much as 400 million cu m of methane each year. As a Special Administrative Region of China, Hong Kong can make use of its close ties with the Mainland and co-operate with it in the development of renewable energy resources.

We can make use of the experience of the Mainland in the research on renewable energy resources. Meanwhile, with the advantage we enjoy in international exchanges, we can speed up our research in renewable energy resources. In the promotion of the application of renewable energy resources and the development of related industries, we can make use of our excellent transportation and information networks, our good legal system and financial system, as well as our sound financing services, our free economy and efficient manpower resources to help us attain a leading position. We can then make the development of technologies in respect of renewable energy resources and such application an important part of our programme of developing innovations and technologies, eventually turning it into an industry. This industry will include research and development of the relevant technologies, systems design, manufacture and maintenance of equipment, facilities, and so on. Each and every part of it can create many job opportunities conducive to the diversification of our economic development.

The development and application of renewable energy resources in Hong Kong is very slow, mainly because of the lack of related policies by the Government and the lack of commercial application for renewable energy resources. On the contrary, many advanced countries such as the United States, Germany, Britain and Canada have made considerable progress in the technologies of renewable energy. This is attributed to the efforts made by their respective governments and the attention paid by the public on sustainable development. The governments of these countries provide the necessary support for the development of renewable energy there. Amendments have been made to related policies and specific objectives formulated to facilitate the application of renewable energy resources. For example, the President of the United States announced recently that by 2010, the country would produce rooftops for 1 million houses which utilize solar energy. The fitting of solar cell panels on rooftops not only save conventional materials for rooftops, but also produce electricity to meet the demands of these houses.

To achieve a take-off in the development of renewable energy resources in Hong Kong, the Government must give financial assistance to those research projects with potentials, especially at the initial stage. The Government should also set aside funding to undertake some essential pilot projects in order to speed up the development of the relevant technologies. At the same time, the Government should also assume a co-ordinating role and liaise with related organizations such as research institutes, power companies, oil companies, fuel suppliers and green groups. The aim is to co-ordinate research and development (R&D) projects, enhance the efficiency of research efforts, and prevent the overlapping of R&D projects, thereby reducing the costs of development and increasing our competitiveness in the world market.

Some people may think that it is very costly to develop and use renewable energy resources. It is certainly so at the initial stage, but in the long run, with the advancement in technology, maturing of the relevant technologies and large-scale application, the costs in the production of renewable energy can be reduced to competitive levels. In addition, many people will doubt whether the holders of vested interests like oil companies and power companies using conventional generation methods will be enthusiastic about the development of renewable energy resources. Such worries are well-founded. However, I am quite optimistic about this, for the development and application of renewable energy resources are already a global trend. In many advanced countries, power companies, oil companies and automobile manufacturers have all injected enormous resources into undertaking researches on renewable energy resources. As far as I know, the two local power companies have made different studies on renewable energy resources. These include the feasibility study on the use of wind power to generate electricity mentioned by me earlier, and the building of an advanced power generating plant in Tuen Mun which utilizes the waste incinerating facilities to generate electricity and to make cement as reported in the newspapers earlier. These show that commercial organizations can play an important role in the development of renewable energy resources, especially when the energy consumers tend to choose renewable energy resources and when the Government is formulating complementary policies.

Compared to consumers in the West, the local community has only limited knowledge of renewable energy resources. So if we are to put in efforts on the development of such energy resources, the Government should enhance promotional efforts in this respect. Our young people should be particularly told the importance of energy conservation and the importance of renewable

energy resources to sustainable development. I believe many young people have never thought about the question of the depletion of energy resources. For the young people, it will only be a simple thing as pressing a button, then there will be uninterrupted supply of electricity. To make a complete overhaul of the concepts of energy among the public, the Government should enhance publicity efforts on renewable energy resources. When the public realizes the importance of renewable energy resources and sustainable development, they will accelerate the use of such resources through their influence in the market as consumers.

Moreover, it is very important for the Government to devise complementary policies and legislation. The application of renewable energy resources is subject to restriction by the current rules and regulations, especially those regarding power supply. These include the problem of interconnection with power transmission networks faced by customers who prefer to use electricity generated from renewable energy resources. Since the profit control scheme which monitors the power companies is due to expire in 2008, it is time for the Government to review the related policies and to devise a long-term energy policy. The Government should consider giving tax concessions as economic incentives to encourage more companies to invest in the development of renewable energy resources. With regard to the purchase and installation of systems and facilities for renewable energy resources, the Government should also give some concessions so as to attract more companies and members of the public to join the ranks of those who use renewable energy resources.

Madam President, the development of renewable energy resources in Hong Kong will attain the double benefits of developing innovation and technology and meeting the requirements of sustainable development.

With these remarks, I beg to move.

Dr Raymond HO moved the following motion: (Translation)

"That, in view of the limited reserves of fossil fuels, which render their prices susceptible to changes in supply and demand in the world market or to manipulation by certain countries and organizations, and as the consumption of such fuels also leads to environmental pollution, it is necessary for Hong Kong to actively develop and utilize renewable energy resources; this is not only a way to identify and make the best use of local

scientific and technological research talents and natural resources, but is also in line with government policies on innovation and technology, as well as the principle of sustainable development; as such, this Council urges the Government to adopt the following measures as soon as possible to expedite the development of renewable energy resources and their introduction into Hong Kong:

- (a) actively formulating a policy on the development of renewable energy resources, and making use of Hong Kong's advantages on various fronts, including its natural environment, availability of the relevant scientific and technological research talents, free flow of information, advanced communication equipment, sound financing services and close co-operation with the Mainland in scientific and technological research and development, so that Hong Kong will become a leader rather than just a follower in the development and utilization of renewable energy resources; and
- (b) apart from policy support, providing sufficient financial support to facilitate researches in and development of renewable energy resources, and promoting the necessary pilot projects."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr Raymond HO be passed.

DR LUI MING-WAH (in Cantonese): Madam President, as economic development and population expansion will consume a large amount of energy resources, the fossil fuels on earth that can generate energy are depleting rapidly. Moreover, since the combustion of such fuels will produce a number of pollutants including gases and particulates, thus impacting on the air quality, many countries are now making an active effort to develop new sources of energy and to enhance the effectiveness of hydro-electric power. At present, due to various reasons the generation of power by solar energy, wind energy, geothermal energy, tidal power and methane facilities cannot be put into application on a large scale. As regards power generation using hydrogen, the technology has not seen extensive application because of imperfect technology and exorbitant costs. Although atomic energy is the most cost-effective alternative to fuels in power generation, the potential radiation problem and the

safe disposal of radioactive waste have caused many countries to give up on the technology.

As far as the issue of energy resources is concerned, Hong Kong is in a rather passive position. Given that we do not have any natural resources that can be used to generate electricity, and that the use of solar energy can only serve a supplementary purpose, Hong Kong must actively develop new types of energy resources. In this connection, we can give consideration to two possibilities, which are, namely, combustible ice and permanent-magnet power generation. Many countries are currently looking into these directions. Combustible ice is a kind of high power fuel stored in deep oceans, the exploration of which will require enormous investments. This is just something Hong Kong cannot afford with its financial and technology capacity. Permanent-magnet power generators, however, can operate on a long-term basis without the support of other energy resources. As such, the Hong Kong Government should take action immediately by organizing technological personnel to conduct researches in this direction. Upon the successful completion of such researches, each and every family in Hong Kong will have an inexhaustible and pollution-free energy supply provided by its own power generator. Actually, this power generator promises unlimited economic and social effectiveness. I hope the Government will support without reservation the development of this product of great potentialities.

MR LAW CHI-KWONG (in Cantonese): Madam President, many Honourable colleagues have asked me what "renewable energy resources" really meant, as they could not get even the least idea from the term itself or its translation. The various sources of energy referred to by Honourable colleagues just now, such as solar energy, wind power, geothermal energy, hydro power, tidal power and wave power, are some examples of renewable energy resources. Whilst these energy resources all originate in nature, there are also other renewable energy resources that are not produced naturally.

The fact that the application of renewable energy resources has yet to achieve popular application worldwide is mainly attributable to the more expensive costs compared to traditional fossil fuels. As Members all know, the consumption of fossil fuels will lead to not only problems like intense pollution and resources depletion, which can be real headaches, but also other environmental issues because a large amount of pollutants are produced in the consumption process of such conventional energy resources.

As regards our neighbours in Southeast Asia, Taiwan, for example, compares more favourably with Hong Kong in terms of its renewable energy research studies and facilities. In this connection, Taiwan has laid down a clear direction and objectives for the development of wind power, solar energy and geothermal energy. So, there is indeed a need for Hong Kong to make an effort to catch up.

The potentials of Hong Kong lie in several areas. With regard to wind power, according to the assessment of the German Federal Government Commission on the Protection for the Atmosphere, an area the average annual wind velocity of which exceeds 4 m per second should have the potential for developing power generation by wind energy, and the costs involved could be significantly reduced if the wind velocity should reach 6 m per second. The wind velocity at Waglan Island, Hong Kong, for example, is 6.6 m per second. Hence, Hong Kong really has the potentials for developing power generation by wind energy; the only problem remains that we do not have the necessary planning and policy support. Earlier Members have referred to a research study conducted by the Friends of the Earth. According to the said research study, if a large number of wind-powered generators were built along the offshore areas off Hong Kong waters, the electricity so generated could be able to meet 72% of the demand of Hong Kong in 1998. Certainly, this was only a hypothetical analysis. But then, it did reflect to the full the potential of Hong Kong in developing power generation by wind energy as well as the capital outlay that we should take into consideration.

As regards power generation by solar energy, actually we have discussed this issue for many years. I believe there is a lot more the Government can do. In this connection, the Government indicated earlier an intention to relax the plot ratio as a means to encourage developers to construct environmentally-friendly buildings with solar-powered electricity generators. The Democratic Party fully supports this proposal and hopes that the Government will co-operate more with developers in this respect.

We have also discussed for quite some time the issue of power generation by methane. The methane produced at the landfills in Hong Kong is very suitable for use as fuel to generate electricity in terms of its amount, composition and lifespan. The Government should proactively make use of tax concessions and relevant policies to encourage large enterprises in the private sector to invest in the facilities for the development of methane produced at landfills as fuel for

power generation. That way, the repair and maintenance costs for landfills, which amount to hundreds of million dollars per site currently, would be reduced significantly.

After completing its first methane-powered electricity generation plant in 1999, the Taiwanese Government has contracted out the operation of the plant and started earning profits from the electricity sold. In March last year, I have written to the Government to follow up the methane utilization proposal to be implemented at the Tseung Kwan O landfill and the Lam Tin landfill in New Territories East. The reply from the Government was that no details could be disclosed then, as the proposal was only at its inception stage. I hope the Government can inform us of the progress of the proposal today.

In my opinion, the greatest obstacle to the development of renewable energy resources remains in the fact that the Government has just given the power companies approval to spend \$20 billion-odd on expanding the power generation plants. Given that the higher the demand for electricity, the greater will be the profit made by the power companies, naturally the power companies will be more than ready to push up the demand for electricity. Moreover, the lack of competition also makes it unnecessary for the power companies to spend money on the development of renewable energy resources. As the Scheme of Control Agreements executed between the Government and the power companies will expire in 2008, which is just eight years from now, the Government should immediately put in active efforts to explore and develop the application of renewable energy resources, with a view to developing it on a full scale when the market conditions are ripe.

With regard to the motion today, which urges the Government to promote pilot projects and to facilitate researches in the development of renewable energy resources, the Democratic Party will certainly give it our support. Nevertheless, we hold that the crux of the matter still lies in the sincerity of the Government in implementing the results of the pilot projects in the long run. The Democratic Party suggests that the Government should set down a goal as a first step. In order to promote the application of renewable energy resources, Taiwan has made it the goal to have 3% of its power demand met by renewable energy in 2020. This may perhaps be on the low side, but at least this is a goal. For our part, at what level should we set our goal?

On the other hand, the Government should consider making use of its taxation policy. At present, the various social costs are not included in the costs of power generation. But then, the existing method of using fossil fuels for power generation does involve social costs, only that the relevant social costs have not been included in the overall cost of power generation, thereby making it impossible to effectively reflect the environmental cost resulting from the pollution problems created during the process. The Government should consider making use of taxation policies to internalize these so-called external costs, so as to indirectly encourage the application of environmentally-friendly renewable energy resources. I think this measure is worth looking into.

The third consideration is of course resources support. The Government must put in more resources to promote energy conservation and enhance energy efficiency as well as research and development efforts, with a view to giving a new impetus to the development and application of energy.

Lastly, I should like to speak a few words on the proposal for "waste-to-energy incineration". As indicated in a research study conducted in the United Kingdom, although waste incineration can generate electricity, the amount of energy so produced is 3.6 times less than that saved through waste recycling. I should also like to alert Members to the fact that many operators will add in coal or other types of fuels during the waste incineration process to help stabilize the generating capacity of waste-to-energy incinerators. Such practice is by no means environmentally friendly. Therefore, the Democratic Party still has reservations about the "waste-to-energy incineration" proposal.

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

MR HENRY WU (in Cantonese): Madam President, in as early as the '70s the oil crisis prompted Western countries to look into the application of renewable energy resources in a more active manner. What are renewable energy resources? Renewable energy resources are energy resources that the earth can supply continuously and the consumption of which will lead to far less environmental pollution than conventional energy resources, including solar power, hydro power, wind power, geothermal power and fusion power.

Actually, I have studied energy systems engineering in Canada and have therefore gained some knowledge in renewable energy resources. In particular, I have done some research in the use of such energy resources in power generation.

In these past 20-odd years, the development of power generation by renewable energy resources for commercial purposes has remained on the slow side and never been put into extensive application. This is mainly attributable to the various inherent limitations of these energy resources in such aspects as geographic environment, cost-effectiveness, unexpected changes of Mother Nature, precision instruments, supporting facilities, and so on. Power generation by solar energy, for example, requires vast stretches of area for installing photovoltaic cells. But then, we must also take into consideration that there are times when the sun just does not shine. If we are to generate electricity with wind power or wind energy, we need take into consideration the days on which the wind velocity and strength are too weak. As regards hydro-electric power, despite its long history, this method of power generation is still affected by such factors as interruptions in or insufficient water flow. For these reasons, the commercial application of electricity generation by renewable energy resources has yet to be further developed. Having said that, the use of renewable energy resources in small projects and programmes has indeed made some progress and achievement over the past 20-odd years. Solar energy and wind power, for instance, are being utilized in daily household activities to help reduce the depletion of other conventional energy resources.

In experts' estimation, the reserves of fossil fuels on earth that can be utilized to generate electricity are depleting. For example, it is estimated that the reserves of petroleum and natural gas will last for another 41 years and 64 years respectively. As regards coal, although the world's existing coal reserves are estimated to last for more than 200 years, they will still be used up sooner or later. Looking back on the past oil price increase incidents, we can see just how significantly the world economy has been affected by changes in oil supply. Hence, it is inevitable that the economic development of Hong Kong will also be restrained by the availability of energy resources, thereby affecting the people's livelihood eventually.

As pointed out by the Chief Executive in his policy address, innovation and technology is an important element essential to the sustainable development of Hong Kong. In expediting researches in and encouraging the application of renewable energy resources, we will be opening up new opportunities for the development of technology in Hong Kong and at the same time contributing to the conservation of the world's limited natural resources. For these reasons, I agree very much with the motion moved by Dr Raymond HO today. It is indeed regrettable that Hong Kong is visibly lagging behind other cities in the region in the development and application of renewable energy resources. It was only in November last year that the Government of the Special Administrative Region (SAR) awarded for the first time a \$4.9 million consultancy contract for a comprehensive study of the feasibility of the application of new energy resources and renewable energy technology in Hong Kong. But then, this study would take a long period of 32 months to complete. As regards the first solar-powered street lighting system in Hong Kong, it was installed in the Kadoorie Farm and Botanic Garden in September last year.

On the other hand, both mainland China and Taiwan have invested a lot more efforts and resources than Hong Kong into developing renewable energy resources. In order to encourage the development and application of renewable energy technology, the Chinese Government has altogether invested some US\$250 million and loaned out close to US\$250 million in these past 20 years. Recently, it has even completed the planning work for the development of new energy resources and renewable energy resources in the coming 15 years. In Taiwan, the Taiwanese Government has also planned to commit US\$70 million before 2010 to carrying out 24 major development programmes including a renewable energy resources pioneer programme.

Madam President, according to recent estimations, about 15% to 20% of the world's energy demands are met by renewable energy resources, and the ratio would rise to around 50% by the middle of the 21st century. If the SAR Government should put in more resources (including financial support) to expedite the researches in and development of renewable energy resources, it would certainly open up enormous business opportunities for the development of high technology in Hong Kong and the future application of renewable energy resources. In so doing, it could also contribute to the conservation of the earth and the environment.

With these remarks, Madam President, I support the motion.

MISS CHOY SO-YUK (in Cantonese): Madam President, I am not going to dwell on the advantages of renewal energy resources, nor am I going to talk about the limited reserves of fossil fuels and the economic and environmental impacts produced by such fuels. I only wish to call upon the Government to attach importance to renewable energy resources and incorporate them into its energy policy.

The electricity supplied in Hong Kong is generated predominantly by the thermal method. But as a worldwide trend, many governments have been gradually increasing the use of renewable energy resources as part of the energy supply of their countries, and they have also been endeavouring to increase the proportion occupied by renewable energy resources. The United States Government, for example, expressed its hope in early 1999 that by the year 2010, 7.5% of the total energy supply of the United States could come from renewable energy resources other than hydro power. Although this target is much too lofty and was thus dismissed as unrealistic even in the United States, it can at least reflect the position of a government regarding environmental protection, energy utilization and also the relevant technological research. Similarly, the German Government also hopes that by the year 2010, the application of renewable energy resources can occupy a higher proportion in the country. And, in Taiwan, it is also hoped that the utilization of renewable energy resources can occupy 3% by the year 2020. The energy policy of Hong Kong really needs reflections and changes in respect of the utilization of renewable energy resources, and it also needs to catch up with the rest of the world.

The DAB is of the view that the SAR Government needs to work in three areas in relation to its policy on renewable energy resources. First, it should conduct a study on the potentials of developing renewable energy resources in Hong Kong, so that the people of Hong Kong can be given information that will enable them to know how many places in Hong Kong are suitable for electricity generation by wind power, hydro power, solar power and methane. We know that in late November last year, the Government already commissioned a consultancy study on the utilization of renewable energy resources in Hong Kong. We hope that the Government can make detailed and specific requirements regarding the contents of the report, so as to ensure that the findings can be comprehensive enough to enable Hong Kong to formulate a renewable energy resources policy with the highest cost-efficiency. Since the study will take as long as 32 months, we request the Government to report periodically to the Legislative Council and the general public on its progress.

Although Hong Kong as a whole has had only a very preliminary understanding of renewable energy resources so far, the DAB is very optimistic about their development, believing that they can constitute part of our energy supply. Our optimism is largely due to our observation that some small-scale projects conducted by non-governmental organizations, institutions and universities have yielded achievements and accumulated some experience. Examples include the solar lighting street in Kadoorie Farm, the solar energy feasibility study conducted by the Department of Building Services Engineering of the Hong Kong Polytechnic University, and the successful attempts of university researchers to improve solar energy receptors. The DAB hopes that one day, Hong Kong can follow the example of other countries that are using renewable energy resources and set down a proportion to be occupied by various renewable energy resources in the total electricity production.

Second, besides technical problems, there are also many ancillary measures to be adopted. The experience of other countries shows that a renewable energy resources policy will necessarily involve many incentives. This is also a problem Hong Kong needs to discuss. Since the production costs of renewable energy resources equipment are still rather high, the Government must conduct more publicity and education work if it wishes to rely solely on market demand to foster their development. It is often said that it is easy for people to accept new things, but difficult to make them abandon old ideas. This is also the case with renewable energy resources. The people of Hong Kong will probably welcome the application of renewable energy resources, but it is doubtful whether they are prepared to forego their present convenience and use the electricity generated by various renewable energy resources.

In addition, whether or not the existing power companies in Hong Kong are willing to develop electricity generation facilities using renewable energy resources and whether or not they are prepared to connect electricity generated by renewable energy resources to their systems are also a factor that may hinder the development of renewable energy resources. Therefore, the people's acceptance and the attitudes of the power companies are all policy issues that the Government must explore. And, the Government should not wait until the completion of the consultancy study before conducting such exploration.

Third, about research funding. Since Hong Kong is geared towards developing a wider application of renewable energy resources, it must encourage academics and professional bodies to conduct more research. When it comes to

the enhancement of Hong Kong's scientific research capability, we all realize that it is an important factor determining the competitiveness of Hong Kong in the future. So, even in itself, it merits our serious discussions, and we must exercise a careful choice. Anyway, we all know that this is an age of knowledge-based economy. If we lag behind in terms of scientific research, our economic development will surely be subjected to the influences of those places with advanced technologies. This is also the case with the development of renewable energy resources. Should Hong Kong continue as usual to import the technologies required for its development of renewable energy resources? Or, should it enhance its research funding and strive for breakthroughs to lift its research status in its future policy, with the conviction, the belief that it has lots of potentials to develop some particular types of renewable resources technologies (also called new industries)? The DAB urges the Government to consider these questions seriously. While developing the application of renewable energy resources in Hong Kong, it should not rely only on wholesale importation. Instead, it should make more allowance and allocate more resources, so that we can in time develop our own technologies for the purpose.

With these remarks, Madam President, I support the motion.

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

(No Member responded)

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I wish to thank Dr Raymond HO for proposing this motion.

In the new millennium, the greatest challenge before us is to conserve resources of the earth and protect the natural environment while at the same time continue to cater for the needs and aspirations of human beings. In the face of this challenge, an important task is to explore ways to produce and utilize energy without wasting resources or damaging the environment.

All in all, renewable energy resources refer to inexhaustible energy resources that will not be exhausted by human consumption. However, there is no uniform definition of renewable energy resources in the international community and so, different places have different definitions.

The kinds of renewable energy most commonly used nowadays are solar energy, wind energy and hydro power. In some places, energy is also generated by biological substances, ocean, sewage or sludge. But even in such advanced places as the United States, Europe and Australia, only 6% to 8% of the demand for energy is met by renewable energy, and hydro power is used in most cases.

Hong Kong is a small place with a large population. Coupled with our geographical constraints, it is not easy to generate renewable energy by methods used in other places. For instance, it will be utterly difficult to develop hydro power in Hong Kong.

Having said that, Hong Kong has its own characteristics that can be developed to our advantage. For instance, we have ample sunshine most of the time in Hong Kong, so we may have a greater potential for developing solar energy. As Dr HO has said, the availability of quality talents in scientific research, well-established transportation and communication facilities, and sound financing services in Hong Kong can facilitate this area of work. Our objective is to explore ways to develop renewable energy resources that suit the needs of Hong Kong with reference to our own advantages and constraints.

In developing renewable energy resources, I think we must consider three important factors in particular.

First, we must at the same time proactively promote measures on managing energy demand and improving energy efficiency. It is because if the overall energy demand in society exceeds the supply of renewable energy, we cannot reduce our reliance on fossil fuels.

In the last decade, energy efficiency was increased by 15%. But given the continuous growth in population and the economy, local energy consumption still registered an increase of 22%. Therefore, we must work for more effective energy conservation and enhance energy efficiency, so that we can contain energy demand notwithstanding the ever increasing population and economic activities.

Second, the development and application of renewable energy resources must be beneficial to the overall environment. Particularly, the extraction of renewable energy must consume less energy and release less pollutants and waste than using fossil fuels. Otherwise, the environmental impact of developing renewable energy resources might result in losses rather than gains. For example, while on the surface of it, fuels produced by renewable energy resources seem to be able to reduce the level of vehicular emission, the processing of such fuels might lead to other environmental problems such as the emission of ozone and greenhouse gases. So, the overall environmental benefits of these fuels must be considered carefully.

Third, in developing whichever kind of renewable energy resources, we must also consider the cost-effectiveness and the impact on society and the economy. We should not allow the existing facilities and investments to lay to waste only for the sake of developing renewable energy resources, and we must ensure that all sectors in the community will not be subject to overly heavy financial burden.

Now I wish to brief Members on the progress of the work carried out by the Government to improve energy efficiency and develop renewable energy resources.

In respect of enhancing energy efficiency, the Government has, over the past few years, implemented the Energy Efficiency Labelling Scheme and formulated the Building Energy Codes and the Energy Efficiency Registration Scheme for Buildings. Energy audits have also been conducted in government buildings gradually. The Electrical and Mechanical Services Department (EMSD) has initiated an Energy End-use Database to facilitate the relevant planning and research efforts. In the year to come, the Government will make continuous efforts to promote public education on energy efficiency.

Besides, the Government has concluded agreements with the two power companies on the demand side management programme which was launched in the middle of last year. Under the programme, rebates are given to encourage non-residential customers to use appliances or equipment with higher energy efficiency, and a time-of-use tariff system is also introduced to reduce the demand for electricity during the peak period.

In the next two years, the EMSD will be spending \$92 million to extend the Energy Efficiency Labelling Scheme to cover more equipment and vehicles, introduce energy efficiency performance contracts, draw up energy consumption

indicators and benchmarks, and promote water-cooled air-conditioning system. Moreover, the Government will study the formulation of legislation to govern such issues as energy efficiency and conservation.

In respect of developing renewable energy resources, at the end of last year we commissioned a consultancy to conduct a study in this regard. The study consists of two parts. The first is a detailed feasibility study of the application of various kinds of renewable energy in Hong Kong technically and in terms of other aspects. This part of the study will be completed at the end of this year. The second part is a pilot project to install large photovoltaic systems in multi-storey commercial buildings, which will be completed in mid-2003. The entire study will enable us to understand more clearly which kind of renewable energy is more feasible under the special circumstances in Hong Kong.

In the meantime, we have also tried to utilize different kinds of renewable energy in a number of construction projects. For example, solar heating systems are installed at the Sheung Shui Slaughterhouse and Tsuen Wan Swimming Pool. In addition, a pilot project is underway to test the viability of using photovoltaic panels to supply electricity. It includes installing photovoltaic panels at parks and meteorological stations to supply electricity for part of the lighting or air-conditioning system. The EMSD is also considering the installation of photovoltaic panels on slopes to supply electricity for outdoor lighting facilities. A more extensive application will be arranged for the Science Park under construction.

Moreover, efforts have been made to recover energy from the treatment of waste and sewage. For example, the facilities at the South East New Territories Landfill are now operating on electricity generated by the gases produced at the Landfill. We have also extracted energy from the biological gases produced in the sewage treatment process. Half of these gases generate electricity for the Sha Tin Sewage Treatment Works whereas the other half supply energy for the other three sewage treatment plants. Meanwhile, we are studying ways to recover energy from the sludge produced by sewage treatment.

Apart from electricity generation, renewable energy resources can also be used as fuel for motor vehicles. The Environmental Protection Department will launch a pilot programme on biochemical diesel in conjunction with the transportation industry and interested suppliers to test the exhaust emission level of vehicles driven by biochemical diesel and the performance of the mechanical parts of such vehicles. We expect this pilot project to complete by the end of this year.

With regard to financial support, the endeavours made by the Government to promote technological development in recent years are conducive to research studies of renewable energy. The Research Grants Council, the Innovation and Technology Fund and the Environment and Conservation Fund have provided local universities with a total funding of over \$15 million to carry out eight research projects on renewable energy.

Furthermore, many companies in the private sector, including the power companies, bus companies, fuel suppliers and some small and medium enterprises have injected resources into studying the potential application of different kinds of renewable energy. Some of these projects are undertaken in collaboration with local universities and environmental groups.

These studies, which are initiated by universities or commercial companies, cover a wide range of topics, including power generation by solar energy, power generation by wind, the application of photovoltaic panels, biochemical diesel and fuel cells, and the feasibility of converting waste into energy. All these initiatives will bring new momentum to the development of renewable energy resources. Coupled with complementary measures of the Government and the resources injected by the Government for technological development, I believe more local research and development personnel and inventors will definitely be encouraged to redouble their efforts in developing renewable energy resources.

On the suggestion of connecting renewable energy-generated power to the electricity supply networks of the power companies, we must study it together with the power companies to address the technical, safety and financing problems involved. Earlier on Members suggested that targets be set for the application of renewable energy and concessions be granted by the Government, and so on. It is, however, a bit too early to discuss these suggestions now. The prime task of the Government is to study in detail which kind of renewable energy is suitable for application in Hong Kong as well as the supply of renewable energy and its supporting facilities. As I said just now, work has already been started in this direction.

Madam President, I support Dr HO's motion. To resolve the problems caused by the production and use of fossil fuels, we must indeed do more in future to facilitate the application of renewable energy, which is more

environmentally-friendly, in Hong Kong. We will continue to work in concert with the academic sector, the industrial and commercial sector and green groups to study the application of renewable energy, with a view to ensuring that the objective of sustainable development can be achieved.

PRESIDENT (in Cantonese): Dr Raymond HO, you may now reply. You have one minute 55 seconds.

DR RAYMOND HO (in Cantonese): Madam President, I thank Members for speaking on the motion and for the invaluable views raised by them just now. On top of that, I am most happy to see that the fuller and rosy-cheeked Secretary, who has just recovered from her illness and resumed duty. I should like to thank the Secretary for providing us with plenty of information, which has in turn enabled us to know that the Government has indeed been conducting research work on a number of fronts.

The motion moved by me today is not only an economic issue but also an environmental issue. In addition to expeditiously identifying the green energy resources and the renewable energy resources that can be developed in Hong Kong, we must also identify the market for renewable energy and determine a suitable structure of sustainable energy resources that can cope with the relevant legislation and policies of the Government, with a view to concentrating our limited resources on developing the types of renewable energy that are most suitable for Hong Kong. While the Government should indeed take the initiative in this connection, an injection of \$4.9 million for a 32-month study is by no means sufficient. The Government should allocate more resources and encourage greater participation of both the public and the private sectors in this respect in the future. We do have the ability to become one of the leaders of the world. If we could concentrate our resources and make better use of our excellent and suitable local talents, we should have plenty of development opportunities in this aspect.

I should like to take this opportunity to thank Honourable colleagues once again and wish everyone here in this Chamber a happy and progressing Chinese New Year.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr Raymond HO, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

DR LUI MING-WAH (in Cantonese): Madam President, I did not see my name in the voting result on the amendment of Mrs Sophie LEUNG but I was in the Chamber.

PRESIDENT (in Cantonese): Dr LUI, did you vote for or against the motion or abstain?

DR LUI MING-WAH (in Cantonese): I voted for the motion.

PRESIDENT (in Cantonese): Dr LUI Ming-wah, please sit down first. Thank you for pointing out this error. I have a very clear memory of the situation then. When Members were about to vote, Ms Audrey EU entered the Chamber and I reminded her to vote and I later counted the vote cast by her. There should be 53 Members in the Chamber and it was displayed that Dr LUI Ming-wah had voted. However, the record of the voting result indicated that Dr LUI Ming-wah had not voted. There might be something wrong with the computer.

There was something wrong with the computer when the meeting just started, and I find it reasonable for Dr LUI Ming-wah to request for a revision to be made to the voting result. Although Dr LUI Ming-wah voted for the motion, whether he voted for or against the motion or abstained would not affect the decision we were going to make. If the vote cast by Dr LUI was not counted, it would not affect the overall result 26 for Members returned by functional constituencies were present and 17 of them voted for the motion. To make our record correct, I would declare the results again and make the revision.

The voting result on the amendment proposed by Mrs Sophie LEUNG to Mr David CHU's motion is as follows: 27 Members returned by functional constituencies were present and 18 of them voted for the motion, six voted against and three abstained. The amendment is supported by this group of Members. The voting result of Members returned by geographical constituencies through direct elections and by the Election Committee does not require a revision. As the question is agreed by a majority respectively from each of the two groups of Members who are present, the amendment is passed.

I am very grateful to Dr LUI Ming-wah for pointing out that there was something wrong with the computer. Human brains are sometimes better than computers.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the meeting until 2.30 pm on Wednesday, 7 February 2001.

Adjourned accordingly at twenty-seven minutes to Nine o'clock.

Annex

WRITTEN ANSWER

Written answer by the Secretary for Housing to Mr LEUNG Yiu-chung's supplementary question to Question 5

A Breakdown of the Total Number of
Vacant Housing Authority Flats according to the
period that they have been vacant

<i>Vacant period</i>	<i>Number of vacant flats</i>
Less than three months	2 553
Less than six months	1 136
Less than one year	924
More than one year	987
Total	5 600