

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 February 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 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 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 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.

MEMBERS ABSENT:

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

PUBLIC OFFICERS ATTENDING:

MR TONY YEN YUEN-HO, S.B.S., J.P.

THE SECRETARY FOR JUSTICE

MR DOMINIC WONG SHING-WAH, G.B.S., J.P.

SECRETARY FOR HOUSING

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 REGINA IP LAU SUK-YEE, J.P.

SECRETARY FOR SECURITY

MR LEE SHING-SEE, J.P.

SECRETARY FOR WORKS

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

MISS YVONNE CHOI YING-PIK, J.P.
SECRETARY FOR COMMERCE AND INDUSTRY

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

TABLING OF PAPERS

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

Subsidiary Legislation/Instrument	<i>L.N. No.</i>
Merchant Shipping (Registration) (Fees and Charges) (Amendment) Regulation 2001	49/2001

Other Papers

- No. 65 — Hong Kong Arts Development Council
Annual Report 1999/2000
- No. 66 — The Hong Kong Academy for Performing Arts Annual
Report 1999-2000 and the Financial Statements and
Auditor's Report for the year ended 30 June 2000

ORAL ANSWERS TO QUESTIONS

PRESIDENT: Questions. First Question.

Congestion at Immigration Counters at Lo Wu Control Point

1. **MR AMBROSE LAU** (in Cantonese): *Madam President, it has been reported that not all the immigration counters at the Lo Wu Control Point were opened during the peak hours of inbound travel during the last Lunar New Year period (that is, between the third and the eighth days of the Lunar New Year). As a result, people returning to Hong Kong packed the control point and caused much chaos. In this regard, will the Government inform this Council of:*

- (a) *the number of immigration counters opened each day during the above-mentioned period; whether the Immigration Department opened all the counters to cope with the influx of entrants; if not, of the reasons for that;*
- (b) *the criteria adopted for deciding on the number of immigration counters to be opened; and*
- (c) *the short-term and long-term measures to clear huge crowds of entrants travelling via the control point, especially when the numbers of entrants reaches its peak?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The number of arrival counters opened at the Lo Wu Control Point between the third and the eighth days of the last Lunar New Year is shown at Annex. There are altogether 92 counters at the Resident Arrival Hall. On the sixth day of the Lunar New Year when the number of entrants was at its peak, the Immigration Department could only open 90 counters at the most because of computer failures at two of the counters. As shown in Annex, all 90 counters had been opened on the sixth day of the Lunar New Year.

The Immigration Department (ImmD) did not open all the immigration counters at the Arrival Hall for the whole Lunar New Year period because the number of inbound travellers returning from Shenzhen was quite evenly distributed throughout each day. The number of counters opened by the ImmD could already cope with the passenger volume. In fact, during the Lunar New Year period, 99.7% of the inbound travellers only needed to wait for less than 30 minutes for arrival clearance after completion of the departure clearance in Shenzhen. Among them, 83.8% only needed to wait for 15 minutes. Generally speaking, the passenger flow at the Lo Wu Control Point was smooth and orderly during the above period.

- (b) The ImmD, in determining the number of arrival counters to be opened, mainly takes into consideration the following factors: the number of inbound travellers at that time, the waiting time, the manpower situation and the passenger traffic at other immigration halls. The specific yardstick is to achieve the performance pledge of clearing 92% of the inbound travellers within 30 minutes.

- (c) In view of the sustained growth in the number of travellers to and from the Mainland via Lo Wu, measures have been taken to ease congestion at the Control Point. These include: extending the operation hours since October 1998; segregation of Hong Kong residents holding the Hong Kong Identity Card for passenger clearance to enhance passenger flow since January 1999; completion of improvement works at Lo Wu Terminal in late 1999 including modification and installation of eight additional counters, and construction of a pair of escalators linking up the Arrival and Departure Halls to enable contra-flow operation to cope with huge crowds of passengers; and expanding the staff establishment.

At present, when there is a large volume of inbound travellers, staff may be instructed to work overtime or be deployed from other control points immediately so as to increase the number of counters to clear the crowd as quickly as possible. The ImmD will also work in collaboration with the Shenzhen side and extend the operation hours if required.

To cope with the surge of passenger volume, a series of new measures are under way:

- (i) The Kowloon-Canton Railway Corporation (KCRC) will undertake improvement works at the Lo Wu station. These include replacement of four existing escalators with high-speed escalators, addition of a new escalator at the Arrival Hall, and replacement of the existing 40 turnstile type ticket gates with flap gates to enhance passenger flow. The improvement works are expected to be completed by mid-2003.

- (ii) The Administration is processing the ImmD's request for additional manpower at the Lo Wu Control Point to cope with the growth of passenger volume.
- (iii) The ImmD is actively considering the adoption of new technology, including the introduction of smart identity cards and bio-recognition technologies, to enhance the efficiency of passenger clearance and to ease the manpower demand.
- (iv) In the long run, the Sheung Shui to Lok Ma Chau Spur Line designed and to be built by the KCRC will link the East Rail to a new cross-boundary control point for rail passengers with a daily handling capacity of around 150 000 at Lok Ma Chau. The new control point, capable of future expansion and addition of more facilities, will achieve a greater handling capacity than the Lo Wu Control Point. This will much alleviate congestion at the Lo Wu Control Point and help to cope with the surging cross-boundary passenger traffic. The project, originally targeted for completion in 2004, is held up because the Director of Environmental Protection has rejected the KCRC's Environmental Impact Assessment report on the Spur Line. Upon completion of the statutory process of the project, construction works will commence as soon as possible. Besides, the Administration is actively studying the construction of the Shenzhen-Hong Kong Western Corridor, which will cross the Deep Day and connect Ngau Hom Shek, Yuen Long of Northwestern New Territories with Shekou of Shenzhen. A new control point will be set up there to cope with the ever-increasing cross-boundary vehicular traffic.
- (v) The Administration will also consider the possibility of carrying out alteration or expansion works at the Lo Wu Control Point.

Annex

<i>No. of arrival counters opened</i>	<i>26/1/01 (3rd day of Lunar New Year)</i>	<i>27/1/01 (4th day of Lunar New Year)</i>	<i>28/1/01 (5th day of Lunar New Year)</i>	<i>29/1/01 (6th day of Lunar New Year)</i>	<i>30/1/01 (7th day of Lunar New Year)</i>	<i>31/1/01 (8th day of Lunar New Year)</i>
Non-peak hours	13 to 29	19 to 35	24 to 32	30 to 40	38 to 40	26 to 35
Peak hours	34 to 71	36 to 74	41 to 70	41 to 90	43 to 88	36 to 61

Note:

Non-peak hours: The number of passengers waiting for arrival clearance ranges from 1 000 to 2 000.

Peak hours: The number of passengers waiting for arrival clearance is more than 2 500.

MR AMBROSE LAU (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary mentions that during the Lunar New Year period, 99.7% of the inbound travellers only needed to wait for 30 minutes for arrival clearance after completion of the departure clearance in Shenzhen. In view of the limited space in the waiting area at the Lo Wu Control Point, will the departure clearance in Shenzhen be slowed down to a certain extent since the Shenzhen side is aware of a large number of passengers waiting for arrival clearance on the Hong Kong side, so that when after some of the passengers have completed the arrival clearance, some other passengers can be allowed to enter the Arrival Hall to complete the departure clearance in Shenzhen? Will this arrangement cause the actual waiting time for inbound travellers to Hong Kong to increase to more than 30 minutes?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I would like to thank the Honourable Member for raising this supplementary question. Our performance pledge is that 92% of the inbound travellers can be cleared at our control point within 30 minutes. This period of 30 minutes begins from the time the traveller enters the precincts of the Arrival Hall. In respect of the Lo

Wu Control Point, the ImmD will start to count the time when the traveller enters the Hong Kong side of the Lo Wu Bridge to the time when he finishes the arrival clearance in the Arrival Hall. From time to time, our staff will make an estimation of the time needed from the time when the traveller enters the Lo Wu Bridge to his arrival in the Arrival Hall, in order to estimate whether the performance pledge can be fulfilled.

Mr LAU also raises a very realistic question and that is: What shall we do if the number of travellers is so great that the performance pledge cannot be met? Should such a situation happen, we will need very close co-ordination with the Shenzhen side. We will communicate with them with our telephone hotline and convene a meeting immediately to discuss the situation. If the passenger flow is too heavy and the Lo Wu Bridge becomes very crowded, the ImmD will cordon off parts of the crowd with the assistance of the police for a period of time. We may also discuss with the Shenzhen authorities to let travellers depart after a certain period of time. According to estimations made by the ImmD, the waiting time for travellers at the Lo Wu Bridge should not be more than five to 10 minutes. Close co-operation between the Hong Kong and Shenzhen sides will enable the entire process from the Shenzhen side to the Lo Wu Bridge, to the Arrival Hall, to the completion of the clearance procedures and finally to the boarding of train to be smooth and free from congestion.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, the Secretary mentions in the measure under item (ii) of part (c) that the Administration is processing the ImmD's request for additional manpower at the Lo Wu Control Point. May I ask the Secretary whether consideration would be given to recruit some kind of staff like the Auxiliary Police whom I would call auxiliary immigration officers, before the request is granted, to cope with the demand of additional manpower during the peak periods of inbound travellers?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, before additional manpower is available, the ImmD will deploy staff from other control points and groups on festive occasions. In the last Lunar New Year period, the ImmD had deployed 75 additional staff to the Lo Wu Control Point to assist in the relevant procedures.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, as the Lunar New Year holidays were quite long, did the ImmD fail to make a projection of the passenger volume between the third and eighth days of the Lunar New Year as to the time when huge crowds would use the immigration facilities at the same time, thus leading to an inability to cope with the situation? Will the ImmD sum up the experience or lessons learned? For when the ImmD makes good preparation, the problem of crowdedness can be eased greatly; and when proper estimation of the situation is not made, chaos will arise as a result of insufficient manpower.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I would like to thank the Honourable Member for his supplementary question. In fact, whenever there are festivals, long holidays or long weekends, the ImmD and the relevant departments such as the police, the Transport Department, and the KCRC will convene and discuss the situation. They will estimate the passenger flow at Lo Wu or other control points during the imminent holidays. They will consider factors like the length of the holidays, the patterns in the past, and the number of cross-boundary coaches departing from other control points such as in Lok Ma Chau and how much passenger flow can be handled, and so on. As the estimations made are not scientific analyses, they will not be 100% accurate. The experience of the ImmD shows that the longer the holidays, the more even will the flow of departing passengers tend to spread. However, when the holiday only lasts for one day, the ImmD will find it most difficult to handle as the travellers will make a day trip and complete their arrival and departure clearances within one day. In the Lunar New Year just past, the authorities concerned made announcements to call on the public to avoid going through the control points during the peak hours. The ImmD found out that the peak time for departure was on the 29th day of the Twelvth Month in the lunar calendar and the peak time for arrival was not on the third day of the Lunar New Year which was the last day of the public holidays, but on the sixth day of the Lunar New Year. As such, the passenger flow from the 29th day of the Twelvth Month in the lunar calendar to the eighth day of the Lunar New Year was very heavy.

MR FREDERICK FUNG (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary mentions that 99.7% of the inbound travellers only needed to wait for less than 30 minutes for arrival clearance on the Hong Kong side and that 83.8% of these travellers only needed to wait for 15 minutes. I*

think that is not a fair picture of the real situation. For many newspapers interviewed some Hong Kong travellers at the boundary and found that the longest time they had spent was nearly two hours, that is to say, from the time they started waiting on the Shenzhen side, to the time after they had gone through all the check points back into Hong Kong. My impression is that the Shenzhen customs officers were keeping the floodgate close for Hong Kong, in the sense that they were keeping the travellers on the Shenzhen side, thus enabling the travellers to complete the arrival clearance on the Hong Kong side within 30 minutes. My supplementary question is: In circumstances as these, have any considerations been made by the Security Bureau to extend the closure time of the control point by two to three hours during the last one or two days of long holidays? When travellers know that the operating hours of the control point are extended, they will avoid returning to Hong Kong all at the same time. In fact, the control point did extend its operating hours in the last holiday.

SECRETARY FOR SECURITY (in Cantonese): Madam President, as I have said, our performance pledge is to clear 92% of the inbound travellers within 30 minutes and that is within the handling capacity of the ImmD. In respect of the Lo Wu Control Point, the waiting time as specified in our performance pledge starts when travellers arrive at the Lo Wu Bridge. We do not count the time they spend on the Shenzhen side. We are aware that there are people, including the Honourable Member, who spent a lot of time waiting on the Shenzhen side. This is unavoidable if there are too many travellers. So we think that the long-term solution to this problem is to build some new control points, including those for trains and private cars. What we can do now is to co-ordinate with the Shenzhen side to ensure that at times of heavy passenger flow, people can go through all the places at the control point in an orderly manner, regardless of whether they are on the Shenzhen or Hong Kong side, and when they pass the Lo Wu Bridge and enter the Arrival Hall. As Mr FUNG has mentioned earlier, we will extend the operating hours at the control point to accommodate the needs of the circumstances. For example, we did that on the sixth day of the past Lunar New Year because many people chose to return to the territory on that day. After discussions made between Shenzhen and Hong Kong officials, a decision was made to extend the operating hours of the Lo Wu Control Point by half an hour.

MR FREDERICK FUNG (in Cantonese): *Madam President, I think the Secretary has not answered my supplementary question completely. My supplementary question is: Will the extension of the operating hours at the control points become a policy instead of just a decision only to be made according to the needs of the circumstances?*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, our policy is not to announce in advance the closing time of control points during long holidays, for example, that the closing time is to be extended from 11.30 pm to 12.00 midnight. We will consider the needs at that time and discuss the matter with the Shenzhen authorities and we will extend the closing time of the control point when we think there is a need to do so.

PRESIDENT (in Cantonese): As many Honourable Members are still waiting for their turn to ask questions, so I shall give a few more minutes for Members to ask their questions. However, I hope Members will make their questions as brief and concise as possible so that more Members can raise their supplementary questions.

DR PHILIP WONG (in Cantonese): *Madam President, in the long run and in an attempt to reduce the workload of the Shenzhen and Hong Kong authorities, would it be possible to inspect only the documents of inbound travellers but not the documents of departing travellers?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, this idea has been raised from time to time by different people. For example, people will say the Government of Canada will not inspect the documents of departing travellers at all, but why do we still do so? We have considered and examined this proposal but we have not made any in-depth discussion on it. It remains of course that Hong Kong and the Mainland are two distinct tourist and customs territories and in order to implement "one country, two systems", it is vital that

we will maintain separate and effective immigration control. We will continue to examine how arrival and departure clearance procedures can be simplified, without prejudicing the principle of "one country, two systems" and contravening the Basic Law.

MR DAVID CHU (in Cantonese): *Madam President, may I ask the Administration whether the waiting time on the Shenzhen side is made longer owing to the slow pace of arrival clearance on the Hong Kong side?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, our arrival clearance has not slowed down in any case at all. Anyone who has cleared the customs will know that travellers who are residents of Hong Kong, especially holders of Hong Kong permanent resident identity cards, will only need some 10 seconds or so to complete their arrival clearance. That is very fast indeed. The problem we now face is the great surge in passenger flow which rises from some 40 million in 1995 to 86 million in 2000. This is an increase by 100%. I think the Lo Wu Control Point is one of the busiest in the world. It can well be said to be a bottleneck. In the long run, apart from building more control points, there is a need also to expand the existing Lo Wu Control Point. We are actively examining the work in this area.

PRESIDENT (in Cantonese): The Council has spent more than 17 minutes on this question. I am afraid I have to make many Honourable Members who are still waiting for their turn to raise questions feel disappointed. We shall proceed to the second question.

Impact of Departure of Chief Secretary for Administration on Review of Institutional Framework for Public Housing

2. **MS AUDREY EU** (in Cantonese): *Madam President, regarding the Committee on the Review of the Institutional Framework for Public Housing (the Committee) chaired by the Chief Secretary for Administration, will the Government inform this Council:*

- (a) *of the progress of the Committee's work and its preliminary conclusions;*
- (b) *whether, judging by its progress, the Committee will be able to complete its work before the departure of the incumbent Chief Secretary for Administration at the end of April; if not, of the succession arrangements for the chairmanship of the Committee; and*
- (c) *of the measures in place to ensure that the work of the Committee will not be delayed by the departure of the incumbent Chief Secretary for Administration?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the task of the Committee is to examine the individual roles and responsibilities of the Housing Bureau, Housing Authority (HA), Housing Department and Housing Society in delivering the public housing programme; and to make recommendations on the best institutional framework for public housing. Good progress has been made by the Committee. Members of the Legislative Council, professionals and other relevant organizations have been approached for their views. At present, the Committee has not yet reached any initial conclusions.

The Committee aims to reach initial conclusions before the end of April this year, that is to say, before the retirement of Mrs Anson CHAN. Her departure will not affect the work of the Committee which can continue to function, if necessary, under the new Chief Secretary for Administration.

MS AUDREY EU (in Cantonese): *Madam President, the Secretary said in the first paragraph of his main reply that the Committee has sought the views of professionals and other relevant organizations. In this regard, will the Secretary briefly inform us of the content of those views? In particular, have any suggestions been made on improvements to the existing institutional framework for public housing or on the shortcomings of this framework?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, in consulting professionals and relevant organizations, the Committee explains the individual roles and responsibilities of the existing institutional framework and relevant organizations (that is, the HA, Housing Department, Housing Society and Housing Bureau), and seeks their views on the shortcomings and areas that require improvement, if any. The Committee also informs them that they are welcomed to make further suggestions, both verbally and in writing. Up to the present, though the Committee has received some written submissions, they are only very few in number; as regards verbal responses, there is a wide spectrum of views, such as suggestions on the introduction of changes to the mode of operation. At the present stage, it is inappropriate for us to disclose the details, but generally speaking, views on certain organizations have been received.

MR LAU PING-CHEUNG (in Cantonese): *Madam President, it is now nearly March, but the Committee has not yet arrived at any initial conclusion. Nine months have passed since Mrs CHAN was appointed by the Chief Executive in mid-2000 as the Chairman of the Committee. Can the Committee reach an initial conclusion during the next month; if not, should the Government appoint another Chairman to conduct a detailed study on this issue? Otherwise, if the conclusion drawn by Mrs CHAN is "half baked", and if the new Chief Secretary for Administration does not agree with the conclusion, then the situation will be worse and the Committee will fall between two stools. Will the Government make another appointment so that a more comprehensive and in-depth study can be conducted?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I think the Honourable Member should have more confidence in this Committee under the leadership of the Chief Secretary for Administration. Actually, the Committee has taken its work very seriously, and I am also one of its members. *(Laughter)* As I said earlier, the Committee has to do a lot of groundwork, such as examining thoroughly the individual roles and responsibilities of the relevant organizations, whether the existing operations are causing any problems or difficulties, and what possible improvements can be made. In principle, changes can be made in many areas, but so far, the Committee has not yet reached any initial conclusion. However, this does not mean that the Committee cannot reach a proper or appropriate conclusion. The Committee will continue to speed up its work in the next few weeks, and I trust that we can certainly reach an initial conclusion before Mrs Anson CHAN retires.

MISS CYD HO (in Cantonese): *Madam President, as the Honourable LAU Ping-cheung has said, the Committee has been formed for quite a long time, but over the past nine months, there have been a lot of changes in housing policy. For example, the Government encourages the replacement of the Home Ownership Scheme with home purchase loans, and lowers the assets limit for application for public housing. Under such circumstances, is the original direction of the Committee's discussions still relevant? In view of the recent changes, is there a need for the Committee to start a new round of discussions, or has the Committee already reached a conclusion on the existing policy at the start of its discussions?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, I have to clarify that it is not the duty of the Committee to review whether the direction of a particular aspect of the housing policy is appropriate or whether changes should be introduced. In fact, the Chief Executive made it clear from the outset that the duty of the Committee is to review the operational framework, to see how suitable housing services can be provided. To reach this working goal, the Committee must first complete some groundwork, that is, to examine the roles and responsibilities of each relevant department, but this has nothing to do with policy. The new measures or minor policy adjustments introduced in the past nine months were made under the normal policy formulation mechanism, and have nothing to do with the current review.*

MR HOWARD YOUNG (in Cantonese): *Madam President, the Secretary said earlier that the Committee will soon reach an initial conclusion. Will the Committee take immediate follow-up actions after an initial conclusion has been reached? This Council has recently formed a Select Committee to look into the short-piling incident, and its report will not be ready until February next year. As the Select Committee of the Legislative Council will also look into the issue of institutional framework, will the Committee take immediate follow-up actions after it has reached a conclusion? If the Select Committee comes to a different conclusion from that of the Committee, will the Committee "go back on its decision", or will it wait for the Select Committee to complete its report before taking any actions?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, during the Legislative Council debate on the appointment of a select committee on 7 February, I raised an issue of concern to the Government. I believe the Honourable Member was also present at that meeting. I said we hoped that the Select Committee would focus its study only on construction problems relating to the four relevant sites of the HA, and would not touch upon public housing services provided by the Government or public authorities. However, subsequently, Members still decided that a Select Committee should be established and made the reform of the policy and institutional framework for public housing one of its terms of reference. Of course, this is entirely up to the decision of the Legislative Council, but the Committee will still continue to work in accordance with its own plan and timetable, and actions will be taken after an initial conclusion has been reached. If the Select Committee of the Legislative Council comes up with other views in the future, I believe that the Government will also take those views into consideration.

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary said in his main reply that Members of the Legislative Council were consulted, but this issue has never been formally discussed by the Legislative Council Panel on Housing. How were Members of the Legislative Council consulted? Furthermore, will the Committee come before this Council to give us a formal report or seek our views before it reaches an initial or final conclusion?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the Government has consulted Members through various channels, and it is not absolutely necessary for us to consult Members through the Legislative Council Panel on Housing. I have invited many Members to meet with members of the Committee, and this issue was also brought up for discussions over lunches. Some Members gave their views, some did not, and others said they would submit their views in writing. We welcome all the views. No matter how the views were collected, Madam President, we have already sorted, noted and taken into consideration all Members' views collected so far. Further consultations will be conducted once an initial conclusion has been reached by the Committee. Though we have not yet decided on the method of consultation, we will certainly consult the relevant organizations under review, and Legislative Council Members will also be further consulted to see whether they have any specific views.

MR ALBERT HO (in Cantonese): *Madam President, will the Secretary publicly announce the conclusion of the Committee after it reaches an initial conclusion in April, and will the public be consulted again? Moreover, will the Secretary inform this Council of the Committee's target completion date?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, though I said earlier that we would conduct another round of consultation after an initial conclusion has been reached, we have not yet decided whether the conclusion will be published for territory-wide consultation. We may not conduct a large-scale consultation exercise, but will certainly consult the relevant organizations under review to see whether they have other views. Furthermore, we will also consult Members of the Legislative Council and organizations which we think should be consulted again.

MR ALBERT HO (in Cantonese): *The Secretary has not answered the second part of my supplementary question, that is, whether there is any target date for completion of the report.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, at this stage, we cannot make an estimate on when the whole review can be completed. However, I can tell Members that after an initial conclusion has been reached, we will adopt the general approach for dealing with government proposals, that is, a period of time will be reserved for soliciting and collecting views, and we will then consider whether modifications should be made. Once we arrive at a final conclusion, a decision will be made. Therefore, it is hard for us to make an estimate on the timing. I can only tell Members that we will make a decision as soon as possible.

MR MICHAEL MAK (in Cantonese): *Madam President, the progress of the work of the Committee has really been affected by Mrs Anson CHAN's early departure. Has the Chief Executive considered the fact that Mrs Anson CHAN is in charge of this important task before he approved her resignation?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I do not know whether the Chief Executive had particularly considered the progress of the work of the Committee when he considered Mrs CHAN's retirement request. However, I think the Chief Executive should be aware of the progress of the work of the Committee, for Mrs CHAN must have reported regularly to the Chief Executive. According to my understanding, the departure of Mrs CHAN will not affect the work of the Committee. As a member of this Committee, I am aware that the Committee is making good progress, and I have confidence that it can reach an initial conclusion by the end of April.

MR MICHAEL MAK (in Cantonese): *Madam President, I also believe that the Secretary does not know what the Chief Executive is thinking. I only want to direct the question at the Chief Executive, but the Secretary has not answered my question on the views of the Chief Executive.*

PRESIDENT (in Cantonese): Mr MAK, you should ask this question through other channels, and I believe the Secretary has already answered your supplementary question.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary said earlier that Legislative Council Members have been consulted through some informal channels. Will the Secretary tell us whether Members will be consulted through formal channels before it reaches an initial conclusion, so that we can have an opportunity to express our views formally? I think this should be much better than holding discussions over lunches, where some Members gave their views and some did not. This is because when formal meetings are conducted, Members can express their views formally.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I have talked to our colleagues in the Housing Bureau, and requested them to remind Members of the Legislative Council that they are welcomed to submit their views to the Bureau whenever they wish to do so, because the Committee will come to an initial conclusion in a few weeks. However, we will not consult Members individually at this stage. Therefore, I hope Members can co-operate with us by submitting their views by phone or writing to the Housing Bureau, and we are very happy to consider their views.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary has misunderstood my question. I am not requesting the Housing Bureau to consult Members individually. What I mean is that a formal meeting should be convened by the Panel on Housing, so that we can discuss this issue together. I do not wish the Housing Bureau to waste time in consulting Members individually.*

PRESIDENT (in Cantonese): Mr LEUNG, this is not a question of whether time will be wasted, but rather the Secretary has not answered your supplementary question. Your question to the Secretary is: Will a meeting be convened?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I think it is not necessary to ask the Panel on Housing to conduct a special meeting. Of course, if the Panel on Housing decides to include this issue on its agenda, then it is up to the Chairman and members of that Panel.

DR RAYMOND HO (in Cantonese): *Madam President, we all believe that there are problems with the institutional framework for public housing, and the establishment of this review Committee has, in fact, been long overdue. Under such circumstances, why has the Committee maintained such a low profile over the past nine months? For example, many Members in the Chamber today are unaware that a Committee has been established, and we have seldom heard of the relevant organizations being invited to give their views before the Committee, and they can only submit their views in writing. Will the Secretary tell us why should the Committee adopt such a low profile before it comes to an initial conclusion?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, whether a low-profile or high-profile approach is adopted in handling an issue is not very important. Very often, the Government will choose to adopt a low profile in handling certain issues because we can achieve good results this way, while we may not achieve the best results if a high-profile approach is adopted. The fact that the Committee has adopted a low profile in dealing with this issue shows that we are working very hard. *(Laughter)* We only hope that positive and impartial views can be collected.

PRESIDENT (in Cantonese): This Council has spent more than 18 minutes on this question. We shall now proceed to the third question.

Supply and Demand of Secondary One places in North District

3. **MR WONG SING-CHI** (in Cantonese): *Madam President, regarding the supply and demand of Secondary One school places in the North District, New Territories, will the Government inform this Council of:*

- (a) the number of new secondary schools expected to be completed in the next three years in the North District, and the number of additional Secondary One places thus generated;*
- (b) the estimated shortfall in Secondary One places in the North District in the 2003-04 school year; and*
- (c) the ways to completely solve the problem of inadequate Secondary One places in the district?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the Government's policy is to provide nine-year free and universal basic education and subsidized senior secondary education. According to current planning parameters, the provision of primary school places is planned on a district basis to obviate the need for young pupils to travel a long distance to attend schools. Secondary school places are planned on a territory-wide basis. Subject to the availability of suitable sites, new secondary schools are built to meet local demand as far as possible.

In the North District, the supply of Secondary One places is currently not adequate to meet the district demand. Around 100 Primary Six students in the district are allocated secondary school places in other districts. One new 30-classroom secondary school in the North District will come on stream in the 2003-04 school year, providing an additional 240 Secondary One places. When this new school commences operation, the number of Secondary One places provided by schools in the North District will be adequate to meet the district demand.

MR WONG SING-CHI (in Cantonese): *Madam President, will the Secretary inform this Council whether she is aware of the shortfall in Secondary One places in the North District over the past decade? This is because I know that a secondary school in the North District once operated as many as 10 Secondary One classes. Also, another newly built school operated new Secondary one classes equivalent to the number of such classes in two secondary schools, that is, six to eight Secondary One classes each. I also learned that 500 and even more than 1 000 Secondary One students were allocated to schools in other districts, thus affecting the academic performance and development needs of a number of students. Will the Secretary inform this Council, firstly, whether she is aware of the situation mentioned above and secondly, whether she will undertake that the shortfall in Secondary One places similar to the case described by me will not happen in any districts in the future development of Hong Kong?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, according to the information on hand, in the previous year, that is, 2000, 127 students were allocated to schools in other districts under the central allocation system. In 1999, 65 Primary Six students were allocated to secondary schools in other districts, and 45 in 1998. If a new secondary school is to come on stream in 2003-04 and another one in 2005-06, the supply and demand of secondary school places will be balanced when the two schools are completed.

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

MR WONG SING-CHI (in Cantonese): *Madam President, the Secretary has not answered the second part of my supplementary question, that is, the part concerning whether she will undertake that the shortfall in Secondary One places like the case in the North District over the past decade will not happen to other districts again in future?*

PRESIDENT (in Cantonese): Mr WONG, was your question confined to the North District?

MR WONG SING-CHI (in Cantonese): *No, my question is whether the Secretary can guarantee that other districts, that is, the whole territory*

PRESIDENT (in Cantonese): Your main question is related to the North District only, therefore,

MR WONG SING-CHI (in Cantonese): *Yes, Madam President. What I mean is including the North District.*

PRESIDENT (in Cantonese): Mr WONG, please sit down first. I see what you mean. However, as your main question is confined to the North District, New Territories, your supplementary question should be related to the main question. If you want to ask about other districts, you must give me a clear explanation. Otherwise, I will consider your supplementary question unrelated to the main question.

MR WONG SING-CHI (in Cantonese): *Madam President, I am also concerned whether the same problem will arise in other districts. However, the North District is my greatest concern. If the President thinks my question must be relevant to the North District, the Secretary will only need to answer whether the North District will experience a shortfall in Secondary One places similar to the case during the last decade?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I have mentioned in the main reply that we will endeavour to build new primary schools in the local district. However, secondary schools are planned in accordance with the supply and demand of school places on a territory-wide basis. Of course, we will endeavour to identify suitable sites in the local district to obviate the need for students to travel a long distance to attend school and to enable them to attend suitable secondary schools in the local district. Nevertheless, I cannot guarantee the supply and demand of school places can always maintain an equilibrium. This is particularly so in some districts where there are virtually no school sites. As far as we know, new school villages will be built in Fanling and Kwu Tung of the North District, though the planning

work is still at a preliminary stage at the moment. As for the demographic change of the North District, it is projected that the future number of primary pupils in the District will fall. However, the actual statistics will not be known until the census is completed.

MR LAU KONG-WAH (in Cantonese): *Madam President, more than 1 000 primary pupils in the North District come from Shenzhen. The Secretary indicated earlier that the supply and demand of school places would reach an equilibrium in the coming few years. Has the Secretary taken the secondary school places earmarked for these primary students into account? How many years can this equilibrium maintain?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, the number of cross-boundary students is absolutely out of our control. We can only closely monitor the actual figure of these students. Even if we put the North District and Yuen Long into separate account, there were more than 2 000 cross-boundary students in the North District in October 2000. For the time being, we are unable to grasp the future trend. However, we have planned to build new schools in the North District in future. In the 2003-04 school year, three primary schools will be completed. According to planning for the 2005-06 school year, one more primary school will be built. In other words, there will be a total of four new primary schools. Some of these will be required to provide whole-day schooling. However, this situation may be offset by a drop in the population of the North District according to a projection on past statistics.*

PRESIDENT (in Cantonese): *Mr LAU, has your supplementary question not been answered?*

MR LAU KONG-WAH (in Cantonese): *Madam President, the main question is about secondary schools because these pupils will advance to secondary schools. My supplementary question is: How long will the equilibrium mentioned by the Secretary maintain if these pupils are taken into account? Does it mean that the equilibrium will be maintained forever after the 2003-04 school year?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):

Madam President, actually, I have answered the Honourable Member's question earlier. Just now, I pointed out that if the birth rate and the number of primary pupils continue to drop, the number of pupils advancing to Secondary One classes in the North District is expected to drop too. I also remarked that if the number of cross-boundary students continued to rise, it might produce a counterbalancing effect. We expect an equilibrium can be achieved in the 2003-04 school year. With the completion of a new secondary school in the 2005-06 school year, we should be able to maintain the equilibrium unless the number of students rises far more than expected. We should be able to acquire more accurate information upon the completion of the census.

MR ANDREW WONG (in Cantonese): *Madam President, with respect to the supplementary question raised by the Honourable LAU Kong-wah, can the Secretary state clearly the respective numbers of cross-boundary primary and secondary students? When these primary pupils advance to Secondary One, is the Government still obliged to provide them with school places in the North District? The problem might actually be caused by these cross-boundary students. Specifically speaking, when local Primary Six pupils studying in the North District advance to Secondary One, will they be allocated to such schools as Sam Yuk Middle School in Clear Water Bay Road because of these cross-boundary students and, as a result of which, be required to spend four hours daily travelling to and from their schools?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):

Madam President, insofar as the first question is concerned, there are currently approximately 2 200 primary and 400-odd secondary cross-boundary students according to the information I have at hand. If they are now studying in the North District, the Government is obliged to make arrangements to enable them to go to secondary schools in the North District as far as possible. But actually, no guarantee can be made with respect to any district. This explains why secondary school places are planned on a territory-wide basis. Sufficient school places will be provided to meet the future needs of the whole territory.

MR JASPER TSANG (in Cantonese): *Madam President, although the Secretary stated in the main reply that the supply of secondary school places is planned on a territory-wide basis, it is actually impossible for a student from the North District to attend a school in Ap Lei Chau or Tung Chung. Under the Government's policy, what is the farthest district a student from the North District may go?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, in mapping out school nets each year, the Government will set aside some school places in neighbouring districts for students from districts where there is a shortfall in secondary school places. Students from the North District can choose from three school nets, namely Tai Po, Sha Tin and Sai Kung, all of which are located along the railway line. This explains why cross-district secondary schools in Tai Po, Sha Tin and Sai Kung will be found in the North District school net.*

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, there are indeed a considerable number of Shenzhen-resident children, born to Hong Kong people, attending primary schools in the North District. As far as I know, in some village schools in the North District, nearly 90% of the pupils come from Shenzhen. However, it is impossible for us to gather information on these pupils through the census. They do have the right to cross the river or Chung Ying Street to attend school in Hong Kong. Has the Government considered what method it can employ in the census to assess the trend of Shenzhen-resident children attending schools in Hong Kong before planning school places for the North District? Unlike Hong Kong students who can attend schools in more remote districts by making use of the Mass Transit Railway, children from Shenzhen cannot attend schools far away because they have to go through boundary crossing points before attending school. In this respect, is it necessary for an assessment to be made? Will the Government make an effort to do so?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, I am afraid I cannot give an immediate reply as to whether the imminent census will encompass such information. But as far as I can remember, in changing the definition of "population" recently, the Government*

has included people working on the Mainland as well. Many of these people may have probably moved to the Mainland but they still maintain their residence or domicile in Hong Kong. In some measure, I believe we can acquire the relevant information. Actually, we have been gathering the most accurate information through schools and the issuance of boundary-crossing permits. Nevertheless, it will be quite difficult to predict the trend.

MR NG LEUNG-SING (in Cantonese): *Madam President, from the supplementary question raised by Mr CHEUNG Man-kwong earlier, we can grasp a better picture of how cross-boundary students attend schools here in Hong Kong. But I am not sure whether the Government will conduct an evaluation of the future trend. Will the Government, if it does, examine the issue with the relevant authorities in Shenzhen to see whether the evaluation of the future trend is reasonable?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I believe this supplementary question may have deviated from the main question, but I note the Honourable Member's comment anyhow.

MR IP KWOK-HIM (in Cantonese): *Madam President, a number of Members have focused their questions on cross-boundary students. The Secretary mentioned in the main reply that schools would be built subject to the availability of suitable sites in the relevant district. In the course of discussion, Members from the North District, particularly those from the education sector, put considerable emphasis on the problem of perpetual over-subscription for school places. According to the information submitted by these Members, many village schools are perfectly fit for conversion as their sites are very large. Will the Government consider building schools there to alleviate the current over-subscription in every grade?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, judging from the statistics provided to me, there is not a serious shortage of school places because only 100-odd students are allocated to schools in other districts under the central allocation system. Of course, some students may have chosen schools in other districts during the discretionary

admission stage. Actually, the number of students allocated to other districts is just over 100. Regarding the question raised by the Honourable Member in relation to whether it is necessary to redevelop existing village schools, this will depend on the supply and demand of school places. As the number of primary school students is expected to drop, the demand for school places in the North District will also diminish unless new areas are developed in the North District or there is a migration of new population. New schools will be built if the Government sees the possibility of having new population arising during the planning stage.

PRESIDENT (in Cantonese): Last supplementary question.

MISS CYD HO (in Cantonese): *Madam President, my supplementary question is similar to the one raised by the Honourable CHEUNG Man-kwong. I would like to follow up the issue concerning cross-boundary students. Will the Secretary inform this Council whether the relevant authorities have the means to acquire information on these students to facilitate the formulation of policies in future? Are there any signs showing that planning made by the Government was disrupted by cross-boundary students so that demand exceeds supply or supply exceeds demand?*

PRESIDENT (in Cantonese): Miss HO, your supplementary question covers an extensive area. Please sit down first. Let me see if the Secretary can answer your question.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, such information as the background and age distribution of cross-boundary students is actually one of our major concerns. We have been collecting such information through schools. A mechanism will be put in place to monitor the relevant development. As for the second part of the supplementary question, I am sorry

PRESIDENT (in Cantonese): Miss HO, please repeat the second part of your supplementary question.

MISS CYD HO (in Cantonese): *Madam President, my question is: Are there any signs indicating that the Government's failure to assess the number of cross-boundary students in planning for the North District has resulted in demand exceeding supply or a disequilibrium between supply and demand?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, it is very difficult for us to trace the past situation. However, we can see from the figures of 1998, 1999 and 2000 that only a number of Secondary One students were allocated to other districts. Although there might be a disequilibrium between supply and demand, we do not have figures showing that this was entirely caused by cross-boundary students. The latest figure I can provide to Members today is that there were 2 000-odd cross-boundary students as at October 2000. We cannot produce any evidence to substantiate the number of cross-boundary students in the past and whether such students caused a disequilibrium between supply and demand.

PRESIDENT (in Cantonese): Fourth question.

Storage Facilities for Radioactive Waste

4. **MR FREDERICK FUNG** (in Cantonese): *Madam President, it has been reported that a large quantity of radioactive waste is stored in a wartime air-raid shelter in Wan Chai but the means of storage is improper. In this connection, will the Government inform this Council whether it has:*

- (a) *drawn up guidelines on the facilities and the safety measures to be adopted for storing radioactive waste; if it has, of the details; if not, the reasons for that;*
- (b) *plans for relocating to other safe places the radioactive waste now stored in the urban areas, so as to remove the hazards to the safety and health of the people in the neighbourhood; if it has, of the timetable and arrangement for the relocation; if not, the reasons for that; and*

- (c) *conducted studies on constructing special facilities for storing radioactive waste in Hong Kong; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, at present, a small amount of low-level radioactive waste is stored inside the air-raid shelter at Queen's Road East in Wan Chai. The volume is about 55 cu m and the wastes have an extremely low level of radioactivity. They are properly packaged in accordance with the requirements of the International Atomic Energy Agency (IAEA).

- (a) The Department of Health (DH) has issued a Code of Practice for the Handling, Storage, Packaging, Transportation and Disposal of Radioactive Wastes. The Code has been drawn up based on the requirements stipulated in the Radiation (Control of Radioactive Substances) Regulations of the Radiation Ordinance, and the underlying principles promulgated by the International Commission on Radiological Protection. It defines the responsibilities of the users on the management of their radioactive wastes, specifies the safety precautions for the handling and storage of radioactive wastes, and prescribes the requirements to be complied with in the packaging, transportation and disposal of radioactive wastes. The Code can be accessed via the DH's website.
- (b) The DH has been monitoring the radiation levels inside and outside the air-raid shelter. The radiation levels outside the shelter have been consistently found to be the same as the normal natural background levels. There is no evidence that the storage of low-level radioactive wastes at the shelter will affect the safety and health of people nearby.

However, the air-raid shelter was not purpose-built for storing these wastes. Therefore, the Government considers that in the long run, these wastes should be stored in a purpose-built facility. It also appreciates the concern that local people have about the present arrangement. For these reasons, we do have plans to relocate these wastes.

We are now discussing with the relevant authorities in the Mainland the feasibility of storing our low-level radioactive wastes in purpose-built facilities in the Mainland. We hope to have the necessary information, including details of the selected facility, its operation, the monitoring system and the cost, to enable us to make a decision within this year. We will then set out a timetable and the relevant relocation arrangements. At this stage, we are still discussing with the relevant authorities in the Mainland the technical feasibility of storing our low-level radioactive wastes in purpose-built facilities in the Mainland.

- (c) We have considered developing a purpose-built permanent facility in Siu A Chau for the storage of low-level radioactive wastes, and invited tenders in late 1995. However, due to the high tender price and the significant reduction in the radioactive wastes produced each year, the Government considered it necessary to establish whether there were other more cost-effective options.

As I mentioned earlier, we are now examining the feasibility of storing our low-level radioactive wastes in mainland facilities. When we have obtained the necessary information, we will consider this option together with the Siu A Chau option before making a decision.

MR FREDERICK FUNG (in Cantonese): *Madam President, in the first paragraph of the main reply, the Secretary mentioned that the radiation level of the relevant wastes complied with the standard set by the IAEA. As far as I know, the standards adopted by the Government now are the industrial and occupational safety standards of the IAEA, rather than the public safety standards, with a difference of 20 times. I also note that the Secretary did not specify the relevant timetable in any part of the main reply, but merely repeated that the issue would be studied. In my view, this answer could not allay people's fears about this issue. Why has the Government failed to relocate these low-level radioactive wastes immediately for it has studied the matter for so long?*

PRESIDENT (in Cantonese): Which Secretary will reply?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I would like to tackle the first part of the supplementary question, namely the question of safety. According to international standards, our present method of disposal is absolutely safe. The storage of the wastes at the present location will not affect the health of the public or schoolchildren. In terms of occupational safety, the air quality of that site is not too good, so the working environment may not be very desirable. However, this has nothing to do with radioactivity. The radiation levels there do not exceed international standards.

PRESIDENT (in Cantonese): Secretary for the Environment and Food, do you wish to reply?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, regarding the second part of the supplementary question, as Secretary YEOH Eng-kiong said, the present facility will not affect the safety and health of people nearby at all. As I pointed out in the main reply, the radiation levels outside the shelter are the same as the normal natural background levels. Moreover, it is not that the Government has not set a timetable. As I explained in the main reply, we are discussing with the Mainland the feasibility of storing low-level radioactive wastes produced in Hong Kong in purpose-built facilities in the Mainland. I also stated clearly that we hoped to have the relevant information within this year so that we could consider this option together with the Siu A Chau option. I wish to stress that the volume of the wastes now stored in the air-raid shelter is only 55 cu m. When we invited tenders for the development of a purpose-built facility in Siu A Chau in late 1995, the tender price was \$106 million and the recurrent expenditure each year would be a few million dollars. Apart from the exorbitant tender price, the annual production of low-level radioactive wastes in Hong Kong has also significantly dropped to about 0.26 cu m yearly. Thus, we need to consider different options before making a decision.

PRESIDENT (in Cantonese): Members may be very interested in following up this question, as there are now more than 10 Members in the queue. Will Members please keep their questions as concise as possible, as I wish to allow more Members to ask supplementary questions.

DR YEUNG SUM (in Cantonese): *Madam President, the Secretary mentioned that the air-raid shelter was not purpose-built for storing these radioactive wastes. While the cost of building new purpose-built facilities is very high, human life is also very important. At present, the teachers and students of this school are extremely worried if the wastes have caused some teachers and students to contract cancer. Actually, the Government is aware of this. Will the two Secretaries tell us unequivocally today that the relevant wastes will certainly be relocated, only the plan will not be announced until later? If the Secretaries declare today that these wastes will certainly be relocated, I believe the people concerned may be much more at ease and will feel that the Government cares about their sentiments.*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I do not quite understand this. Just now, we assured Members repeatedly that the storage of these low-level radioactive wastes in the air-raid shelter would not affect the safety and health of people nearby. However, the Honourable Member still talked about the importance of human life and health hazards. Such problems do not exist at all. As I said earlier, in the long run, we plan to store these wastes in purpose-built facilities. This is the Government's plan.

DR YEUNG SUM (in Cantonese): *Madam President, the supplementary question I asked just now was whether the two Secretaries could declare officially today that the relevant wastes would certainly be relocated. The Secretary did not answer this supplementary question.*

PRESIDENT (in Cantonese): Dr YEUNG Sum, please sit down first. In my opinion, the Secretary has answered your supplementary question, only that you are not satisfied with her answer. Although she did not answer your supplementary question directly, she answered it indirectly.

DR LO WING-LOK (in Cantonese): *Madam President, the Secretary told us in the main reply that there are legislation and a code of practice in Hong Kong regulating the disposal of the relevant wastes. However, we also see these low-level radioactive wastes are stored in an empty air-raid shelter in the urban areas. Can the Secretary brief us on whether there are adequate facilities in Hong Kong for the disposal and storage of radioactive wastes.*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, under our regulatory regime, apart from regulations and a code of practice, there is a unit under the DH responsible for supervising the handling of radioactive materials. At present, most radioactive materials in Hong Kong are used in hospitals or in research. They are seldom used in industry. As the Secretary for the Environment and Food said earlier, only a small amount of radioactive waste is produced by these substances each year. I wish to stress that the use of radioactive substances in Hong Kong is very limited. Hospitals generally follow the code of practice and dispose of these substances properly. These substances produce only a small amount of radioactive waste, approximately 0.35 cu m a year. The volume of the low-level radioactive wastes now stored in the air-raid shelter is about 55 cu m, while approximately 0.35 cu m of radioactive wastes is produced each year.

PRESIDENT (in Cantonese): Dr LO, please repeat your supplementary question.

DR LO WING-LOK (in Cantonese): *Madam President, are there adequate facilities in Hong Kong now to store or dispose of these wastes? Are they adequate or not?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, according to the present method of storing the relevant wastes, they are not just dumped at a certain place. In hospitals or in research, the relevant staff will dispose of much of the radioactive substance while doing their work. It does not need to be stored in any special place. This is because the new type used now has a shorter half life, while the radioactive substance used before has

a longer half life and therefore must be stored in a special place. For instance, the radioactive substance used on patients can generally dissolve by itself. So there is no need to handle the waste.

MR LAW CHI-KWONG (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary mentioned that the Code of Practice for the Handling, Storage, Packaging, Transportation and Disposal of Radioactive Wastes could be accessed via the DH's website. Has the Secretary considered or studied the possibility of requiring the relevant organizations to publicize the locations for the storage of the relevant wastes and put this information on the website, so that people will know where these wastes are stored?*

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

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, actually, there is a regulatory mechanism under our present licensing system, that is, staff of the DH will visit the relevant organizations to examine if they are using proper methods of storage and whether they comply with the Code of Practice and our regulatory requirements. Generally speaking, there should be no problem at all. As I explained earlier, these wastes have a very low radiation level and will not affect the general public. For instance, if a person approaches the wastes, the effect on his health will only be seen a few hundred years later.*

MR JAMES TIEN (in Cantonese): *Madam President, in part (b) of the main reply, the Government said that it is now discussing with the relevant authorities in the Mainland the feasibility of storing these low-level radioactive wastes in purpose-built facilities in the Mainland. Apart from discussing with the Mainland, has the Government considered that other countries could or may be willing to store these wastes? We just need to spend some money in order to store the wastes in some other countries, instead of waiting for the Mainland's reply.*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, since we invited tenders on the Siu A Chau project in late 1995, we have considered whether we could transport these wastes to other countries with suitable storage facilities. The consultant studied 22 countries. But the findings showed that no country could take over these low-level radioactive wastes. In 1998, we considered various options on the disposal of low-level radioactive wastes, such as storing the wastes underground, in the landfills, burning the wastes or storing them temporarily in the sewage tunnels. However, none of the options were found to be satisfactory. Therefore, we are now examining the feasibility of transporting the wastes to suitable purpose-built facilities in the Mainland and comparing it with the Siu A Chau option to see which option is more desirable.

MR MARTIN LEE (in Cantonese): *Madam President, in 1995, the Government already thought it was necessary to relocate these low-level radioactive wastes. It has made plans to relocate them, since it still finds this necessary. However, the Government now tells us that these low-level radioactive wastes will not affect health. Does the Government not find this self-contradictory? If the relevant wastes are safe, why should they be relocated? If they are not that safe, why are they not relocated at once?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I have already explained this in my main reply. I wish to stress, and the Secretary for Health and Welfare also stressed earlier, that these low-level radioactive wastes will not affect people's health and safety. The radiation levels outside the shelter are the same as the normal natural background levels. I am sure those Members who come from the medical sector will know that many objects will naturally release some low-level radiation. However, in the long run, we feel that we should relocate these wastes to a purpose-built facility. We appreciate the concern of the local people. That is why we have this plan. However, the factors we have to consider include: first, the wastes do not constitute a threat to people's safety and health, and second, the question of cost-effectiveness.

MR MARTIN LEE (in Cantonese): *Madam President, if the relevant wastes are so safe, why do they have to be relocated? Since the wastes are stored in the air-raid shelter, why should they be relocated? Take this glass as an example. Since it is so safe, why should it be taken away?*

PRESIDENT (in Cantonese): Mr Martin LEE, in my opinion, the Secretary has already answered your supplementary question, only that you are not satisfied with it. I know that several Members are still waiting for their turn to ask questions. But since we have spent more than 19 minutes on this question, I will not allow Members to ask further questions. However, I am sure Members can follow up this question through other channels.

Fifth question.

Strengthening Regulation of Chinese Medicines

5. **DR LO WING-LOK** (in Cantonese): *Madam President, a number of persons were sent to hospital for lead poisoning allegedly caused by the intake of some home-made herbal pills prepared by a Chinese medicine practitioner recently. Regarding imported and locally manufactured proprietary Chinese medicines, as well as the home-made medicines processed by local Chinese medicine practitioners, will the Government inform this Council of:*

- (a) *the number of cases in the past five years involving these medicines which were found to be containing heavy metals or poisonous substances exceeding the relevant safety standards, and the number of persons who fell ill allegedly after taking such medicines;*
- (b) *the existing mechanism for regulating the importation, processing, prescription and sale of these medicines; and*
- (c) *the recommendations it plans to make to the Chinese Medicine Council of Hong Kong (CMC) for strengthening the regulation of these medicines?*

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

- (a) The Department of Health (DH) has in place a surveillance system for detecting the presence of any heavy metal in the proprietary Chinese medicines sold in Hong Kong. From 1996 to 2000, 4 461 samples of proprietary Chinese medicines were tested, of which 1% was found to exceed the acceptable safety limits. According to the reports recorded in the DH, 62 persons were reported to have fallen ill after taking Chinese medicines in the past five years. All the cases are related to Chinese herbal medicines.
- (b) At present, the use and trading of proprietary Chinese medicines are subject to regulation by a number of ordinances. Chinese medicine products containing ingredients of Western medicine are regulated by the Pharmacy and Poisons Ordinance (Cap. 138), that is, they must be registered with the Pharmacy and Poisons Board as pharmaceutical products before they can be sold. The other Chinese medicine products are subject to regulation by the Public Health and Municipal Services Ordinance (Cap. 132), which provides that drugs on sale in Hong Kong must be fit for human consumption and that their labels do not falsely describe the drug or are likely to mislead as to the nature, substance or quality of the drug. Import and export of proprietary Chinese medicines are also subject to licensing control under the Import and Export Ordinance (Cap. 60).
- (c) The control framework for regulating the use, trading and manufacture of Chinese medicines has been set out in the Chinese Medicine Ordinance (CMO), which was enacted in July 1999. The regulatory system includes the licensing of retailers and wholesalers of Chinese herbal medicines, licensing of wholesalers and manufacturers of proprietary Chinese medicines, and registration of individual proprietary Chinese medicines, having regard to the safety, efficacy and quality of the medicines. The CMC is currently drawing up the detailed control measures, with the DH providing professional and administrative support. The CMC plans to complete the deliberations in the near future and make the relevant subsidiary legislation for tabling at the Legislative Council later this year.

DR LO WING-LOK (in Cantonese): *Madam President, as regards the case in question, it was brought to the attention of the mass media before the DH became aware of it. In part (a) of the main reply, the Secretary mentioned that a total of 62 persons had fallen ill after taking Chinese medicines in the past five years. Are these 62 cases only the tip of the iceberg? Is it due to the lack of a reporting system that the DH is unaware of the cases and fails to deal with similar cases?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, some cases were certainly not reported to the DH. Therefore, even though some members of the public sometimes fall ill after taking Chinese medicines, we are unaware of such cases. In fact, the same goes for Western medicines as well. Most of the time, doctors or organizations do not report these cases to the DH, so the department has no idea about them. However, we have a mechanism for surveillance and will evaluate the existing mechanism in respect of the improvements to be made. At present, the DH and the Hospital Authority (HA) have an agreement whereby the HA will report to the DH when it discovers that a patient feels ill after taking Chinese medicines. Unfortunately, the cases mentioned in the main question were not reported to the DH. Of course, not every case will be reported to the DH.

DR TANG SIU-TONG (in Cantonese): *Madam President, it was mentioned in part (a) of the main reply that 62 persons had fallen ill after taking Chinese medicines in the past five years. May I ask, how many of the 62 cases were related to the wrongful use of Chinese herbal medicines? How many were caused by poor quality control and how many cases were caused by problematic prescriptions, which made people feel ill after taking them?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I do not have the detailed information on hand, but I will give Dr the Honourable TANG Siu-tong a reply in writing later. (Annex)

MISS LI FUNG-YING (in Cantonese): *Madam President, the Secretary mentioned in the main reply that the use and trading of proprietary Chinese medicines are subject to regulation by a number of ordinances at present. However, of the samples tested in the past, 1% was still found to exceed the acceptable safety limits. May I ask the Secretary what more effective methods and specific measures are in place to ensure proprietary Chinese medicines meet the safety standards?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, we have enacted a new ordinance, which is the CMO. After the CMO has come into effect, some of its subsidiary legislation can regulate proprietary Chinese medicines in a more effective and satisfactory manner.*

MR LAU PING-CHEUNG (in Cantonese): *Madam President, in part (c) of the Secretary's main reply, it was mentioned that relevant subsidiary legislation would be tabled at the Legislative Council later. The enactment of ordinances or subsidiary legislation generally takes quite some time. During this interim, will the Government launch public education efforts to teach the people what they need to pay attention to when taking Chinese medicines? At present, announcements of public interests are broadcast by the Government on television, teaching people what to do in cases of slope failures or fire. Will the Health and Welfare Bureau carry out similar work in respect of taking Chinese medicines?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, I hope that it will not take a long time before the relevant subsidiary legislation concerned can be passed. We plan to table the subsidiary legislation at the Legislative Council for scrutiny later this year. On our part, we can of course carry out some public education work. In this connection, the first batch of Chinese medicine practitioners will be registered in the middle of the year in accordance with the provisions of the CMO. After registration, they have to observe the relevant code of practice. So, the registration system serves as another form of regulation. The incident in question was caused by certain home-made medicines processed by a Chinese medicine practitioner. In the future, according to the provisions of the CMO, registered Chinese medicine practitioners will practise their trade according to the code of practice for Chinese medicine practitioners. Thus they are subject to regulation this way.*

MR DAVID CHU (in Cantonese): *Madam President, may I ask the Secretary how many cases there are in the past five years involving people feeling ill after taking Western medicines?*

PRESIDENT (in Cantonese): Mr CHU, the theme of this question is about the alleged poisoning of a person taking home-made herbal pills processed by a Chinese medicine practitioner. However, your supplementary question mentioned Western medicines. I think you should raise another supplementary question unless you can explain which part of the reply given by the Secretary earlier is related to your supplementary question.

MR DAVID CHU (in Cantonese): *Madam President, I asked the supplementary for comparison. In knowing how many cases involved Chinese medicines as opposed to Western medicines, we may not consider the case with Chinese medicines a problem at all because the case with Western medicines may be even worse. (Laughter)*

PRESIDENT (in Cantonese): Mr CHU, thank you for your explanation but still I rule that you should raise this supplementary question through other channel.

MR NG LEUNG-SING (in Cantonese): *Madam President, in part (a) of the main reply, it was indicated that a surveillance mechanism had been set up in the DH. May I ask whether the subsidiary legislation to be tabled at this Council later this year will revise the relevant surveillance mechanism and tailor it more specifically to the situation of Chinese medicines?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, absolutely, it will.

DR YEUNG SUM (in Cantonese): *Madam President, although the Secretary said that regulation and relevant legislation were already in place, however, incidents like this happened one after another. I believe many victims of such incidents had no idea that they were related to Chinese medicines. May I ask*

the Government whether there will be any evaluation on the inadequacies in the regulation and punishment, and ways of improvement?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, the CMO was enacted out of our conviction that the existing regulation is unsatisfactory. I trust that the subsidiary legislation under the CMO can regulate Chinese medicines more effectively.

PRESIDENT (in Cantonese): Sixth question.

Alleviating Financial Burden of PRH Tenants

6. **MR CHAN KAM-LAM** (in Cantonese): *Madam President, with regard to alleviating the financial burden of tenants of public rental housing (PRH), will the Government inform this Council:*

- (a) *of the number of households in each category of per-square-metre rentals for PRH units;*
- (b) *of the number of tenants in each type of PRH blocks who are eligible for rental assistance; and the number of applications for such assistance it received last year; and*
- (c) *whether it will review the existing stipulation that new PRH tenants are not eligible for rental assistance before the next review of the rentals of the housing estates concerned has been conducted by the Housing Authority; if so, of the timing of the review; if not, the reasons for that?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the number of households in each category has been tabled.

Last year the Housing Authority (HA) received 899 applications for rent assistance, and 865 were approved. The HA does not have information on the number of tenants who are affected by temporary financial difficulties and who are eligible to apply for rent assistance.

The Housing Department (HD) is reviewing the current arrangement which restricts new tenants, or tenants transferred to other flats as a result of comprehensive redevelopment, from applying for rent assistance until the next rent review, and will consider the possibility of lifting this restriction. The review will be completed shortly.

Annex

Distribution of Households in PRH Flats by Rental Amount
(as at 31 December 2000)

<i>Rent in \$ per sq m</i>	<i>No. of households*</i>	<i>% of households</i>
Less than \$20.00	1 050	0.2
\$20.00 - \$29.90	33 982	5.9
\$30.00 - \$39.90	192 444	33.2
\$40.00 - \$49.90	257 631	44.4
\$50.00 - \$59.90	43 981	7.6
\$60.00 - \$69.90	46 216	8.0
\$70.00 and above	4 438	0.8
Total	579 742	100

* Inclusive of tenants paying half rent under the Rent Assistance Scheme and additional rent (that is, 1.5 Times rent, Double rent or Market rent).

MR CHAN KAM-LAM (in Cantonese): *Madam President, we have found great discrepancies in the number of tenants in each rental category in the Annex to the Secretary's main reply. May I ask whether the HD or the Housing Bureau has conducted any analysis on those applications for rental assistance submitted in the past, in order to find out from which category of PRH tenants did most of the applications come from? What are the reasons for their applications, and would it be possible that tenants affected by urban redevelopment projects find a huge disparity between new and old rentals after they have moved into new PRH?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, generally speaking, PRH tenants apply for rental assistance not because they prefer to living in a certain PRH. Of course, if they have chosen certain PRH of exceptionally high rental, they may encounter difficulties sometimes. Some tenants affected by urban redevelopment wish that new PRH units could be allocated to them if possible. However, as the rental for new PRH units is more expensive, certain problems often arise.

However, to families already receiving rent assistance, the major reason for them to apply for rent assistance is they have been living in the PRH for some years and they find it more difficult to make both ends meet every time the rental is adjusted, which was adjusted every two years in the past and every three years recently. In addition, a change in the family's financial situation is also another major reason for PRH tenants to apply for rent assistance. For example, a certain member of the family used to have stable monthly income in the past, but all of a sudden he has no income at all. In some other cases, PRH tenants have to apply for rent assistance when some family members have left, which has caused some other problems.

MR FRED LI (in Cantonese): *Madam President, the Secretary mentioned in his main reply that as the next rent review is not yet commenced, tenants transferred to other flats as a result of comprehensive redevelopment are therefore not eligible for rent assistance.*

Madam President, whenever a 30 or 40 year-old PRH estate is demolished for redevelopment, inevitable changes in the structure of certain households such as addition and deletion will take place. When these families move to new estates under the re-provision arrangement, the new rental is always several times higher than the original. As the Secretary said that tenants transferred to other flats as a result of comprehensive redevelopment could only apply for rent assistance until the next rent review, then, will the Secretary grant top priorities to these people once their applications for rent assistance are submitted?

SECRETARY FOR HOUSING (in Cantonese): Madam President, most families affected by comprehensive redevelopment by and large wish to move to new flats, as a result, the rental is naturally higher. In fact, the HA has some other flats of cheaper rentals located in more convenient locations. Low-income families affected by comprehensive redevelopment may choose such kind of flats in order to alleviate their financial burden. As to whether priorities can be given to these families affected by redevelopment in the next rent review, just as I have said earlier, the overall reviewing exercise is basically conducted by the HD. I think an overall review is better than a special review exclusive to this group of families transferred to other flats as a result of redevelopment. After all, if any improvement can be made, tenants at large will enjoy them, and I consider that more reasonable.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary mentioned in his main reply that only 899 applications for rent assistance were received last year; that figure was surprisingly low. Despite there are so many tenants living in PRH, only some 800 applications were submitted, does it mean that tenants of PRH in Hong Kong are really that well off? It is utterly incredible. In view of this, may I ask the Secretary whether the Government estimated the expected number of applications under such system when the system was drawn up? If there is a big difference between the estimate and the existing number of applications, then what is the reason for that? Furthermore, as the Secretary said that the current arrangement would be reviewed, then will the authority also review the existing practice whereby tenants affected by redevelopment are required to sign an undertaking of not to apply for rent assistance within two years?*

PRESIDENT (in Cantonese): Mr LEUNG Yiu-Chung, you have raised two supplementary questions, which supplementary question do you wish the Secretary to answer?

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, if possible, I hope the Secretary will answer both of them. (Laughter)*

PRESIDENT (in Cantonese): Mr LEUNG, you still have another chance to raise your supplementary again later. I wish to let some other Members waiting in line to ask their supplementaries first, therefore, which supplementary question do you wish the Secretary to answer?

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, then I shall leave it to the Secretary to decide which supplementary question he wishes to answer first, then I will wait for another turn to ask the unanswered supplementary.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I think I will answer the first supplementary of the Honourable Member.

The Government has not done any estimate on the number of applicants of this rent assistance scheme for any given year. Nevertheless, the eligibility criteria are rather reasonable, and they were adopted after extensive discussions within the HA. Actually, two reviews had been conducted in the past before the current eligibility criteria were relaxed accordingly. As to why there were only 899 rent assistance applications (Mr LEUNG considered the figure too low), I have examined the figures for the past several years. According to my observation, the figure fluctuated along with the overall economic condition, as well as changes in family's financial and income situation. In principle, it has very little to do with the eligibility criteria of the scheme. Our ultimate objective is to help those tenants in difficulties.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, people living in PRH in old urban areas include some elderly people with no income and retirees. When they are transferred to other new PRH estates as a result of redevelopment, their rental burden will be increased up to five times. However, most of them are not Comprehensive Social Security Assistance (CSSA) recipients. Nevertheless, they are quite reluctant to be relocated in some refurbished flats. Will the Secretary consider their situation in a more serious way and see how the Government can lend a hand to alleviate their burden as a result of dramatic increases in rent, so that they may live a peaceful and contented life?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, in fact, many elderly people will take their own income into consideration when they make their choice of housing. Of course, some of them do not have any income at all, or some are simply living on CSSA. If they are CSSA recipients, it is not necessary for them to apply for rent assistance, as both schemes are overlapping.

In fact, the Government will take care of the elderly. As long as the elderly consider they can afford to live in a new flat, we will surely approve the request. They need only make an application by the next rental adjustment. Some elderly people are willing to do so because of personal reasons, as they wish to move to the same PRH estate together with some other elderly friends. In our upcoming review, we will also review these cases. Once the existing restriction is relaxed, the elderly and families in general will be benefited. However, I do not wish to make any speculation at the present stage. We will actively review and deal with the issue.

MR FREDERICK FUNG (in Cantonese): *Madam President, the Secretary mentioned in his answer to a supplementary question that if there was a change in the financial condition of a certain family member, such as unemployment or decease, the family concerned may apply for rent assistance. However, as far as I know, the average unemployment rate in the neighbourhood was one person a month in the past 12 months. As they did not know they are eligible for rent assistance, the HD drove them out of their flats when they had defaulted on the payment of rent for two months. Most of them were unaware of the fact that they could apply for rent assistance immediately, and as a result they were driven out of their flats at the end.*

I would like to ask the Secretary: firstly, can we request the HD and HA to publicize more about the scheme; and secondly, can those tenants driven out of their flats because of defaulting on rental payments as a result of unemployment reclaim their old flats?

SECRETARY FOR HOUSING (in Cantonese): Madam President, as to the publicity of the scheme, the HA and HD have put significant time and energy in that. Each PRH estate management has also publicized the scheme in its daily bulletin. Furthermore, the HA has set up a hotline for tenants to inquire about the application procedure for rent assistance, so tenants may also check whether they are eligible. Therefore, tenants can easily access such information.

As to the cases mentioned by the Honourable Member, it seems that the persons involved were negligent and had not made the relevant efforts, thus they were ultimately forced by the HD to leave the premises as a result of default on rental payment. As to the question whether they can reclaim their old flats, it depends on whether they have made their applications to the HD again, in addition to the fact that whether the flats have been allocated to some other tenants. However, if it is possible and if they have justifications, I believe the HD will handle their cases in a more flexible way.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary mentioned in the third paragraph of his main reply that the authority would review the policy on rent assistance. May I ask the Secretary in which aspect will the authority review? As far as I know, the rent assistance policy is divided into two parts. One of them requires tenants affected by redevelopment to sign an undertaking that they will not apply for rent assistance within two years after they have moved to new PRH flats. The Secretary said earlier that one of the reasons for application for rent assistance was financial. However, how can those tenants affected by redevelopment foresee that they will not be demoted, laid off or become unemployed within two years? They are unable to assure all of these situations. As the Secretary is aware of such situations, why tenants are still rigidly prohibited from applying for rent assistance in two years' time? Will the Government also review that practice in the forthcoming review?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, as far as I know, after a family has moved in a new flat, if there is any change in the financial situation (such as unemployment) which may lead to difficulty in rental

payment, they are eligible for the rent assistance. However, in general, if they have chosen a bigger flat with a better view, they will not be eligible for the rent assistance despite they are unable to bear the subsequent financial burden. If it is because of a sudden change in financial situation, we can still take care of that.

PRESIDENT (in Cantonese): Mr LEUNG, it so happens that there are no other Members waiting for their turn, I will let you ask another supplementary.
(Laughter)

MR LEUNG YIU-CHUNG (in Cantonese): *Thank you, Madam President.*
(Laughter)

Madam President, according to the explanation of the Secretary, then will it be unnecessary to require tenants to sign the undertaking? It is because the undertaking stipulates that tenants cannot apply for rent assistance due to financial reasons within two years. In this respect, I do not know whether I have remembered it wrongly or if the Secretary has made a mistake. If it is the case as mentioned by the Secretary, then it is not necessary to require tenants to sign that undertaking. As a result, I hope the Secretary will clarify whether the policy of requiring tenants to sign the undertaking is not necessary?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I will request the HA and HD to review the arrangement concerning tenants affected by comprehensive redevelopment being required to sign an undertaking, as well as to work out the proper arrangement for these tenants in the overall review.

PRESIDENT (in Cantonese): Question time shall end here.

WRITTEN ANSWERS TO QUESTIONS**Promoting Public's Interest in Information Technology**

7. **MR KENNETH TING** (in Chinese): *Madam President, according to a recent survey, members of the public generally do not know much about information technology (IT), with some 20% of the respondents indicating that they know nothing about IT at all. In this connection, will the Government inform this Council of the measures to promote the public's interest in and understanding of IT, as well as to encourage and facilitate wider application of IT in their daily life?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Chinese): Madam President, Hong Kong has excellent information infrastructure. According to a survey conducted by the Census and Statistics Department in early 2000, half of our households have personal computers installed, amongst which 73% have access to the Internet. The present penetration rate of mobile phone in Hong Kong reaches as high as 76% and the circulation of smart payment cards in the market exceeds 6.8 million. Generally speaking, Hong Kong is in the forefront of information technology (IT) development in the Asia-Pacific Region.

The Government is striving to implement the "Digital 21" IT strategy. One of the major initiatives is to promote the wider application of IT and enhance the understanding of IT in the community. We are actively pursuing the strategy on "Information Technology for Learning in a New Era" to promote IT education in schools. At the community level, we have organized a series of promotional activities including seminars, talks, exhibitions, broadcasting announcements of public interests on television and in radio, holding competitions, as well as production and distribution of promotional CD-ROM and leaflets to enhance the public understanding of IT.

We also launched a community IT promotional campaign called "IT Hong Kong" late last year. The campaign includes programmes like "IT Awareness

Programme", recruitment of "IT Pioneers" and promotional activities in 18 districts. The "IT Awareness Programme" has so far provided over 11 000 training places to all sectors of the community including housewives, the elderly, people with disabilities and the new arrivals, and so on. In view of the encouraging response, we have organized the second round of the programme providing approximately another 6 000 training places. In the coming financial year, we plan to organize similar programmes to enhance the public's interest in and understanding of IT.

In addition, we have also launched the "Community Cyber Points" project and about 2 250 computers have been installed in community centres, community halls and public libraries for public use free of charge. This provides additional means for the public to access IT. We will continue to expand the project and increase the number of public computers to about 3 200 by the end of this year.

Under the Electronic Service Delivery Scheme fully launched in January this year, members of the public can obtain at any time various online services through different electronic delivery channels. We will continue to introduce new services to encourage and help members of the public to use IT in obtaining government and other services.

We will continue to organize IT promotional and awareness programmes to encourage and facilitate the public to make wider use of IT in their daily life.

Employment Statistics

8. **MR LEE CHEUK-YAN** (in Chinese): *Madam President, regarding the employment statistics compiled by the Census and Statistics Department, will the Government inform this Council of the respective numbers of employed persons (excluding unpaid family works, live-in domestic helpers and those who have worked less than 35 hours during the seven days preceding the interview as a result of taking vacation) in each of the past three years, broken down by the categories in the form appended below?*

*Employed persons (in thousands)**Monthly employment earnings*

<i>Gender/Number of hours worked</i>	<i>Less than \$5,000</i>	<i>\$5,000 to \$7,499</i>	<i>\$7,500 to \$9,999</i>	<i>\$10,000 to \$19,999</i>	<i>\$20,000 or over</i>	<i>Sub-Total</i>
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*Female**less than 35**35 to 49**50 to 59**Over 60**Sub-Total**Employed persons (in thousands)**Monthly employment earnings*

<i>Gender/Number of hours worked</i>	<i>Less than \$5,000</i>	<i>\$5,000 to \$7,499</i>	<i>\$7,500 to \$9,999</i>	<i>\$10,000 to \$19,999</i>	<i>\$20,000 or over</i>	<i>Sub-Total</i>
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*Male**less than 35**35 to 49**50 to 59**Over 60**Sub-Total*

*Employed persons (in thousands)**Monthly employment earnings*

<i>Gender/Number of hours worked</i>	<i>Less than \$5,000</i>	<i>\$5,000 to \$7,499</i>	<i>\$7,500 to \$9,999</i>	<i>\$10,000 to \$19,999</i>	<i>\$20,000 or over</i>	<i>Sub-Total</i>
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*less than 35**35 to 49**50 to 59**over 60**Total*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, the employment statistics for the fourth quarter of 1998, 1999 and 2000 are shown in the format requested in the tables at the Annex. It is evident from the statistics that:

- (a) the number of workers with monthly employment earnings of \$10,000 and above increased steadily, from 1 612 700 in the fourth quarter of 1998 to 1 779 500 in the fourth quarter of 2000. The respective share in total employment went up from 57.3% to 59.5%. The figures show that this particular group of people generally benefited from the increased demand for higher-skill and better experienced workers over the past few years; and
- (b) the number of low income workers with monthly employment earnings below \$5,000 also increased, from 183 800 in the fourth quarter of 1998 to 205 400 in the fourth quarter of 1999, largely due to the impact of the regional financial turmoil. This rising trend reversed in the fourth quarter of 2000, with the number of workers earning less than \$5,000 dropping to 200 400. Their corresponding share in total employment rose from 6.5% in the fourth quarter of 1998 to 7.1% in the fourth quarter of 1999, and then dropped back to 6.7% in the fourth quarter of 2000.

Table 1: Number of employed persons (excluding unpaid family workers, resident domestic helpers and employed persons who had worked less than 35 hours during the seven days before enumeration due to vacation/holidays) by sex, hours of work during the seven days before enumeration and monthly employment earnings, Quarter 4, 1998

<i>Sex/Hours of work during the seven days before enumeration</i>		<i>Monthly employment earnings</i>				<i>Total</i>
		<i>< \$5,000</i>	<i>\$5,000 to \$7,499</i>	<i>\$7,500 to \$9,999</i>	<i>\$10,000 to \$19,999</i>	
<i>Female</i>						
< 35	57 800	9 000	2 800	3 500	3 600	76 800
35 to 49	43 700	143 200	167 400	294 400	151 100	799 800
50 to 59	7 700	32 400	25 300	19 100	10 500	95 000
≥ 60	9 000	39 100	18 400	15 600	6 200	88 300
Sub-total	118 200	223 800	213 800	332 600	171 400	1 059 900
<i>Male</i>						
< 35	30 800	28 900	20 200	13 800	2 300	95 900
35 to 49	24 000	125 200	222 600	499 600	298 500	1 169 900
50 to 59	4 100	27 400	51 300	98 900	49 400	231 100
≥ 60	6 800	52 600	51 400	106 700	39 500	256 900
Sub-total	65 600	234 100	345 400	719 000	389 700	1 753 800
<i>Total</i>						
< 35	88 600	37 900	23 000	17 300	5 800	172 600
35 to 49	67 600	268 400	390 000	794 000	449 600	1 969 600
50 to 59	11 800	59 900	76 500	118 000	59 900	326 100
≥ 60	15 800	91 700	69 700	122 200	45 700	345 200
Total	183 800	457 900	559 300	1 051 600	561 100	2 813 700

Note: There may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Table 2: Number of employed persons (excluding unpaid family workers, resident domestic helpers and employed persons who had worked less than 35 hours during the seven days before enumeration due to vacation/holidays) by sex, hours of work during the seven days before enumeration and monthly employment earnings, Quarter 4, 1999

<i>Monthly employment earnings</i>						
<i>Sex/Hours of work</i>						
<i>during the seven days</i>		<i>\$5,000 to</i>	<i>\$7,500 to</i>	<i>\$10,000 to</i>		
<i>before enumeration</i>	<i>< \$5,000</i>	<i>\$7,499</i>	<i>\$9,999</i>	<i>\$19,999</i>	<i>≥ \$20,000</i>	<i>Total</i>
<i>Female</i>						
< 35	64 500	10 500	2 500	5 300	3 500	86 400
35 to 49	45 000	147 700	153 800	287 200	153 000	786 800
50 to 59	11 000	40 500	26 900	33 900	22 800	135 100
≥ 60	13 600	46 300	22 800	18 800	9 900	111 300
Sub-total	134 200	245 000	206 000	345 200	189 200	1 119 500
<i>Male</i>						
< 35	30 600	28 700	13 200	13 900	3 900	90 300
35 to 49	24 800	118 700	182 100	456 800	282 600	1 064 900
50 to 59	5 000	31 500	52 600	133 400	71 200	293 600
≥ 60	10 800	62 700	65 900	138 300	55 900	333 700
Sub-total	71 200	241 600	313 800	742 400	413 500	1 782 600
<i>Total</i>						
< 35	95 100	39 200	15 800	19 200	7 400	176 700
35 to 49	69 800	266 400	335 900	744 000	435 600	1 851 700
50 to 59	16 000	72 000	79 400	167 300	94 000	428 700
≥ 60	24 400	109 000	88 700	157 100	65 700	444 900
Total	205 400	486 600	519 700	1 087 600	602 700	2 902 100

Note: There may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Table 3: Number of employed persons (excluding unpaid family workers, resident domestic helpers and employed persons who had worked less than 35 hours during the seven days before enumeration due to vacation/holidays) by sex, hours of work during the seven days before enumeration and monthly employment earnings, Quarter 4, 2000

<i>Monthly employment earnings</i>						
<i>Sex/Hours of work</i>						
<i>during the seven days</i>		<i>\$5,000 to</i>	<i>\$7,500 to</i>	<i>\$10,000 to</i>		
<i>before enumeration</i>	<i>< \$5,000</i>	<i>\$7,499</i>	<i>\$9,999</i>	<i>\$19,999</i>	<i>≥ \$20,000</i>	<i>Total</i>
<i>Female</i>						
< 35	65 400	9 400	2 900	4 800	3 300	85 600
35 to 49	46 700	149 900	144 400	288 400	168 500	797 800
50 to 59	10 300	39 500	32 300	42 900	32 600	157 600
≥ 60	13 000	49 900	23 600	25 100	17 200	128 800
Sub-total	135 400	248 600	203 200	361 100	221 500	1 169 800
<i>Male</i>						
< 35	30 800	28 400	16 300	15 300	3 100	93 800
35 to 49	21 500	117 400	182 700	462 000	296 500	1 080 000
50 to 59	5 300	32 000	55 500	138 700	77 100	308 700
≥ 60	7 300	60 500	65 300	138 700	65 500	337 400
Sub-total	65 100	238 300	319 700	754 600	442 200	1 819 900
<i>Total</i>						
< 35	96 200	37 800	19 200	20 000	6 300	179 500
35 to 49	68 200	267 300	327 000	750 300	465 000	1 877 900
50 to 59	15 700	71 500	87 800	181 600	109 700	466 200
≥ 60	20 300	110 400	89 000	163 800	82 700	466 200
Total	200 400	486 900	522 900	1 115 800	663 700	2 989 700

Note: There may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Air-raid Shelters Used for Storing Radioactive Waste

9. **MR HENRY WU** (in Chinese): *Madam President, it has been reported that a man was found in a wartime air-raid shelter used for storing radioactive waste on the 19th of last month. In this connection, will the Government inform this Council:*

- (a) *whether the man was contaminated by radioactivity as a result;*
- (b) *of the locations and current usage of the existing wartime air-raid shelters;*
- (c) *of the present number of air-raid shelters used for storing radioactive waste, and whether regular tests are conducted to determine the ambient radiation level in these air-raid shelters; if so, the frequency of such tests and the date and findings of the last tests;*
- (d) *whether it will consider installing devices so that the department concerned will be immediately alerted to any unauthorized entry to an air-raid shelter used for storing radioactive waste; and*
- (e) *of the measures in place to prevent persons who have entered such air-raid shelters from being contaminated by radioactivity?*

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

- (a) The person concerned was examined at the scene by health physicists of the Department of Health (DH). No detectable radioactivity was found on his body and clothing.
- (b) There are currently 82 disused tunnel networks known to the Civil Engineering Department. Of these, 29 were purposely constructed as air-raid precaution tunnels, and the remainders were constructed for a variety of purposes. The number of disused tunnel networks located at Hong Kong Island, Kowloon, and the New Territories and Islands are 54, 18 and 10 respectively.

Three tunnel networks are currently being used by the Government, namely:

- (i) one network in Queen's Road East used for storage of low-level radioactive wastes;
 - (ii) one network at Shouson Hill used for storage of soil and rock samples; and
 - (iii) one network at Lei Yue Mun used as part of the Hong Kong Museum of Coastal Defense.
- (c) Only a small section of the Queen's Road East tunnel network has been used for storing low-level radioactive wastes. The DH carries out monthly monitoring of ambient radiation outside the network and monitoring of the cumulative radiation dose inside the network. The radiation levels outside the network have been consistently found to be the same as the normal natural background levels. In the section of the network where there are waste materials in store, the general radiation level satisfies the principles of occupational safety and protection set by the International Commission on Radiological Protection.
- (d) To prevent a recurrence of unauthorized entry into the tunnel network in Queen's Road East where radioactive wastes are being stored, the locking devices on the steel doors have been immediately strengthened after the incident. We will consider devising further measures to prevent unauthorized entry.
- (e) The low-level radioactive wastes stored in the Queen's Road East tunnel network, all in solid form, are sealed in stainless steel double-layer drums which are reinforced with a sealant in between the layers. This form of high-standard containment will effectively prevent the wastes from leaking out even during transportation. Persons entering the tunnel network will not be contaminated by radioactivity.

Review of PNETS Charges

10. **MR SIN CHUNG-KAI:** *Madam President, value-added services (VAS) providers, including Internet services providers (ISPs) and mobile network service operators (MNSOs), are required to pay an interconnection charge, known as the Public Non-exclusive Telecommunications Service (PNETS) charge, to the local fixed telecommunication network services (FTNS) operators. In this connection, will the Government inform this Council:*

- (a) *of the respective amounts of PNETS charges received by FTNS operators from ISPs, MNSOs and other VAS providers in each of the past two years;*
- (b) *how each adjustment in the PNETS charge rates in the past three years was related to changes in the relevant cost components of the dominant FTNS operator, PCCW-HKT Telephone Limited (HKTC) in the relevant periods;*
- (c) *whether it has assessed if there is still room for further reduction in PNETS charge rates; if there is such room, of the timing for the reduction; and*
- (d) *of the timing for the next review on the methodology for calculating PNETS charge rates?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING: Madam President,

- (a) In 1999 and 2000, the total interconnection charges received by the four FTNS operators from mobile services operators and VAS providers (including ISPs) were as follows:

	<i>Year 1999</i>	<i>Year 2000</i>
Mobile services operators	\$705 m	\$964 m
VAS providers (including ISPs)	\$362 m	\$449 m

- (b) The Telecommunications Authority (TA) regulates the interconnection charges of HKTC only. The interconnection charges consist of two components. One is to cover the cost of carrying the traffic and another to cover the cost for setting up the calls. The level of interconnection charges, expressed as unit interconnection charge per minute, is the sum of per minute costs of these two components.

In the past three years, the level of interconnection charges, expressed as the unit interconnection charges per minute, has declined. This is because the average per minute cost of setting up a call (which is one of the cost components), calculated as the average cost for setting up a call divided by the call duration, was reduced due to the longer average duration of calls. This is particularly significant in the case of interconnection charge for VAS calls where a large portion of which was Internet services calls.

- (c) Under the current calculation methodology of interconnection charges as stipulated in (b) above, the levels of interconnection charges for a particular year will depend on the actual costs incurred by HKTC for the provision of the network, and the actual traffic volume in that year. The levels of interconnection charges can only be calculated after the actual data is available. While we note the trend decrease over the past few years in the levels of interconnection charges, the TA cannot predict in advance any future changes to the interconnection charges.
- (d) The Office of the Telecommunications Authority (OFTA) conducted an industry consultation last year with a view to reviewing the calculation methodology of the interconnection charges. Taking into consideration the industry's views, the TA has concluded in his Statement published on 20 October 2000 that the existing model will continue to be used for the setting of the interconnection charges, with the modification that charges for transit calls for the mobile operators will be separately determined. Both the consultation paper and the TA Statement can be downloaded from the OFTA's website at <www.ofa.gov.hk>. As the review has just been undertaken six months ago and there has been no major change in the market environment since then, the TA does not see the need for another review for the time being.

Dismissal of Teachers

11. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, regarding the dismissal of teachers or the ordering of their early retirement, will the Government inform this Council of:*

- (a) *the respective numbers of teachers of government secondary schools, government primary schools, aided secondary schools and aided primary schools who were dismissed or ordered to retire early in the past five years, with a breakdown by the reason for such actions; and*
- (b) *the current assessment criteria and procedure adopted and followed by school authorities in dealing with the dismissal of teachers or ordering them to retire early on grounds of unsatisfactory performance in teaching?*

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

Government school teachers

The appointment and termination of service of government school teachers are governed by the relevant Civil Service Regulations and the Public Service (Administration) Order. The performance of government school teachers is assessed through an appraisal system. Under this system, the appraising officer and the appraisee will, at the beginning of the appraisal period, agree on the duties and responsibilities of the appraisee. A mid-year review will be conducted to evaluate the performance and progress of the appraisee. By the end of the appraisal period, the appraising officer will write the appraisal report, followed by countersigning by more senior officers. The appraising officer will then conduct appraisal interview with the appraisee to discuss the content of the report, and record the comments made by the appraisee during the interview, so as to ensure fairness and transparency of the appraisal process.

Where a government school teacher's performance is found to be unsatisfactory, the appraising officer or more senior supervisors will in the first instance provide counselling and guidance, and allow the teacher a reasonable

period to improve. The appraising officer or more senior supervisors would inform the teacher of the standards expected of him/her, his/her shortcomings, and require him/her to demonstrate improvement. If the teacher's performance is persistently below the acceptable performance standard, the Education Department may, depending on the employment status of the teacher, take further action as follows:

- (a) if the teacher is on probationary terms, the Education Department may decide not to confirm the teacher to permanent employment or, in more serious cases, terminate the probationary service early. Before contemplating such action, the Department will ask the teacher to submit written representations and seek the advice of the Public Service Commission (PSC); or
- (b) if the teacher is on permanent terms, the appraising officer or more senior supervisors will issue a written notice to the teacher setting out the shortcomings detected, require him/her to demonstrate improvement, and inform him/her that his/her performance will be put under close observation. The case will then be reported to the Director of Education (Director). If the teacher's performance continues to be unsatisfactory, the Director may issue a warning requiring the teacher to demonstrate improvement within a reasonable period, and forewarning him/her that if his/her performance is persistently below the acceptable performance standard, he/she may be required to retire early in the public interest under section 12 of the Public Service (Administration) Order. The director will invite the teacher to submit written representations, and will closely monitor the performance of the teacher through the school. The Director will continue to give assistance, guidance and advice to him/her and normally two consecutive three-month appraisal reports will be written on the teacher. If after this period the teacher's performance is still below the acceptable performance standard, the Director may recommend to the Civil Service Bureau to order the teacher to retire early in the public interest under section 12 of the Public Service (Administrative) Order. The Civil Service Bureau, if satisfied that there is *prima facie* evidence for the case, will ask the teacher to submit written representations, seek the advice of the PSC, and make a recommendation to the Chief Executive for decision.

If a teacher has committed acts of misconduct during his probationary period, the Education Department may decide not to confirm the teacher to permanent employment or, in more serious cases, terminate the probationary service early. Teachers on permanent terms who have committed acts of misconduct may, upon completion of relevant disciplinary proceedings in accordance with the Public Service (Administration) Order, be dismissed or ordered to retire early.

From 1 January 1996 to 31 December 2000, the numbers of government school teachers who had their service terminated due to unsatisfactory performance or misconduct are:

	<i>Secondary</i>	<i>Primary</i>
Due to unsatisfactory performance		
- probationary service terminated early/ not confirmed to permanent employment	5	3
- ordered to retire early	2	1
Due to misconduct		
- probationary service terminated early/ not confirmed to permanent employment	0	0
- dismissed/ordered to retire early	1	1

Aided schools

Teachers of aided schools are employed on contracts with schools, which is a matter between the schools and the teachers. It is also the schools' responsibilities to put in place a proper personnel system for managing staff matters, having regard to the broad framework set out in the Codes of Aid. In the spirit of school-based management, schools have also been requested to establish a fair and transparent staff appraisal system no later than the end of the 2001-02 school year.

The Codes of Aid provide that schools should only dismiss a teacher for good and sufficient reasons. Warnings and a reasonable period to improve should be provided. If the teacher does not demonstrate improvement, a formal warning letter should be issued and copied to the Director. If the school, after a further reasonable period of observation, intends to dismiss the teacher or not to renew his contract after its expiry, it should notify the Director. The Director will monitor whether proper procedures have been followed in the case.

According to reports by aided schools, from 1 January 1996 to 31 December 2000, the numbers of aided school teachers who had their service terminated due to unsatisfactory performance or misconduct are:

	<i>Secondary</i>	<i>Primary</i>
Due to unsatisfactory performance	8	4
Due to misconduct	5	1

We do not have breakdown of these figures into whether the termination of service is during probation or not.

Monitoring of Radio Communications by OFTA

12. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, regarding the monitoring of radiocommunications by the Radio Monitoring Unit (RMU) of the Office of the Telecommunications Authority (OFTA), will the Government inform this Council:*

- (a) *whether the RMU takes the initiative to monitor radiocommunications even if no complaints about radio interference have been received;*
- (b) *how the RMU determines which radiocommunications to monitor; and*
- (c) *whether there are guidelines and measures to ensure that such monitoring work will not infringe on the privacy of the general public?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Chinese): Madam President,

- (a) and (b)

One of the functions of the RMU of the OFTA is to ensure that radiocommunications will be free from interference. For public mobile radio telephone system (for example, cellular mobile phones), the RMU will not take any initiative to monitor the

communications except for handling of complaint cases. As for private mobile radio systems (for example, mobile stations for taxi), since the available frequency spectrum is unable to cope with the increasing demands, many licensees have to share the same allocated frequency channels with each other. In order to prevent overloading of the allocated frequency channels as well as to ensure that such channels are being used for purposes specified in the licences, the RMU will take the initiative to monitor the individual frequency channel.

- (c) All telecommunications officers of the OFTA who are authorized to enforce the Telecommunications Ordinance (the Ordinance) have to strictly follow the provisions of the Ordinance in executing their duties. All monitoring results will only be used for enforcing the Ordinance. The OFTA is also obliged to follow the provisions of the Personal Data (Privacy) Ordinance for the protection of privacy of the general public.

Maintenance of Slopes

13. **MR ALBERT CHAN** (in Chinese): *Madam President, regarding the maintenance of slopes with potential hazards and those with imminent dangers, will the Government inform this Council of:*

- (a) *the number of dangerous slopes upgraded in the past three years; and the current number of such slopes pending upgrading;*
- (b) *the respective numbers of slopes with potential landslip risks on government and private lands at present; and*
- (c) *the estimated time required respectively for the Administration and private owners to upgrade all the slopes currently found to have potential landslip risks?*

SECRETARY FOR WORKS (in Chinese): Madam President,

- (a) We have completed the upgrading works to 741 substandard government slopes under the Landslip Preventive Measures (LPM)

Programme in the past three years, and are progressing well on another 207 slopes. We will maintain an ongoing LPM Programme up to the year 2010 to investigate, and to upgrade 2 500 government slopes close to buildings and major roads.

- (b) We have identified about 10 000 high priority slopes (that is, slopes close to buildings and major roads) which require further studies for ascertaining their stability. About 6 500 are government owned and 3 500 are on private land.
- (c) We aim to complete the upgrading works to 2 500 high priority government slopes from 2000 to 2010 under the LPM Programme, and deal with other high priority slopes using prescriptive measures and other means during these 10 years. We also plan to complete the detailed studies for another 3 000 high priority private slopes by 2010. We estimate that other high priority private slopes will be upgraded mainly through redevelopment initiatives during this period.

Pilot Scheme of Setting up Private Clinics next to A&E Departments of Public Hospitals

14. **MR FRED LI** (in Chinese): *Madam President, in order to ease the service demand at the Accident and Emergency (A&E) departments of public hospitals, the Hospital Authority (HA) and the Hong Kong Medical Association (Medical Association) jointly implemented a half-year pilot scheme in August last year for setting up private clinics next to the A&E departments of the Queen Mary Hospital and the Tuen Mun Hospital, so that A&E patients who were categorized as semi-urgent and non-urgent patients could choose to go to these clinics for treatment. However, as a result of the low attendance at those clinics, the pilot scheme was aborted in December last year. In this connection, will the Government inform this Council:*

- (a) *of the procedure adopted and factors considered by the authorities in determining which public hospitals should join the pilot scheme, and the reasons for not choosing public hospitals with high attendance at their A&E departments for the scheme;*
- (b) *how the authorities had publicized the pilot scheme;*

- (c) *of the timeframe for the HA and the Medical Association to complete the review of the pilot scheme; and whether similar schemes would be implemented in the light of the experience gained, if so, when such schemes will be implemented, if not, the reasons for that; and*
- (d) *whether the authorities will consider implementing similar schemes at the four public hospitals which have both A&E departments and out-patient clinics (that is, St John Hospital, Caritas Medical Centre, Kwong Wah Hospital and Yan Chai Hospital); if not, of the reasons for that?*

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

- (a) In the selection of suitable public hospitals for participation in the pilot scheme, the HA took into account, namely:
 - (i) whether there was space in the vicinity of the A&E department for setting up such a private clinic,
 - (ii) the attendance rate and pattern at peak attendance hours at the A&E department, and
 - (iii) whether sufficient private practitioners could be enrolled to serve in these private clinics.

Tuen Mun Hospital (TMH) and Queen Mary Hospital (QMH) are major acute hospitals in the territory which could meet the aforementioned selection criteria.

- (b) Press releases were issued on 1 August 2000 and 15 August 2000 to publicize the establishment of a private walk-in clinic adjacent to the A&E department in QMH and TMH respectively. Press visits to the two clinics were arranged on both occasions. From time to time, the HA conducted interviews with the press to publicize the pilot scheme. To enhance public awareness of the pilot scheme, relevant posters were posted up in the A&E departments of QMH and TMH, and pamphlets were available for distribution to the public at these two A&E departments.

- (c) The HA is conducting a review of the pilot scheme. Preliminary analysis revealed that the average clinic attendance was only 4.5 patients per session (that is, three hours). As such, the extent by which these two private clinics had relieved the workload of the adjacent A&E departments was minimal. The review is expected to be completed in three months. In the light of these preliminary findings, the HA has no plans to launch similar pilot schemes in future.
- (d) The general out-patient clinics of the four public hospitals in question already offer patients an alternative choice of medical care at subsidized rates, and should, to a certain extent, relieve the workload of their respective A&E departments. The objective of the pilot scheme on the other hand is to develop a model of shared care through public-private collaboration. For the reasons explained in part (c), the HA has no plans to embark on a similar pilot scheme in these four public hospitals.

Education of Persons with Disabilities

15. **DR RAYMOND HO** (in Chinese): *Madam President, regarding the education of persons with disabilities, will the Government inform this Council of:*

- (a) *the average student-teacher ratio in special schools for persons with disabilities at present;*
- (b) *the support provided to the parents of disabled students; and*
- (c) *the measures in place to prevent discrimination against disabled students in ordinary schools; whether it has assessed the effectiveness of such measures and, if it has, of the results of the assessment?*

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

- (a) For the 2000-01 school year, the average student-teacher ratio in special schools for children with visual impairment, hearing

impairment, mental handicap or physical handicap is 5.15 to 1. The ratio is calculated on the basis of the total number of teachers and actual enrolment in these schools.

- (b) The Education Department (ED) provides a wide range of support services to parents of disabled students, including:
- (i) to advise on, and assist in, school placement of their children, and to explain to the parents the disability and special educational needs of their children and the special education provisions;
 - (ii) to assist parents in working out a comprehensive education plan, including learning goals and progress review, for their disabled children. The plan is worked out on the basis of inputs from parents, teachers, school head, social workers and officers of the ED;
 - (iii) to organize seminars, workshops and sharing sessions to help parents understand and accept the disability of their children, cultivate an appropriate attitude and master sufficient skills to support the development of their children;
 - (iv) through the Resource Help Service, to advise parents with physically handicapped or visually impaired children enrolled in ordinary schools, and to provide them with individual counselling and information pamphlets on how to cope with the students' disability;
 - (v) through the Audiological Services, to make recommendations to parents on the assessment, habilitation and educational programmes of their hearing impaired children, and to counsel and advise them to the care and handling of these children;
 - (vi) through the Speech Therapy Services, to help parents understand how they can play a part in speech training;
 - (vii) to advise parents on the handling of the educational and psychological needs of their children; and

- (viii) to help schools establish supportive links among parents of disabled students and to encourage support from other parents through co-operative venture.
- (c) The Disability Discrimination Ordinance (DDO) provides a legal framework to guard against discrimination of disabled students. The Equal Opportunities Commission recently published a draft code of practice on education for public consultation. The ED, the Board of Education and school councils are working closely with the Commission with a view to putting in place a code which would help to eliminate discrimination and promote equal opportunities in schools in a practical and pragmatic manner.

Through the issue of guidelines on textbooks and curriculum, the ED promulgates the message of equal opportunities among students. Through production of teaching resources, including teaching packages and education television programmes, the ED has strengthened teachers' awareness and competency in this area. In addition, seminars, workshops and sharing sessions are held to promote the general acceptance of disabled children in ordinary schools. The message is also disseminated to students in ordinary schools through both classroom teaching and extra-curricular activities.

The ED has not carried out any systematic assessment on the effectiveness of the various measures mentioned above. However, based on the feedback received during school visits and inspections, the Department reckons that the measures are on the whole successful in progressively promoting the general acceptance of disabled children in ordinary schools.

Accidents in Mainland Involving Tour Coaches Carrying Hong Kong Residents

16. **MR HOWARD YOUNG:** *Madam President, will the Government inform this Council whether:*

- (a) *it knows the number of accidents in the Mainland in the past three years which involved tour coaches carrying Hong Kong residents; and*

- (b) *it has urged the relevant mainland authorities to take measures to prevent the occurrence of such accidents?*

SECRETARY FOR ECONOMIC SERVICES: Madam President, my answer to Mr YOUNG's question is as follows:

- (a) According to the Travel Industry Council of Hong Kong, there were nine accidents in the Mainland involving tour coaches carrying Hong Kong residents in the past three years.
- (b) The industry maintains close liaison with the Guangdong Provincial Tourism Administration (廣東省旅遊局) which has implemented various safety measures to enhance protection for visitors on coach tours. Such measures include reinforcing communication between the Guangdong Provincial Tourism Administration and the traffic police; tightening the supervision of tour coach companies and inspection of tour coaches; prohibiting the use of unsafe vehicles; reinforcing safety education and supervision of drivers, and replacing ageing tour coaches.

Staff Member of Bus Company Taking over Driving Duty on a Bus Carrying Passengers

17. **MR LAU KONG-WAH** (in Chinese): *Madam President, on 7 January, a staff member of the Citybus Limited (Citybus), who did not wear a driver's uniform, took over the driving duty on a bus carrying passengers, after ordering its driver to leave the driver's seat because of the latter's unco-operative attitude towards his instructions. The Administration has accepted the report on the incident submitted by the Citybus. In this connection, will the Government inform this Council whether:*

- (a) *it knows if the Citybus has informed its newly-recruited drivers that staff members who are not drivers can take over the driving duty on a bus carrying passengers;*
- (b) *it has assessed if the staff member who took over the driving duty should have informed the passengers on the bus of the reasons for taking such action, so as to avoid misunderstanding; and*
- (c) *it knows if similar incidents have occurred in other franchised bus companies in Hong Kong over the past five years; if such incidents have occurred, whether the franchised bus companies concerned have subsequently submitted reports to the authorities?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, following the incident on 7 January, the Citybus has issued a set of new guidelines to all its drivers including newly-recruited drivers setting out the procedures to be followed in case a change of driver on bus in service is warranted. The guidelines stipulate that:

- (a) authorization should be sought from the Control Centre of the company before there should be any change of driver if necessary; and
- (b) non-uniform staff of the company shall wear uniform when performing bus-driving duties.

In order to avoid any misunderstanding by passengers in case a change of driver has to take place while the bus is in service, the Transport Department has requested bus companies to take appropriate measures in such circumstances to ensure effective communication with the passengers on board.

The Transport Department has no record of similar incidents in Hong Kong over the past five years.

Planning Design of Trunk Road T7

18. **MISS EMILY LAU** (in Chinese): *Madam President, Slip Road J22A of Trunk Road T7 in Ma On Shan, of which funding for its construction has already been granted, will be very close to several blocks of Monte Vista, a private residential development recently put up for sale. Upon completion, the highway will have noise and visual impacts on some residents of the development. In this connection, will the executive authorities inform this Council:*

- (a) *given that the provision of the trunk road and its slip road had been planned for a decade ago, whether they had taken into consideration the alignment of the highway when vetting and approving the building plans of the development;*
- (b) *whether the developer of the development has been permitted to increase the plot ratio of the development; if so, of the details and whether the authorities have assessed if such permission is the cause of the aforesaid problems;*

- (c) *whether they have assessed if there is any maladministration on the part of the relevant government departments in handling the planning of the highway; if the assessment result is in the affirmative, of the follow-up actions the authorities will take;*
- (d) *whether they will conduct another environmental impact assessment (EIA) of the slip road; if not, of the justifications for that;*
- (e) *whether the buffer distance between the slip road and the development is in compliance with the relevant standards laid down in the Hong Kong Planning Standards and Guidelines (HKPSG); if so, of the details; if not, the remedial measures in place; and*
- (f) *of the measures to allay the dissatisfaction and anxiety of residents in the development?*

SECRETARY FOR HOUSING (in Chinese): Madam President, the location and alignment of Trunk Road T7 were delineated in the land grant for Monte Vista. As a condition of the grant, the developer was required to submit to the Environmental Protection Department (EPD) a proposal to mitigate the environmental impact of the development. The proposal submitted by the developer was accepted by the EPD in September 1996. Building plans were then drawn up in accordance with the layout in the proposal, and were duly approved by the Lands Department and the Buildings Department.

Under the draft Ma On Shan Outline Zoning Plan, development of the site occupied by Monte Vista is restricted to a maximum plot ratio of 5. The developer has not been permitted to increase the plot ratio of the site, and Monte Vista has been developed in accordance with this restriction.

The planning and design of Trunk Road T7 were carried out in accordance with statutory requirements, and the views obtained through wide public consultation were taken into account. There has been no maladministration.

The EIA of Trunk Road T7 took into account the environmental impact of all slip roads in the project, including Slip Road J22A. The EPD issued an Environmental Permit under the Environmental Impact Assessment Ordinance in May 2000. There is no need to carry out another EIA for the slip road.

The HKPSG state that new roads should not generate excessive traffic noise, defined as over 70 dB(A). The noise mitigation measures recommended in the EIA report will reduce the traffic noise impact from Trunk Road T7 to the level stipulated in the HKPSG. The HKPSG do not stipulate a mandatory distance between roads and residential developments.

Representatives of the Territory Development Department (TDD) and other concerned departments met residents of Monte Vista on 9 February 2001 to explain the trunk road project. At the meeting, the TDD proposed six measures to allay the concerns of residents, as follows:

- (i) to increase to 9 m the distance between the slip road and Block 15 of Monte Vista;
- (ii) to consider extending the top of the semi-enclosed noise barriers on the northbound carriageway of the trunk road by 2 m to reduce traffic noise;
- (iii) to increase the height of the crash barriers between Block 15 and the clubhouse of Monte Vista from 0.8 m to 2.5 m;
- (iv) to add sound absorbing material to the back of the noise barriers on the trunk road outside Block 15;
- (v) to plant vegetation on rock slopes;
- (vi) to implement a programme of environmental monitoring and audit during construction of the road and to set up a complaints hotline.

The TDD will set up a liaison group with residents of Monte Vista to discuss and take forward these arrangements.

Training for Civil Service

19. **MR AMBROSE LAU** (in Chinese): *Madam President, regarding training for civil servants, will the Government inform this Council of:*

- (a) *the total number of training courses organized in the past three years by the Civil Service Training and Development Institute (CSTDI) and various departments, with a breakdown by contents of the courses;*

- (b) *the number of attendances by civil servants, broken down by grades or departments, in these courses in the past three years;*
- (c) *the grades or departments in which the staff had fewer training opportunities and the reasons for that; and*
- (d) *the measures to ensure that civil servants are available for training?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): Madam President, the Government has always attached great importance to the training and development needs of civil servants. Departments are encouraged to take a proactive approach to facilitate their staff to participate in training programmes/courses with a view to enhancing their efficiency and effectiveness, thereby achieving the corporate goal of providing quality services to the public. Our reply to the questions raised is as follows:

- (a) The number of training courses organized by the CSTDI for civil servants in the past three years, with a breakdown by content, is as follows:

	1997-98	1998-99	1999-2000
	<i>No. of Courses</i>	<i>No. of Courses</i>	<i>No. of Courses</i>
Language and Communication	1 293	1 209	1 147
General Management and Human Resource Management	545	774	921
Information Technology	377	276	282
China Studies	77	65	95
Total	2 292	2 324	2 445

As for the training courses organized by various departments, we have not kept any statistics broken down by course content. However, according to the training statistics compiled biennially by the CSTDI, the number of trainees attending courses organized by various departments (excluding those organized by the CSTDI) in 1998-99 is as follows:

<i>Classification of Courses</i>	<i>No. of Trainees</i>
Employment/Skills/Profession-related	224 000
Information Technology	61 000
General Management and Human Resource Management	31 000
Language and Communication	10 000
China Studies	1 000
Total	327 000

- (b) We have not kept any statistics on the number of trainees by grades. The number of trainees broken down by departments (including those participating in courses organized by the CSTDI) in 1998-99 is as follows:

<i>Classification of Courses</i>	<i>Disciplined Service Departments (No. of Trainees)</i>	<i>Non-disciplined Service Departments (No. of Trainees)</i>	<i>Total (No. of Trainees)</i>
Employment/ Skills/Profession- related	112 200	111 639	223 839
Information Technology	22 362	51 194	73 556
General Management and Human Resource Management	8 298	46 840	55 138
Language and Communication	11 322	26 073	37 395
China Studies	2 010	8 889	10 899
Total	156 192	244 635	400 827

Disciplined service departments refer to the Customs and Excise Department, the Correctional Services Department, the Fire Services Department, the Government Flying Service, the Hong Kong Police Force, the Independent Commission Against Corruption and the Immigration Department.

- (c) The training opportunities for staff of different departments vary according to their different training needs. According to the

statistics in 1998-99, staff in the disciplined service departments received an average of approximately 20 days of training while those in the non-disciplined service departments, an average of 4.6 days. Disciplined services staff received generally more training than non-disciplined services staff to address their identified specific training needs, for example, to take up induction training programmes, regular update on equipment and legal-related training, and so on.

- (d) To ensure more training opportunities and allow more civil servants to pursue learning flexibly according to their time and preferred mode, different modes of training are being offered in addition to conventional classroom training. These include multimedia training, self-learning packages and cyber learning, and so on.

Meanwhile, most of the training courses under the three-year Training and Development Programme to be implemented from 2001 to 2004 will be in the form of short courses or multimedia self-learning packages to facilitate civil servants to undergo training. We are also actively encouraging civil servants to pursue continuous and self-development learning. To this end, we will launch a Training Incentive Scheme to promote a continuous learning culture in the Civil Service. As many as 18 000 civil servants will be sponsored to embark on employment-related external study programmes or short courses, according to their personal development needs, interests and mode of learning, which will enhance their knowledge and skills in the long term.

Financing of Small and Medium Enterprises

20. **MR KENNETH TING** (in Chinese): *Madam President, regarding the financing of small and medium enterprises (SMEs), will the Government inform this Council of:*

- (a) *the amount of loans released to SMEs by financial institutions over the past six months and, among these loans, the amount of those secured against properties, and how these amounts compare to those of the preceding six months;*

- (b) *the progress of the study on the services provided by the Trade and Industry Department to assist SMEs in making financing and monetary arrangement; and*
- (c) *the recommendations of the Working Group on Small and Medium Enterprises Financing (Working Group) under the Small and Medium Enterprises Committee (SMEC) on assisting SMEs in preparing lucid financial reports, so that they can obtain loans from financial institutions; and the time when the Working Group plans to submit the relevant paper to the SMEC?*

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

- (a) The current data on loans and advances are classified by economic sectors only. The Hong Kong Monetary Authority (HKMA) does not collect data on SME lending on a regular basis. However, according to an ad hoc Survey carried out in early 2000 in the context of the study on establishing a commercial credit reference agency, the lending by 50 selected authorized institutions (AIs) to SEMs* amounted to \$340 billion at the end of 1999. According to the same Survey, 56% of the respondents said that their exposures to SMEs were to a large extent secured by collateral. We have no comparable data for more recent periods.
- (b) Since its establishment at the end of last year, the new SMEC, with the assistance of the Trade and Industry Department, has been actively exploring measures to help SMEs tackle problems that arise at different stages of their development under the three themes announced in the Chief Executive's policy address last October, that is, helping SMEs to start, build and expand their business. Among the various issues being examined, financing is one of those that are of the greatest concern to SMEs.

Against this background, the SMEC has set up a dedicated Working Group on Financing (Working Group) to consult banks, financial institutions, trade associations and various professional

* In the Survey SMEs were generally defined as non-listed companies with limited funding sources. Thus, it would also encompass some large but non-listed companies.

organizations on SMEs financing with a view to identifying SMEs' needs for capital and the difficulties encountered. Following the consultation exercise, a more in-depth study will be conducted to identify feasible support measures. Work in this respect is in progress.

Since its reorganization last year, the Trade and Industry Department has been working actively with the relevant institutions to help SMEs strengthen their management capability and improve their financial transparency. The purpose is to increase local banks' confidence in lending to SMEs and narrow the gap between credit supply and demand. Such measures include the Pilot Mentorship Programme launched in last November, under which SMEs have the opportunities to learn from the experience of successful businessmen. The Trade and Industry Department also organized a series of seminars, in particular, the seminar for banks/financial institutions and SMEs, during which detailed explanations were given to participating SMEs on the documents and information required for loan application. In view of the favourable response, the Trade and Industry Department will continue to organize such seminars on a regular basis.

The Administration will conduct regular reviews to assess the effectiveness of these support measures. The SMEC will finalize and put forth their recommendations to the Chief Executive in mid-2001. Subsequently, the Administration will further review and adjust the existing support measures accordingly.

- (c) At this stage, the Working Group is still seeking and considering the views from various parties on measures to assist SMEs in solving their liquidity problems. It has not yet arrived at any conclusion or specific recommendations.

Currently, the SMEC holds monthly meetings, at which Members receive progress reports from the various working groups, conduct in-depth discussions on their preliminary views and summarize the proposals. After its comprehensive study, the SMEC will submit a report setting out their specific recommendations to the Chief Executive in June this year.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bills: First Reading.

DUTIABLE COMMODITIES (AMENDMENT) BILL 2001**FIXED PENALTY (PUBLIC CLEANLINESS OFFENCES) BILL****PUBLIC HEALTH AND MUNICIPAL SERVICES (AMENDMENT) BILL 2001**

CLERK (in Cantonese): Dutiable Commodities (Amendment) Bill 2001
Fixed Penalty (Public Cleanliness Offences) Bill
Public Health and Municipal Services (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.

DUTIABLE COMMODITIES (AMENDMENT) BILL 2001

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I move that the Dutiable Commodities (Amendment) Bill 2001 be read the Second time.

At present, the Dutiable Commodities Ordinance stipulates that applications for dutiable commodities permits (DCP) must be made on paper. We propose to amend the Ordinance to provide the legal basis for using the

Electronic Data Interchange (EDI) service to process DCP applications. Using EDI services to process DCP applications would have a number of benefits. These include reducing paperwork, improving efficiency and promoting the wider use of e-commerce in Hong Kong.

With the approval of funds by the Legislative Council in 1999, we have been developing the EDI system for processing DCPs. When the system commences operation in June this year, applicants can apply for DCP permits electronically through the service of Tradelink Electronic Commerce Limited. The service is provided by Tradelink in accordance with a franchise agreement signed with the Government in 1992.

The Government and Tradelink have consulted the industry on the EDI services for processing DCPs and secured their support. The Legislative Council Panel on Commerce and Industry also supports the introduction of the Bill.

To ensure a smooth migration, we will provide a transitional period whereby applications for DCPs may continue to be made on paper.

We will organize publicity measures to alert the industry to the impending changes. These measures include setting up inquiry counters at the Customs and Excise Department's DCP offices, displaying messages at websites, and sending letters to the industry and relevant business associations. These measures proved effective when we launched the EDI services for other documents in the past.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and this is: That the Dutiable Commodities (Amendment) Bill 2001 be read the Second time.

The debate is now adjourned and the Bill referred to the House Committee.

FIXED PENALTY (PUBLIC CLEANLINESS OFFENCES) BILL

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, I move the Second Reading of the Fixed Penalty (Public Cleanliness Offences) Bill.

The Bill seeks to introduce a fixed penalty system for cleanliness offences such as littering, spitting, unauthorized display of bills or posters in public places, and so on, with a view to enhancing the deterrent effect of the law against such offences.

In recent years, the level of environmental hygiene in Hong Kong has fallen drastically. Although people are aware that they should not litter or spit in public places and yet some people are less than civic-minded and, out of convenience, they neglect the importance of environmental hygiene. The Government through the Clean Hong Kong Campaign will step up education for the public and clear hygiene black spots. However, in order to improve our environmental hygiene thoroughly and continually, we need to tackle the problem at root by curbing such inconsiderate behaviour as littering in public places.

The Bill proposes to model on the treatment of traffic contraventions by introducing a fixed penalty system for common public cleanliness offences. The proposed fixed penalty system will cover three offences most frequently committed: littering, spitting and unauthorized display of bills and posters. On conviction, offenders will have to pay \$600 as fixed penalty.

The proposed fine is only slightly higher than the average fine imposed last year by the Court for littering, which was \$503. We understand that if the fine is too high, the people will find it unacceptable. On the other hand, if the fine is too low, it may not be sufficient to achieve the desired deterrent effect against offences such as littering. We consider the penalty of \$600 being proposed is reasonable and appropriate.

To ensure effective enforcement of the fixed penalty system, the Bill proposes that enforcement officers be given the power to inspect the Hong Kong Identity Card or other proof of identity for the purpose of ascertaining the true identity of the alleged offender. The relevant provision will eliminate the possibility of offenders giving false information about their identities, leading to abortive fixed penalty notices or nugatory efforts in tracing the offenders and unnecessary government expenses.

The Bill proposes to authorize the relevant grades of public officers from the Food and Environmental Hygiene Department (FEHD), Agriculture, Fisheries and Conservation Department, Marine Department, Housing Department, Leisure and Cultural Services Department and the Environmental Protection Department (EPD) to take charge of enforcement and the issue of fixed penalty notices. These departments are the main departments responsible for prosecuting littering and illegal dumping of refuse. With the exception of the EPD, the remaining five departments are empowered under the Magistrates Ordinance to issue summonses to alleged public cleanliness offenders to attend court hearings. Under the Waste Disposal Ordinance, the EPD is empowered to initiate prosecutions against persons who dispose waste illegally. Therefore, we propose that the EPD be authorized to issue fixed penalty notices also.

The Bill also makes reference to the fixed penalty system for traffic offences by stipulating the rights of the alleged offender to defend and procedures for the recovery of the fixed penalty by the Government or the Court.

The effectiveness of the fixed penalty system will, to a large extent, depend on the enforcement capability of the enforcement officers. The FEHD, being the main department responsible for enforcing the proposed system, will strengthen the enforcement training of its staff covering operational procedures, gathering of evidence, handling of confrontations, giving evidence in court, conduct and discipline. To ensure that all enforcement officers from various relevant departments will adopt a consistent standard of enforcement, the FEHD will prepare an Operational Manual.

I believe the fixed penalty system proposed in the Bill will be effective in tackling offences such as littering, thereby improving the standard of environmental hygiene in Hong Kong. I urge Members to support the Bill.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Fixed Penalty (Public Cleanliness Offences) Bill 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.

**PUBLIC HEALTH AND MUNICIPAL SERVICES (AMENDMENT) BILL
2001**

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, I move the Second Reading of the Public Health and Municipal Services (Amendment) Bill 2001.

The Bill seeks to expedite the procedures for the closure of unlicensed food establishments and authorize the Director of Food and Environmental Hygiene (the Director) to immediately close food establishments that are very unhygienic and poses immediate health hazard to the public.

Under the existing law, the procedure to close unlicensed food establishments is very time-consuming. The Food and Environmental Hygiene Department (FEHD) being the licensing authority has, in the first instance, to prosecute the operator of an unlicensed food establishment by summons and secure a conviction before applying to the Court for a Prohibition Order. Moreover, the FEHD may apply to the Court for a closure order only if the Prohibition Order has been breached and the operator convicted again. The whole process may take as long as nine months. The illegal operators may take advantage of the interim to continue operation. Even if the Administration conducts raids on unlicensed food establishments, operators may still wait for an opportunity to resume operation because the sites have not been closed. An example is the resumption of operation of unlicensed roasting workshops raided recently. Moreover, some unscrupulous operators make use of loopholes in the existing law to operate unlicensed food establishments on a small scale. When a closure order is finally served, many would simply wind up the business and operate elsewhere.

To tackle the above problem, clause 3 of the Bill proposes to empower the Director to make a direct application to the Court for a closure order on evidence of food establishments operating without a licence, permit or permission. Under the proposed arrangement, applications for a closure order will no longer require evidence of breaches of a Prohibition Order. The time required to close an unlicensed food establishment will thus be significantly reduced. This may help to enhance the effectiveness of curbing unlicensed operation of food establishments making use of the legal loopholes mentioned above.

Another proposal in the Bill empowers the Director to immediately close food establishments that pose an immediate health hazard to the public. Under the existing law, the FEHD does not have powers to immediately close such food establishments which are very unhygienic and pose immediate hazard to public health. The proposal by the Government will effectively prevent such food establishments from continuing to operate in an extremely unhygienic environment. It will also enable investigation, cleansing, disinfestation, deratting, disinfection and other measures to be taken by the Administration. I need to stress that the Director will be very careful in exercising this power and she will make protection of public health her prime consideration. The relevant law also provides for an appeal mechanism whereby any food establishment operator aggrieved by the decision of the Director may appeal to the Court.

The Bill will significantly enhance the capability of the Government in tackling the problem of unlicensed food establishments and preventing food incidents so that public health is better protected. I urge Members to support the Bill.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Public Health and Municipal Services (Amendment) Bill 2001 be read the Second time.

The debate is now adjourned and the Bill referred to the House Committee.

MOTION

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance.

PROPOSED RESOLUTION UNDER THE PHARMACY AND POISONS ORDINANCE

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I move that the Pharmacy and Poisons (Amendment) Regulation 2001, as set out under my name in the paper circulated to Members, be approved.

Fees and charges relating to the registration, certification and examination of pharmacists are prescribed under the Ninth Schedule to the Pharmacy and Poisons Regulations made under the Pharmacy and Poisons Ordinance. These fees were last revised in May 1997, based on the costing results for 1995-96. Due to economic setback, most government fees and charges have been frozen since February 1998 as an exceptional measure to ease the burden on the community.

In view of the current state of economic recovery and in keeping with the government policy that fees for certain services should in general be set at levels sufficient to recover the full costs of providing the services, we consider it appropriate to revise those fees and charges that would not directly affect people's livelihood or general business activities.

The Pharmacy and Poisons (Amendment) Regulation 2001 now before Members seeks to revise the following four items of fees relating to the examination, registration and certification of pharmacists, namely:

- (a) the fee for the qualifying examination for each subject — revised from \$1,090 to \$1,110;
- (b) the fee for issue of a certificate of registration as a pharmacist — revised from \$775 to \$790;
- (c) the fee for an annual practising certificate for a registered pharmacist — revised from \$585 to \$520; and
- (d) the fee for issue of a certificate of good standing — revised from \$395 to \$415.

For item (c), the reduction of the fee for annual practising certificate from \$585 to \$520 by 11% is achieved through higher productivity of the Pharmacy and Poisons Board.

We consulted this Council's Panel on Health Services on 23 June 2000 on the proposed fee revisions and Members raised no objections to our proposal. A Subcommittee set up by this Council recently examined the revised fees proposed in the Amendment Regulation. Members noted that implementation of the revisions will result in a net reduction of government revenue in the region of \$75,600 per annum.

I urge Members' support for the motion. The Amendment Regulation has been made by the Pharmacy and Poisons Board, which is the authority for the registration of pharmacists and licensing of pharmaceutical products set up under section 3 of the Pharmacy and Poisons Ordinance. The members of the Board include registered pharmacists, medical practitioners and academics.

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

The Secretary for Health and Welfare moved the following motion:

"That the Pharmacy and Poisons (Amendment) (No. 2) Regulation 2001, made by the Pharmacy and Poisons Board on 2 February 2001, be approved."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Health and Welfare be passed.

PRESIDENT (in Cantonese): Mr LAU Chin-shek and Mr James TIEN have each given notice to move an amendment to this motion. The amendment has been printed on the Agenda.

As the amendments proposed by the two Members are identical, Mr LAU Chin-shek will move his amendment first as he submitted his notice at an earlier date.

I now call upon Mr LAU Chin-shek to speak and move his amendment.

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the Secretary for Health and Welfare's motion be amended, as set out on the Agenda.

The Financial Secretary, Mr Donald TSANG, will be delivering his last Budget in this Chamber next Wednesday. I believe the public will have great expectations for the Budget. In particular, they would like the Government to do more to alleviate their burdens in respect of tax and other charges, increase

social welfare expenditure and create job opportunities. At the same time, we very much hope that the Government can actively help those who have yet been benefited from the economic recovery. I am pleased that the Financial Secretary made a commitment in this respect on a television programme this morning. I hope he can really "keep his promise".

Over the past few months, the Government has introduced nearly 500 items of fee increase. I reckon this resolution, moved by the Secretary for Health and Welfare, represents probably the last batch of fee revision proposals in this fiscal year. As to whether there will be adjustments of other government charges, we will have to wait for the Financial Secretary's announcement next week. Today, I would like to raise two points for the Government's serious consideration.

My first point concerns the timing of adjusting government fees and charges. Subsequent to the repeated discussions held in this Council earlier and the inclinations indicated by Members in the vote, I believe it is time for the Government to conduct a comprehensive review of its criteria and timetable of adjusting fees and charges and then consult this Council. If the Government insists on introducing fee increases one after another in an attempt to "test our bottomline", I am sure its proposals will be rejected by Members flatly. At this stage, the Government should concentrate its effort on introducing measures to enable the economic recovery to benefit people from all sectors, instead of entangling in items of fee increase that are obviously contentious. Over the past few months, the Government has indeed wasted much energy in dealing with fee increase proposals that eventually will help little to government revenue. Reaping an additional revenue of only \$10 million or so, the Government has been criticized for "taking the lead in raising fees and charges" and "triggering off the surge of fees and charges". Is it really worthwhile for the Government to do so?

Speaking of the surge of fees and charges, although the Government has all along been reluctant to admit that an upward adjustment of government fees and charges will "trigger off the surge of fees and charges", this is indeed obvious. Let me cite an example to illustrate my point to Members. When the Legislative Council Panel on Transport discussed a fare increase application lodged by the New World First Bus Services Limited (First Bus), the Managing Director of the company, Mr Adolf HSU, stated: "I would like to borrow a remark made by the Financial Secretary. No one would like to raise fare.

This is particular so because I will be the one who is going to raise it. I am most unwilling to do so". I do not know how far the remark made by the Financial Secretary and the Government's move to raise fees and charges will influence the First Bus in proposing fare increases. But as even the Financial Secretary, who has been claiming that he does not wish to raise fees or charges, insists on raising fees and charges, I am sure this will give other public utilities even greater encouragement to "learn" from him.

Another problem pertaining to government charges is the so-called "cost recovery" charging principle. I have to reiterate that I do not agree to using the "user pays" and "cost recovery" principles as charging criteria, particularly for items involving the people's livelihood. The Government has yet been able to come up with a convincing formula for calculating the cost of service provision in a reasonable manner. Last month, this Council rejected all fee increase proposals made by the Judiciary, and one of the reasons cited was the problematic charging criteria. At the same time, I believe many colleagues in this Council have doubts about the charging criteria too. Many government charges are obviously problematic because, in addition to direct costs, other indirect costs that are not really relevant are also included. Before proposing adjustments to other government charges, I think it is necessary for the Government to inform Honourable colleagues of this Council and seek their consensus on the charging criteria beforehand.

Although the resolution moved by the Secretary for Health and Welfare today encompasses one item of fee reduction and three items of fee increase, which will finally result in a net reduction of government revenue of \$75,600 per annum, I am still of the opinion that no fee increases should be proposed at this stage. This is why I propose an amendment to freeze three items of fee increase. I would like to appeal for Members' support.

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

Mr LAU Chin-shek moved the following amendment:

"That the motion to be moved by the Secretary for Health and Welfare under section 29 of the Pharmacy and Poisons Ordinance (Cap. 138) at the Legislative Council meeting of 28 February 2001 be amended by deleting "approved" and substituting "approved, subject to the following amendment - by deleting section 2(a), (b) and (d)"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LAU Chin-shek to the Secretary for Health and Welfare's motion, be passed.

MR CHAN KAM-LAM (in Cantonese): Madam President, a Subcommittee was set up by the House Committee on 5 January to scrutinize the Pharmacy and Poisons (Amendment) (No. 2) Regulation 2001 moved by the Secretary for Health and Welfare earlier. I would now like to speak in my capacity of Chairman of the Subcommittee.

A meeting was held between the Subcommittee and the Administration on 16 January. Members of the Subcommittee noted that the Pharmacy and Poisons (Amendment) (No. 2) Regulation 2001, made by the Pharmacy and Poisons Board on 15 November 2000, seeks to revise four items of fees. These items include the fees for the qualifying examination for each subject, issue of a certificate of registration and issue of a certificate of good standing. The rates of increase range from 2% to 5% to recover nearly the full costs. There is an item of fee reduction for issue of an annual practising certificate at a rate of up to 11%. The Government explained that the cost savings were brought about by streamlining the process and the fact that the costs for issuing the annual practising certificate were shared by an increasing number of registered pharmacists.

Members of the Subcommittee noted that the proposed revision, if endorsed, would reduce government revenue by \$75,600 per annum. This is because the number of applications in respect of fee reduction items far exceeds the number of applications in respect of the three items of increases. The Administration also pointed out to members that the impact of the revision on the public should be minimal because the people's livelihood and general business activities will not be affected.

After discussion, the Subcommittee agreed that individual members might consider whether they would support the four items of revision.

Madam President, I would now like to speak on the amendment moved by the Honourable LAU Chin-shek earlier.

This is very probably the last time in the near future that proposals for revising government charges are scrutinized by this Council. The Democratic Alliance for Betterment of Hong Kong has all along held the same position in each fee revision debate held over the past two months. Our support for the Government's applications for increases shall depend on whether the charges will directly affect the people's livelihood and business activities.

The amendment moved by Mr LAU Chin-shek mainly seeks to freeze three items of revision proposed by the Government in relation to the Pharmacy and Poisons Boards. As I said in the previous two meetings, the increase in fees for professional examinations and issuance of certificates is not directly related to the people's livelihood. The chances of the increases being passed onto the general public are also very slim. On the other hand, we have consulted people in the industry who indicated that they would support the revision proposed by the Government. We will therefore support the proposed revision too.

Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, the Honourable CHAN Kam-lam stated that he had consulted people in the industry. I do not know whom Mr CHAN has consulted but I have discussed this issue with some representatives of the Hong Kong General Chamber of Pharmacy who are pharmacists themselves (every pharmacy must have a pharmacist). Their opinion is that the proposed increases may not be substantial. As for how much of the increase will be passed onto the public, from the livelihood perspective, the impact on consumers may not be very direct too. However, the profession will definitely be affected in two areas: First, the current charges are quite high. The burden on the profession will be aggravated if the charges are further increased. Second, another major impact is on young people for they have not been too enthusiastic in joining the pharmacy profession. Their desire to join the profession may be hampered if the Government raises charges again. This is why the Hong Kong General Chamber of Pharmacy hopes I can oppose the fee revision. Insofar as this point is concerned, I believe the Liberal Party will support my point of view too. We think that we cannot decide whether the revision will affect the people's livelihood in a broad-brush manner. Actually, the increases may affect the people's livelihood indirectly. Even if the impact is insignificant, we still need to consider the extent of the impact on the general community. I believe the revision will affect the profession as well as the

operation of certain trades and industries. For these reasons, we will support Mr LAU Chin-shek's amendment.

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

(No Member responded)

PRESIDENT (in Cantonese): Secretary for Health and Welfare, you may now speak on the amendment.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, the charges covered by this motion have not been revised for more than three years. Ranging from 2% to 5%, the proposed rates of increase for the three items are indeed very mild and will impose no extra burden on the relevant professionals. The Legislative Council Panel on Health Services has been consulted with respect to the fee revision. Members of the Panel have not raised any objection to the proposed increases. A Subcommittee has also been set up by this Council recently to scrutinize the proposed revision set out in the Amendment Regulation.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr LAU Chin-shek to the Secretary for Health and Welfare's motion, be passed.

Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr Howard YOUNG, Mr LAU Wong-fat, Miss LI Fung-ying, Mr Tommy CHEUNG and Mr Michael MAK voted for the amendment.

Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr Bernard CHAN, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr LAW Chi-kwong, Mr Henry WU, Mr LEUNG Fu-wah, Dr LO Wing-lok and LAU Ping-cheung voted against the amendment.

Geographical Constituencies and Election Committee:

Mr LEUNG Yiu-chung, Mr LAU Chin-shek and Mr Frederick FUNG voted for the amendment.

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Dr YEUNG Sum, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr WONG Sing-chi, Ms Audrey EU, Mr David CHU, Mr NG Leung-sing, Prof NG Ching-fai and Mr Ambrose LAU voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, nine were in favour of the amendment and 12 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 25 were present, three were in favour of the amendment and 21 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Secretary for Health and Welfare, do you wish to reply?

(The Secretary for Health and Welfare indicated that he did not wish to reply)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Health and Welfare, 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.

(Members raised their hands)

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

MEMBERS' MOTIONS

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. As Members are very familiar with the time limits on speeches, I will not repeat them here. I wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Expediting the implementation of public works projects.

EXPEDITING THE IMPLEMENTATION OF PUBLIC WORKS PROJECTS

MR NG LEUNG-SING (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Economic recovery is underway and obviously driven mainly by external trade, but internal demand remains relatively weak. According to the latest data published by the Census and Statistics Department, a 1.8% fall in the Composite Consumer Price Index was still recorded last December, indicating that deflation was still there albeit the rate had reduced. As we can see, there are uncertainties in the external economic situation, in particular, the slowdown of the United States economy may affect the performance of our external trade in the future. Under these circumstances, it is really essential for the Government to adopt a macro perspective and actively promote the implementation of various public works projects relating to infrastructure, construction and maintenance so as to effectively stimulate domestic demand and create persistent impetus for the further recovery of our economy.

As stated in the policy address of the Chief Executive in 1999, the Government would spend \$240 billion within a few years to launch a series of large infrastructure projects including a number of railways, roads, and boundary crossing facilities, a science park and other public works projects. It was estimated that 45 000 job opportunities could be created within the next 15 months. However, the actual effects are not obvious and there has been a decline in the number of projects in such professional sectors as real estate and construction, engineering, building, planning and surveying. Cases of under-

provision of work, layoffs and wage reductions are also frequent. For instance, as reflected by people in the construction sector, wages in the industry have substantially reduced by 20% to 30% and underemployment or unemployment is now threatening the 300 000 to 400 000 working population in the various related industries. It is even more worrying that 30 000 to 50 000 of them are professionals. Causes of the situation include delays in the implementation of various planned or pledged public works projects and the Government's failure to make timely capital injection. This is unfavourable to the further improvement of infrastructural facilities in Hong Kong and it fails to effectively stimulate domestic demand and comprehensive economic recovery to fully benefit the related industries.

There are several aspects to the problem of delays in public works projects. First of all, government departments sometimes lack communication and efficient in detriment to the timely implementation of works projects. For example, as stated in a recent report of the Public Accounts Committee of this Council, owing to negligence on the part of certain officials of the Drainage Services Department (DSD), the stormwater drainage project in West Kowloon has been delayed for three years. As a result of the lack of co-ordination and co-operation between the DSD and the Territory Development Department in respect of the handover of the new culvert in West Kowloon Reclamation, delay was caused in the related desilting work. Moreover, a lot of municipal facilities are ageing and damaged, for example, mains burst incidents frequently occur but the Government has failed to actively carry out repairs and replacement works. These instances reflect that the Government needs to enhance efficiency and co-operation in carrying out public works projects. Besides, the Government is often hesitant about some development projects such as the Tamar site and the Deep Bay projects and it has overlooked the importance of taking advantage of these new development projects to increase investments in construction and promote economic development. As a result of prolonged and complicated administrative procedures, the projects are invariably delayed repeatedly. In addition, projects that were borne by the two Municipal Councils have to go through complicated vetting procedures again and the Government really needs to actively make more efforts to improve the municipal facilities and services provided to the public and create more opportunities for the relevant industries to participate in such projects in a short time.

Along with social progress, there are increasing demands of environmental protection and the Government needs to conduct environmental consultancy studies when planning large projects. On the basis of the statistics compiled by environmental protection bodies, the Government commissioned environmental consultancy studies on 177 large projects and spent \$1.1 billion in the past decade. However, there are a lot of problems with these studies and their accuracy and objectivity have always been queried by professionals, academics and environmentalists. The most obvious example is the Strategic Sewage Disposal Scheme. More importantly, these studies often take a very long time to complete, an extreme example being the environmental consultancy study concerning the central incinerator that took 150 months. The consultancy study concerning the mud disposal zone at East Sha Chau took 263 months and the Government had executed consultancy agreements with four consultancy companies. These consultancy studies are still underway though the existing disposal zones will reach saturation in a few years' time. At such a snail's pace, delays in projects are really inevitable.

Madam President, another new problem that has emerged under the existing Environmental Impact Assessment Ordinance is that some significant infrastructural projects of enormous concern have failed to pass the assessment. Two major projects, namely the Lantau North-South Road Link and the Lok Ma Chau Spur Line, have caused extremely strong repercussions in the community. Delays in the projects have adversely affected the daily life of local residents and economic development. Thus, workers and professionals in the industry have not been able to participate in the projects as soon as possible. Madam President, I definitely agree that the Government should attach importance to the environmental assessment on large infrastructural projects, but there has been serious discord between the Environmental Protection Department (EPD) and various government departments in charge of public works, transport and other public works projects. People feel concerned if there are problems with the quality of the consultants respectively commissioned by the parties beforehand, so much so that the progress and efficiency of work have been pinned down. The relevant departments also need to review their old working pattern and step up communication and co-operation in the course of advance planning for the projects, so as to avoid doing things in their own ways, for otherwise it will end up negating one another's efforts, wasting resources and delaying planning. I believe if the department in charge of the projects can further enhance

communication and co-operation with the EPD and reach a consensus on some important environmental impact problems as soon as possible in the course of advance planning, it will greatly enhance the efficiency in implementing the projects without undermining the power of the EPD to make the final decision in respect of environment assessment or its independence and objectivity in exercising the relevant power. From a macro perspective, the Government should strike a reasonable balance between social development and the needs of the people and environmental protection. The general public will then understand the benefits of environmental protection and accept that it is essential to protect the environment. Then, it will promote the true sustainable development of society.

Madam President, when the Government carried out large public works projects in the past, the industry was haunted by another problem. As the works schedules for various projects were inappropriately planned, a large number of projects were implemented within a certain period, thus making it necessary to complete the works in a rush and rely on imported labour. However, the number of projects often dropped dramatically afterwards. The situation became even more conspicuous after the completion of various large projects for the new airport core projects because the Government had failed to launch various railway and road development projects at the heels of the airport projects. As a result, there were very serious fluctuations in manpower demand in the planning, engineering and construction industries which could hardly cope and had to reduce wages and even lay off workers. This is very unfavourable to employers, workers and professionals because when they have to encounter very unstable business and job opportunities, there can be no improvement to the professional quality and standard of the relevant industries to speak of. Ultimately, this may injure their abilities to compete against overseas companies and talents.

Madam President, we can see from the points mentioned above that the Government must really adopt vigorous measures to expedite the implementation of infrastructural, construction and maintenance projects under planning and those previously undertaken by the two former Municipal Councils. It must also formulate a reasonable and proper implementation schedule for the projects to create stable supply and demand of human resources for the industry. It will then be able to effectively stimulate domestic demand, promote the

comprehensive and stable recovery of the economy and reduce the influence of unfavourable external factors. It will also relieve the difficulties currently encountered by the industry, provide the industry with stable and healthy room for survival and development and enhance its competitiveness. It will also be able to induce a helpful cycle to the benefit of a number of other industries and their employees.

With these remarks, Madam President, I propose the motion.

Mr NG Leung-sing moved the following motion: (Translation)

"That, in view of the Government's undertaking to launch public works projects costing \$240 billion in the next few years, and in order to avoid any delays which will render the economy and people's livelihood not being able to fully benefit from the projects and cause difficulties to the relevant industries in matching their manpower supply with the implementation of projects, resulting in professionals and workers being confronted with problems such as wage reduction, redundancy and underemployment, this Council urges the Government to:

- (a) adopt vigorous measures to expedite the implementation of infrastructural, construction and maintenance projects under planning and those previously undertaken by the two former Municipal Councils; and
- (b) formulate a reasonable and proper implementation schedule for the projects, so as to create ample and stable employment opportunities and facilitate the further recovery of Hong Kong economy."

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

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

MR LAU PING-CHEUNG (in Cantonese): Madam Deputy, I rise to speak in support of the motion by Honourable NG Leung-sing to urge the Government to expedite the implementation of public works projects.

In his 1999 policy address, the Chief Executive undertook to "press ahead with a number of major infrastructural projects. The total investment within five years will be \$240 billion. This will stimulate economic growth and lay the foundation for our long-term development." When the Chief Executive presented this policy direction, the effects of the financial turmoil was beginning to show. Thus his policy gained popular support. The Chief Executive also specifically mentioned some infrastructural projects, expected to create 46 000 jobs. After over a year, however, how many jobs mentioned by the Chief Executive have indeed been created?

The Chief Executive said at the time: "Projects that will be launched shortly include the KCR East Rail Extension to Ma On Shan, Tsim Sha Tsui and Lok Ma Chau, and the Science Park at Pak Shek Kok." Let us leave the Lok Ma Chau extension aside, because it is now delayed because of environmental impact assessment. How many job opportunities have been created by the extension to Ma On Shan and Tsim Sha Tsui, and the Science Park? Well, government officials may explain that the planning work at least has created some job opportunities. The Science Park project just went through its First and Second Readings not long ago in this Council and the relevant Bill is being scrutinized. When will the Science Park project be launched? When will scientific research start? When will there be any return? I hope the Government may give us a more concrete answer after working for 16 months.

Indeed, friends of mine in the construction industry and I very much hope that the Government will work harder on infrastructural projects while there is an economic recession. The reason is that this may demonstrate to the outside world that the Government is confident about the future and create in real terms job opportunities to help ease the pressures of unemployment on the people. More importantly, construction of infrastructures may bring Hong Kong to new heights after the economy has turned the corner. In other words, today's infrastructures are stepping stones for development tomorrow.

Madam Deputy, the motion proposed by Mr NG Leung-sing urges the Government not only to adopt vigorous measures to expedite the implementation of infrastructural, construction and maintenance projects under planning and those previously undertaken by the two former Municipal Councils, but also to formulate a reasonable and proper implementation schedule for the projects, so as to create ample and stable employment opportunities.

During the debates over the last couple of weeks, I mentioned repeatedly that even professionals are not immune from the devastating effects of the financial turmoil. Professionals need to face unemployment, salary reduction, negative assets as well as cut-throat competition within their trades. They need to struggle for survival. At the Question and Answer Session of the Chief Executive on 8 February, I asked a question on "one dollar contract", showing the severity of the problem confronting our professionals.

Delays in public works projects will affect not only engineering professionals and site workers who will have nothing to gain, but also the general public. Let me cite the widening works at Castle Peak Road as an example, a project which was allocated funds by the Finance Committee at the beginning of last month. As everyone knows, since the construction of the new airport started, a number of housing estates were completed one after another in the Sham Tseng area. With a rapid rise in population, the Castle Peak Road has to be widened to ease the traffic flow on Tuen Mun Road. The Government upgraded the project to Category B in 1995; and in 1997, it intended to expedite the implementation of the project. It conducted consultations with the relevant district boards, but then the project was delayed for four years. The district boards were right in reflecting the views of the residents. The Government, however, should not allow the project to be delayed if it was of the view that the project could not satisfy the needs of the residents. Indeed, what it should have done is to explain to the people and find remedies. As a result of what has transpired, many residents living along Castle Peak Road were disgruntled because, owing to land resumption involved in the project, the constant revision of the area affected by the project and the unclear progress, they found it difficult to sell their properties. Faced with a continual plunge in the property market, one can imagine the kind of emotions they must have had.

As a member of the construction industry, I must point out that it is beneficial to the construction industry as a whole if the Government can formulate a reasonable and proper implementation schedule for public works projects. As Members know, there are approximately 70 000 to 80 000 site workers in the construction industry. If related trades such as decoration works, and so on, are included, the number may rise to 200 000 to 300 000. If we are minded to maintain our building quality at a high standard, we must have a team of skilled and stable building workers. However, if the construction industry is allowed to shrink and the wastage of workers to continue, the workers may not choose to re-enter the trade when the economy recovers in future. A bad

experience which teaches us what not to do is the sudden surge of numerous public works projects in 1996 to 1997, causing a serious shortage of workers for certain work types; consequently, the works were delayed.

At the start of a cycle of reduction in interest rate and at the beginning of a gradual economic recovery, the Government may achieve a multiplying effect if it takes the lead to inject resources into expediting the recovery of the construction industry, which may then boost consumption and give impetus to the recovery of other industries. In other words, if the Government can expedite the implementation of infrastructure projects, it may provide a catalytic effect at the start of an economic recovery and immediately achieve positive multiplying effects on the overall economy. With these remarks, I support the motion of Mr NG Leung-sing.

Thank you, Madam Deputy.

MR AMBROSE LAU (in Cantonese): Madam Deputy, though the Hong Kong economy has begun to recover, the trend is not balanced. It is tilted towards some trades such as finance, import and export and related sectors which are doing better than others. A slump can still be found in some trades which should provide job opportunities for the general public and the professionals. Thus, it is essential for the Government to expedite the implementation of public works projects costing \$240 billion in the next few years to the benefit of the economy and the people's livelihood.

Madam Deputy, from the equilibrium between the overall supply and demand situation of our labour force, we can see the necessity of expediting the implementation of public works projects. At present, there are approximately 3.3 million people in our workforce, 37% of whom have junior secondary education level or below and only 27% tertiary or above. Of the 100 000-odd unemployed at the moment, half are educated to junior secondary level or below. The present trend of the economic development of Hong Kong points towards a more and more serious mismatch in future between job requirements and candidates available. Demands for workers with higher education and some knowledge exceed the supply while low-skill, low-education workers are confronted with greater threats of unemployment. Given this situation, if the Government focuses on education alone to help the younger generation to meet

the challenges of a knowledge-based economy to the neglect of the need to expedite the implementation of public works projects to alleviate the pressures of unemployment, salary reduction and underemployment confronting low-education workers and professionals in areas related to the projects, then the tilted economic recovery will deteriorate in detriment to social stability.

The present development in the economy of Hong Kong surely dictates that the Government must strengthen education and retraining, as a long-term means to solve the problem of mismatch in the labour market. But as it is often said, "a slow remedy cannot meet an urgency", if the Government is minded to tackle the tilted recovery and unemployment, it must adopt vigorous measures to expedite the implementation of public works projects. By so doing, it can create adequate job opportunities and promote a balanced development and further recovery of our economy.

Madam Deputy, we need to review the progress of public works projects that the Government has promised to launch in the next few years.

To begin with, let us look at the relevant undertakings made by the Government in the past three years. In the 1998 policy address, it was said: "..... undertook to earmark \$235 billion in government expenditure infrastructure projects within five years the number of vacancies will increase to 100 000." In the 1999 policy address, it was said: "9 000 jobs have been created and an estimated 65 000 jobs will be created in the next 15 months as a result of these major infrastructural projects and other Public Works Programmes." And in the 2000 policy address, it was said: "The Government will create new job opportunities in areas where more social investment is required It is estimated that about 7 000 new jobs will be created by these measures. A further 8 000 jobs are expected to be available next year in other expanded service areas the total number of job opportunities provided by the Government next year will be around 15 000."

Next, let us review whether the undertakings have been implemented.

First, in the 2000 policy address, the Government undertook to provide a total of around 15 000 job opportunities within a year. But it can hardly solve the demands of around 170 000 unemployed people.

Second, statistics show that site workers in public works projects increased by 8 171 in 1998-99, but only 2 416 in 1999-2000. The overall number of construction workers in 2000 rose over the 1998 figure by only 400. Thus, it can be seen that the relevant undertaking made by the Government in the policy address in respect of the creation of job opportunities through the launch of public works projects over the past three years have not been fulfilled.

Madam Deputy, in the 2000 policy address, there was no account of the progress in respect of the creation of job opportunities in infrastructure projects mentioned in the 1998 and 1999 policy addresses. We therefore cannot help doubting both the sincerity of the Government in its undertaking to launch public works projects to create job opportunities and the continuity of the relevant policy. With the scrapping of the two Municipal Councils, it is also worrying if the infrastructural, construction and maintenance projects previously undertaken by the two former Municipal Councils will be affected. Hence, the Government must firstly expedite the implementation of the relevant projects, and, secondly, lay down a schedule on the progress of the projects that matches the undertakings made by the Government in the past so as to alleviate the pressures suffered by the people in terms of unemployment, salary reduction, layoffs and underemployment in certain trades. The Government may thus achieve a balance in the economic recovery and bring about benefits for the economy and the people's livelihood. Madam Deputy, I so submit.

MR KENNETH TING (in Cantonese): Madam Deputy, the Liberal Party supports Mr NG Leung-sing's motion today, that is, to urge the Government to expedite "the implementation of public works projects". This is because the various major infrastructural projects that the Government has undertaken to launch not only have a bearing on the overall development of Hong Kong in the future, but also have a positive effect on promoting the economy and improving the employment situation. The motion demands the Government to adopt vigorous measures and formulate a reasonable implementation schedule. I do not think we have any reason to object to this.

Nevertheless, we wish to take this opportunity to express the Liberal Party's views on some of the problems relating to the Government's implementation of public works projects.

I recall that in the policy address delivered by the Chief Executive in 1999, he mentioned that \$240 billion would be invested over the following five years in various major infrastructural projects in the hope that 46 000 jobs would be created in 15 months. However, after more than two years, the employment situation in Hong Kong and the progress of the various projects have not been satisfactory.

In my view, this has something to do with the complicated administrative procedures among government departments, which have led to the delay of the projects. Very often, due to inadequate consultation by the Government and the lack of communication and co-ordination among departments, the projects could not be launched as planned. For instance, the Kowloon-Canton Railway (KCR) Lok Ma Chau Spur Line and the Lantau North-South Road Link project had to be postponed because of rejection by the Environmental Protection Department (EPD) at the last minute.

The so-called Strategic Sewage Disposal Scheme, which has been scathingly criticized by the public, is a classic example of the Government's blunder. So far, Stage I of the Scheme has cost taxpayers over \$8 billion and its effects are still questionable. Thus, while the Liberal Party supports today's motion, we think that the Government should learn a lesson from this and ensure better co-ordination between environmental consultancy studies and the Environmental Protection Department, as well as between different departments, to prevent similar nightmares from happening again.

As for the more than a hundred cultural, sports and municipal projects left behind by the two Municipal Councils that have not been allocated any funds, they have not yet been commenced. We hope the Government will also make specific arrangements in this area soon, in order not to hold up the cultural, sports and municipal projects much needed by the public.

Lastly, employment is a key to and an indicator of the prosperity and stability of society as a whole. It also reflects economic boom and depression. The various projects in the Government's planning have a bearing on the competitiveness and long-term development of Hong Kong. The Liberal Party hopes the Government can create ample and stable employment opportunities and facilitate the further recovery of Hong Kong economy by implementing the various projects.

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

MR CHAN KAM-LAM (in Cantonese): Madam Deputy, in his 1999-2000 policy address, the Chief Executive said a total of \$240 billion would be spent on infrastructure projects, including major public works projects and four development programmes by the two railway corporations. He also undertook to provide 230 000 and 60 000 job opportunities respectively for these two categories of infrastructure projects.

Up to the present moment, some of the major infrastructure projects undertaken by the Government have been classified as Category A under the Public Works Programme, and they are ready to be launched. Most of the projects in the development programmes of the two railway corporations are also in progress. They include the Tseung Kwan O Extension and Phase I of the KCR West Rail. In addition, a first contract of the KCR Ma On Shan to Tai Wai Link was formally approved at the end of last year and is expected to be commissioned in 2004.

For a variety of reasons, government projects were delayed in the past, almost on a regular basis. The most well-known examples were the new airport core projects and the Strategic Sewage Disposal Scheme. Thus, the Democratic Alliance for Betterment of Hong Kong (DAB) endorses Mr NG Leung-sing's motion to urge the Government to adopt vigorous measures to ensure works projects can be completed on schedule. As regards how government projects may complement employment, the DAB holds the view that the Working Group on Training and Retraining for the Construction Industry, set up by the Education and Manpower Bureau in August 1997, should continue to actively monitor the supply of manpower in the construction industry and allocate the quota of training institutions with flexibility to avoid a mismatch between jobs and manpower.

Madam Deputy, government infrastructure projects serve to create job opportunities, and, more importantly, they should match the economic development and the needs of the people. However, most of the five-year infrastructure projects mentioned by me are coveted by the people for years, especially the railways. The provision of these infrastructures has even failed to satisfy the needs of the people for some time. So, the Government must ensure that the projects will not be delayed. Some projects, for which the Government has not committed financially, should be planned as soon as possible.

Take the South East Kowloon Development (SEKD) and the Ma On Shan Railway (MOSR) as two examples. The SEKD is a major government infrastructure project and has undergone numerous public consultations. I would mention that the DAB welcomes the acceptance of our ideas by the Planning Department. Since the SEKD will be producing a large number of public housing units for occupation in as early as 2004, we hope the Government may take it through the final stages of planning as quickly as possible so that works may start as soon as possible to match the timetable of the Housing Department on its overall redevelopment programme. Thus, residents who are affected by the renewal of East Kowloon, especially residents in Lower Ngau Tau Kok Estate, may have a chance to choose to live in public housing units in that area.

The MOSR is just a link between Ma On Shan and Tai Wai. By 2004 when it can start service, it will only make the already saturated Tai Wai to Kowloon section of the railway more crowded. Hence, the link from MOSR to the urban area is most urgently needed.

In May, last year, the Government announced the Railway Development Strategy 2000, in which plans for the East Kowloon Line, the Tai Wai to Diamond Hill Link and the Fourth Rail Harbour Crossing forming the Sha Tin to Central Link to be developed together were finalized. But the development has been planned for completion in the period 2008 to 2011, the earliest. Hence, residents in Hung Hom, Whampoa and Kowloon City will have to wait for 10 more years before they can enjoy the railway service.

Madam Deputy, along the East Kowloon Line, there are already 400 000 to 500 000 inhabitants and the demand for external transport is extremely high. According to the original plan of the Government, the SEKD will be launched in the next year or two. However, the population in the area will increase by 240 000 in the next 10 years, making up a total population of over 700 000. In addition, the first batch of people will move in in 2004. If the East Kowloon Line will not be completed till 2008 or even later, the transport situation in the area will definitely face extremely heavy pressures.

If the works for the East Kowloon Line fails to match those of the SEKD, railway works will probably not start until after the completion of the residential units or their occupation, by then residents will experience great nuisance. Difficulties will also increase for the works. Thus, the DAB wishes to see some government efforts to expedite works on the East Kowloon Line to avoid unnecessary confrontations.

Madam Deputy, Mr NG Leung-sing's original motion also mentions that the Government should expedite the implementation of those projects previously undertaken by the two former Municipal Councils. I would like to take this opportunity to speak briefly about the proposal on the installation of air-conditioning systems in the existing markets and cooked food stalls.

Madam Deputy, markets and cooked food centres recently completed are fitted out with air-conditioning systems. Of the 10 markets and cooked food centres planned by the former Municipal Councils to be retro-fitted with air-conditioning systems, most are 20 or 30 years old. Due to the very limited space designed for these markets, operators and shoppers found it an ordeal to be there in very hot weather. Requests for improvement have for many years been repeatedly made through the district boards. However, according to papers previously submitted to this Council, though the Government endorses the idea to install air-conditioning systems in these markets and cooked food centres, the projects have been classified as Category D only and it may take three to five years to bring them to fruition. Therefore, I think the Government can expedite progress in this area to achieve an early improvement on the environment of the old-style markets.

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

MR WONG SING-CHI (in Cantonese): Madam Deputy, several Members have just spoken in support of the motion and I believe the motion proposed by Mr NG Leung-sing stands a good chance of passage today. In other words, all of us agree that the Government should implement the projects and facilities pledged by the two former Municipal Councils in the past. Evidently, many Members think that after the scrapping of the two Municipal Councils, the Government has encountered a lot of problems in following up the projects of the two former Municipal Councils and a lot of projects fail to be launched and are even delayed. I think Members who supported the scrapping of the two Municipal Councils by the Government will think that it is now too late to go back on the decision and that it is much better for the two Municipal Councils to supervise the implementation of these projects by the Government than for the Government to handle these projects in a messy manner now.

Members of the Municipal Councils were elected by locals of their respective districts. They mainly dealt with district affairs and studied and formulated cultural policies. They were very clear about the livelihood matters in the districts as well as the actual needs of the people. However, it is a pity that the Government, having scrapped the two Municipal Councils, has shelved and even cancelled many projects formulated by these members to meet the livelihood needs of the districts in the past. Precisely, this reflects that the Government totally ignores the livelihood and cultural needs of the districts. For instance, it is necessary to establish a cultural centre of decent scale in Tai Po because there is only a small cultural centre in Tai Po that is shared by the adjacent schools and it cannot hold large-scale cultural programmes for the district and the adjacent region. Thanks to the persistent efforts of the locals in making the relevant demands, the former Regional Council approved of the construction of a cultural centre but the Government stood in the way, indicating that the plot ratio was inadequate and it failed to find other government departments to share the place. Hence, the construction was delayed for quite some time. Finally, before scrapping the two Municipal Councils, the Government promised to grant land to the former Regional Council for the construction of a cultural centre in Tai Po. Yet, after the two Municipal Councils were scrapped, the construction of a cultural centre in Tai Po was left unsettled, leaving a lot of people in the district very dissatisfied.

Another example is that the former Regional Council approved of the construction of a coliseum in the North District in 1994 and it had conducted a number of studies and even decided to implement the works project. There is not any coliseum that can accommodate over thousands of people in the New Territories and activities are now mainly held in the Hong Kong Coliseum or even the Queen Elizabeth Stadium that has 3 000 seats only. If the Administration constructs a coliseum in the North District of the New Territories, it can help promote sports in Hong Kong and it would not fail in such a dismal way when it bade to host the Asian Games. Yet, it is a great pity that the Government has yet to decide the construction of this coliseum.

The problem of markets is a livelihood problem. The former Municipal Councils and the Government promised to redevelop the Central Market but after the scrapping of the two Municipal Councils, the Government acted in its own way and shelved the redevelopment project. So, it will be very inconvenient for a lot of housewives and friends to buy foods in future. The former Regional Council also approved of the construction of a complex in Tseung Kwan O. The residents of Tseung Kwan O had for some time longed for the project and

they wished to enjoy the convenience of a splendid market or certain facilities. Unfortunately, the Government also shelved the project. If the projects of the former Regional Council could be launched, a lot of job opportunities would be created and improvements made to the unique environmental problem or livelihood needs of every district. Yet, the Government acted wilfully and only planned to construct such impractical facilities as the Cyberport, Broadway and the Science Park. I believe the Government still needs to spend a few more years to complete planning for these facilities, but it has ignored and forgotten about some projects that it has decided to implement and has made specific planning for. Obviously, it is acting in contrary to public opinion and in ignorance of the needs of the people

The motion proposed by Mr NG Leung-sing will ameliorate some economic problems and it will also help enormously to meet the livelihood needs of the people. We have to pay attention to problems concerning the people's livelihood or employment. But we must not brief out the projects and allow contractors to sub-contract the projects as what we did in the past, lest workers will not be benefitted at the end and the public and the workers cannot share any substantive gains, other than giving large constructors more opportunities to make profits. Therefore, if the Government decides to implement these projects, it should step up monitoring and ensure that local workers will be given priority to benefit from the implementation of the projects.

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

MR IP KWOK-HIM (in Cantonese): Madam Deputy, the economic development of Hong Kong in the past few decades has undergone at least three major transformations. From the take-off of the manufacturing industry in the 1950s to the reform and opening up of the Mainland in the 1970s, Hong Kong transformed from a manufacturing-based economy into one led by the service industry. Today, with the closer economic co-operation between Hong Kong and the Mainland, the rapid development of information technology and China's imminent accession to the World Trade Organization, the service industry in Hong Kong will experience yet another transformation. If we are able to complement these developments in various aspects, Hong Kong will become an international metropolis that can provide the Mainland with more sophisticated services internally and foster liaison with countries all over the world to provide global services externally.

As the Financial Secretary has said, "efficient and reliable infrastructure will always be a key factor in the success of any economy. Facilities provided through infrastructure also play a pivotal role in determining the quality of life for any community." For Hong Kong to develop in line with the globalization of the world economy and the development of China in the 21st century, we must first equip ourselves by beefing up the infrastructures in Hong Kong, including information technology, roads, railway networks, land planning, urban development, and so on.

In fact, Asian countries are well aware of the importance of infrastructures. In recent years, many cities in the Asia-Pacific Region have continuously increased investments in major infrastructures, resulting in a robust economic growth in the Region. In Shanghai, one of the fastest growing cities in the Mainland, close to \$100 billion were already injected in infrastructures in the 1990s. A further investment of over RMB¥150 billion will be made in the next decade in infrastructural facilities in Shanghai, with a view to achieving the target of becoming a world financial centre. I believe Members can see the pace of development in Shanghai in recent years. Moreover, in Singapore, one of the four little dragons in Asia, their achievements in respect of infrastructures can be said as ranking among the first in the world. In a survey on infrastructural investments, Singapore has been ranked the first for successive years except last year.

What about Hong Kong? From the four policy addresses of the Chief Executive, we can see that the Government has attached rather great importance to infrastructural development. The actual public works expenditures in 1997-98 and 1998-99 amounted to \$25.7 billion and \$27.6 billion respectively. In his 1999 policy address, the Chief Executive even proposed an investment of \$240 billion in infrastructures in the next five years, including four railways at a total cost of \$100 billion and some 1 000 public works projects. These infrastructural projects will not only provide momentum for the development of Hong Kong, but also create hundreds of thousands of job opportunities. In last year's survey on infrastructure, Hong Kong even defeated Singapore which had been ranked the first for five successive years.

To ensure that Hong Kong will remain in the forefront of infrastructural development and thus maintaining our attractiveness to foreign capital, it is essential for the Government to continue to invest in infrastructures. Therefore, the DAB will support this motion today which urges the Government to expedite the implementation of infrastructural projects. However, I wish to draw Members' attention to the fact that every infrastructural project implemented by the Government will cause a certain extent of damage to the environment. The question of how to strike a balance between infrastructural development and environmental protection warrants our studies and discussion indeed.

Madam Deputy, Members may recall that the Director of Environmental Protection has recently vetoed two projects, namely the KCR Lok Ma Chau Spur Line alignment that runs through the Long Valley, and the Lantau North-South Road Link proposed by the Transport Bureau. The Environmental Impact Assessment Ordinance came into effect in 1998 with the purpose of preventing the environment and ecology from being damaged by major infrastructural projects. The Ordinance empowers the Director of Environmental Protection to approve environmental impact assessment reports submitted by parties responsible for infrastructural projects and decide whether or not an environmental permit be issued or whether such permit be issued with conditions. Any major infrastructural project must obtain an environmental permit before seeking funding approval from the Legislative Council. In other words, under the arrangements of the existing legislation, the Director of Environmental Protection actually has the authority to approve or veto any major infrastructural project. In considering the issuance of a permit, the Director will only base on the requirements of the Environmental Impact Assessment Ordinance and the Technical Memorandum on Environmental Impact Assessment. So, after those two projects were rejected, there have been concerns in the community about excessive or centralized powers on the part of the Director in approving major infrastructural projects. There is also concern that environmental protection has taken precedence over other factors such as social development and overall public interest in the process. Another issue of concern is that while the Director is responsible for approving reports for infrastructures, he is also a proponent of infrastructural projects, such as waste treatment facilities, so there may be a role conflict on the part of the Director under certain circumstances.

Madam Deputy, the DAB raises these issues not to dismiss the importance of environmental protection. Nor is the DAB suggesting that environmental protection should not get in the way of infrastructural development, come what may. The DAB is concerned about how we can arrive at an equilibrium readily acceptable to the public among environmental protection, the need for social development, sustainable development and the affected members of the public. We hope that this motion will induce more in-depth discussions on this issue.

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

DR RAYMOND HO (in Cantonese): Madam Deputy, since the Asian financial turmoil, the economic situation of Hong Kong has been worsening. Property prices slid and the unemployment rate soared. I can still recall that between 1997 and 1998, the engineering sector to which I belong started to feel the pressure of a shrinking economy. With the Airport Core Programme Projects completing one after another then, the poor performance of the property market and the drastic cut in the number of private construction projects, professionals of the construction industry including engineers and workers were made to face problems like salary cuts, underemployment, retrenchment, and so on. Seeing the difficulties faced by the construction industry and trusting that the Government could stimulate the economy and expedite its recovery by launching public works and infrastructure projects, I persistently made proposals to the Government, especially officials at the senior ranks including the Chief Executive, the Financial Secretary, and so on, on increasing the number of infrastructure development and public works projects to be launched.

Although the whole course of lobbying took quite some pain, however, positive response was subsequently received from the Government in connection with the relevant proposals. In the Chief Executive's policy address of 1999, it was reiterated that the Government would invest a total of \$240 billion in different construction projects within five years, and I felt great encouragement with this. Considering the complicated procedures in taking forward a works project by the Government, at that time I also requested the Government to shorten the relevant procedures and expedite the implementation of works programmes. Unfortunately, more than a year has now passed, but the relevant works projects have yet to achieve the expected effects for the construction industry which is still in difficulties.

These difficulties were not peculiar to the engineering sector, instead, they were confronting the construction industry as a whole. The industry employs a workforce of 300 000 to 400 000 people comprising professionals and construction workers. Moreover, given the gravity of the problem, with my initiation and the support of two other Members of this Council, namely the Honourable LAU Ping-cheung and the Honourable Abraham SHEK, we invited 12 professional bodies and trade unions in connection with the industry to form the "Joint Committee for Concern of Public Works" in order to reflect the industry views and urge the Government to quicken the construction of public works. I would also like to take this opportunity to thank the Honourable NG Leung-sing for proposing this motion so that the concern of this Council and the general public on the issue is aroused again.

In order to boost employment and domestic demand through the effective launching of public works programmes with a view to accelerating the recovery of the local economy, there is indeed a need for the Government to review and simplify the existing procedures for vetting works proposals. Meanwhile, there is also a need to increase manpower and expedite the resumption of land. Moreover, co-ordination among government departments is also very important. Earlier, the failure in taking forward the Lok Ma Chau Spur Line and the Lantau North-South Road Link projects revealed the inadequacy in co-ordination among government departments. In many large-scale infrastructure projects, especially in respect of environmental assessment, the Government will invariably rely excessively on the recommendations made by consultants or international experts. In fact, government departments should enlist their own experts to assess and consider the relevant recommendations before making the final decision and choosing the most suitable proposal. As such, problems associated with the implementation of the "Strategic Sewage Disposal Scheme" like delays and cost overrun could then be avoided. The Government did in fact employ two panels of international experts to conduct technical assessments other than the recommendations made by the international consultants. However, the conclusion was that the opinions of the two panels of international experts were contradictory to each other and mutually exclusive. As a result, we have been unable to decide which way to follow in deciding such colossal works projects costing tens of billions of dollars.

Other than speeding up the committed public works project valued at \$240 billion, the Government should also launch as soon as possible the shelved works project which were initially undertaken by the two former Municipal Councils. This way, it can improve the municipal facilities and services provided to the public, increase the works volume of the construction industry and create more job opportunities.

Moreover, the Government can also increase the job opportunities by enhancing the repairs and improvement works of ageing infrastructure facilities. These facilities include existing housing blocks, mechanical and engineering facilities, slopes, water mains, roads, bridges, tunnels, and so on. These projects, which are smaller in scale and less complicated, will facilitate the participation of local companies and talents. Furthermore, by repairing and improving existing infrastructure facilities, the aggravating problem of ageing infrastructure can then be solved and more favourable conditions for the future development of Hong Kong created. For example, the water mains network for transporting potable water and sea water is around 5 700 km long, most of which is underground. However, 45% of the water mains were laid around 30 years ago for the development of urban areas and new towns. Since the service life of these water mains is nearing expiry, the Government is prepared to spend 20 years on replacing and repairing 3 000 km of the ageing water mains. However, the speed is too slow because the condition of our water supply network is deteriorating. In 1999 alone, there were 1 850 cases of mains burst and 25 350 cases of leakage. Hence, there is the necessity to expedite their replacement and repairs.

Other than expediting the progress of the relevant works projects, the Government must carefully draw up timetables for the progress of different projects so as to ensure that local professionals and workers of the construction industry can be provided with stable work, thus avoiding the situation of shortage of manpower and importation of labour as a result of many projects launching at the same time. Otherwise, after the completion of the relevant projects and before any new projects are launched, there would be a problem of excessive manpower supply. Only through good planning can we pre-empt such an unhealthy situation arising.

Madam Deputy, given that the Government intends to create employment and stimulate the economy through public works programmes, why cannot the authority concerned take one step further by simplifying the procedures and steps for planning and execution on the premise of not affecting the quality of projects, thus expediting the relevant works projects for an early recovery of the economy? This will not only help the construction industry, but also benefit the public in general. It is also consistent with the proposals made by the Chief Executive in Paragraph 90 of his policy address delivered in October last year in respect of creating employment opportunities in the long and short terms.

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

DR TANG SIU-TONG (in Cantonese): Madam Deputy, though the Hong Kong economy is recovering, the overall unemployment rate stands at a high 4.5%. Since the property market last year was still sluggish, trades related to engineering and construction failed to share the benefits brought about by an economic recovery. For these trades, there is still widespread slump, unemployment or underemployment. Therefore, if the Government can expedite the implementation of public works projects, it may provide adequate infrastructure facilities to facilitate social and economic development, and also provide sufficient job opportunities for local workers and professionals in engineering, thus killing two birds with one stone, so to speak. Despite the fact that \$240 billion will be spent by the Government over the next five years on major infrastructure projects, local professionals and companies will not benefit much from these projects because many of these projects have been monopolized by foreign consortia. Public works projects of a smaller scale, which may benefit local workers, have yet to be launched due to various reasons. Most of these projects, especially those left unfinished by the two former Municipal Councils, can readily be completed by local architects, engineers and workers due to their relative simplicity. If these projects may begin on schedule, they can help relieve unemployment and boost the market. Madam Deputy, I would like to speak on the issue of projects left over from the two former Municipal Councils.

After the two Provisional Municipal Councils were dissolved, 160 basic projects for leisure and cultural facilities were handed over to the Leisure and Cultural Services Department. Among the 160 projects, only 11 could be classified as Category A and immediately followed up for implementation. Among the remaining 149 projects, the Government proposed to start work on only 16. Among the 16 projects, only six were upgraded to Category B, one as

small project and nine underwent preliminary feasibility studies. Concerning the other 100 or so items, the Government only indicated it will conduct periodic reviews in the light of the readiness of the projects and the demands of the people for leisure and cultural facilities. Government projects in this area have demonstrated a pace of progress that is obviously far too slow. Even Category B projects have to wait two years before they can be upgraded to Category A. The nine projects, which have undergone feasibility studies only, will take even longer to proceed further. This stonewalling by the Government does cause enormous inconvenience to the people, thereby adversely affecting the quality of municipal services. If the Government is really willing to shoulder responsibility for the projects planned by the two former Municipal Councils, it must act more positively and expedite the implementation of public works projects.

Madam Deputy, when the Government dissolved the two former Municipal Councils, it promised to expand the functions of the District Councils. Hence, in determining the fate of the remaining hundred or so projects, it must give due consideration to the opinions of the District Councils. However, it is indeed doubtful if the Government will give any weight to the decisions of the District Councils and the two former Municipal Councils. For example, the proposed installation of air-conditioning systems in markets was approved by the District Councils and the two former Municipal Councils, but the proposal has been shelved temporarily because the Government has indicated it needs to review the proposal before implementation. Another example is 12 projects left over from the Provisional Regional Council in respect of the Tsuen Wan area, of which only one was given priority by the Government for implementation. Similarly, only one out of the 20 projects in the Yuen Long area was given priority for implementation. In connection with these incidents, many District Council members have voiced dissatisfaction because the projects have been discussed by the two former Municipal Councils and the Government should therefore have given more of these projects priority for consideration. I think that as the forefront and most important representative organizations for the people in their respective districts, District Councils should be given more participation in determining the priority of projects at the district level. Madam Deputy, revenue from approximately several percentage points (almost 5%) of the rates we pay are used for financing municipal services. If, after "scrapping the two Municipal Councils", the Government just pockets the rates revenue but does nothing for the municipal works projects, it is not being responsible to the people.

Lastly, I wish to add that if the Government is minded to help the local engineering profession, it must improve the tender system for major projects, in addition to trying the best it can to avoid delay of these projects. If the Government could separate the construction items in some of the project contracts, the chances for local small and medium enterprises to participate in the bidding will be enhanced. In this way, more job opportunities will be created for local companies, local professionals and the local labour force.

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

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

(No Member responded)

SECRETARY FOR WORKS (in Cantonese): Madam Deputy, I have listened carefully to Members' remarks and appreciate the helpful suggestions that Members have made. I would like to confirm that the most important objective of our capital works programme is to provide essential public infrastructure to meet the needs of the community and to support Hong Kong's continuous development. It is of course a fact that the Government's investment in such works provides many business opportunities for local enterprises and creates employment in the construction and other sectors of economy. We therefore recognize and respect the importance of the relationship between our capital works programme, the overall economy of Hong Kong and the people's livelihood.

Let me assure Members that our commitment to the efficient and effective delivery of capital works projects is beyond question. We fully recognize the need to maintain a level of investment in capital works which will meet the demands for community facilities and public infrastructure to serve a growing and changing population. We therefore accord a high priority to the provision of facilities to enhance the environment, as well as education, transport, social, cultural and sports facilities and adequate serviced land for housing development. The Government at all times monitors the need for such facilities and takes steps to implement projects in line with the changing needs of the community and our priority policy objectives.

Currently, the capital works programme consists of some 1 500 projects with an estimated total value of some \$300 billion. Some 300 additional projects are under active planning. We expect the total value of these to exceed \$150 billion. To deliver an annual programme of such magnitude requires careful and comprehensive planning. There should be no underestimation of the magnitude of such a task or any misunderstanding that all projects under planning can be taken forward quickly. Bringing new projects to the construction stage involves a number of inter-related activities, some of which are complex and time-consuming. For a major infrastructure project, the period from initial concept to commencement of construction can take seven to 10 years. This compares to a lead time of some five to seven years in the past.

There are a number of reasons for this. In recent years, members of the community and interest groups rightly demand greater participation in the planning of capital works projects, and our works departments are required to carry out wide-ranging public consultation during the planning stage of such projects. This includes presentations to District Councils, to different panels of this Council and meetings with a variety of professional organizations and individuals. A good example of this is the heightened awareness of the environmental impact of works projects. In line with the requirements of the Environmental Impact Assessment Ordinance (which took effect in 1998), we have been carrying out stringent Environmental Impact Assessments for all designated projects to ensure that the impact of our works programme is environmentally acceptable. We also carry out such kinds of assessments as traffic impact assessments to ensure that a specific project will not have an adverse "spill-over" effect in relation to traffic flows. All of this takes time.

I can fully understand Members' wish to see an expedited works programme which would provide increased job opportunities and help boost the recovering economy. The Government also shares the same aspirations. We constantly strive to devise and implement any measures which would help achieve this objective. For instance, we have introduced a land acquisition prioritization exercise which ensures that the timing of land acquisition is synchronized with construction programmes for works projects and allows for flexibility in resource allocation in line with changes in project programmes. Where feasible, certain pre-tender planning and administrative measures necessary to bring a project to the construction stage will be carried out as "in

parallel" rather than "as sequential" activities, for example, integrated planning and engineering studies for strategic growth areas. Where appropriate, and on a selective basis, we shall also adopt accelerated procedures for the selection of consultants and the tendering of construction works in order to speed up project delivery.

So how about the projects that are due to start in the short to medium term? For the information of Members, the Government spent, on average, about \$26 billion to \$27 billion per year over the past five years in planning, designing and constructing capital works projects. We anticipate that our average expenditure in the next five years will be of a similar order but this will depend on a number of variables, such as construction tender prices (these have shown a downward trend in recent years), the pace of which new projects can be upgraded to Category A and the progress of works. Some of these factors lie outside the control of the Government.

As indicated earlier, we have some 300 projects under active planning. This, along with the outstanding commitments on ongoing projects should enable us to maintain the current level of investment in capital works projects in the medium term. I feel confident, therefore, there will be ample employment opportunities created in the coming years as a result of our continuing investment in capital works projects. For example, for year 2001, we estimate that we will award more than 230 new works contracts and consultancies, creating more than 20 000 job opportunities. From 2002 onwards, we expect a number of mega infrastructure projects to proceed from the design stage to the construction stage, for example, Route 10 between North Lantau and Yuen Long, Route 9 between Tsing Yi and Sha Tin, the South East Kowloon Development, Central and Wan Chai Development and the Rehabilitation and Replacement of Watermains Works. These projects will provide yet more employment opportunities.

I also note from some Members' speeches that they would like the Government to expedite works projects identified but not funded by the former Provisional Municipal Councils. These projects became the responsibility of the Government following the dissolution of the two Councils in January last year. As Members will be aware, the Secretary for Home Affairs, the Secretary for the Environment and Food, and the two departments involved,

Leisure and Cultural Services Department and the Food and Environmental Hygiene Department have been actively reviewing each of the projects and, subject to the normal resource allocation mechanism, will inject them into the Government's capital works programme when the scope and technical feasibility are fully developed. I understand that a Subcommittee has been formed by the Legislative Council to monitor the status of the projects and progress reports have been submitted to the Subcommittee for examination by Members. The District Councils have also been briefed on the progress of the various projects. As at today, 10 of the outstanding projects have already been upgraded to Category A. The remaining projects are at different stages of planning and will be considered for upgrading in due course. I have to point out that many of those outstanding projects were at a very preliminary stage when they were taken over by the Government and their scope and estimated costs were not fully identified. It will be some time before the various projects are ready for construction but the relevant bureaux and departments will continue to work as expeditiously as possible in completing the pre-tender planning activities.

Finally, I would like Members to take a broader view of the complexity and size of our capital works investment programme and the challenges in delivering a complex programme of this nature in a timely manner. Given the many variables which can affect the progress of a project both at the planning and construction stages and the time required to ensure quality design and construction, compliance with statutory requirements and gaining the support of end-user, the process of project implementation cannot be a summary exercise. In fact, it is my view that the delivery of public works programmes in Hong Kong is relatively efficient. I have met many friends from overseas when they visit Hong Kong. All, without exception, have expressed a deep appreciation of our achievements in infrastructure development in recent years. Nevertheless, we will not allow complacency to prevent us from striving to be even more effective in this regard.

Thank you.

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): Mr NG Leung-sing, you may now reply and you have two minutes 53 seconds.

MR NG LEUNG-SING (in Cantonese): Madam President, first of all, I should like to thank Members for speaking on the motion, as well as for the support and the many valuable suggestions they have given. At the same time, I would like to express my gratitude to the Secretary for Works for the positive response he made just now. It is hoped that in moving this motion this Council can adopt a constructive attitude in performing its role of monitoring the Government, and in expressing our concern over the delays and other relevant problems emerged in the past following the commencement of certain public works projects, as well as the negative effects of such problems on the sector.

I understand that the relevant problems are attributable to a number of reasons. From a subjective point of view, in implementing public works projects government departments need to be more resolute in making decisions, cope and work in co-ordination with each other more closely, and reduce as far as practicable the unnecessary and superfluous administrative red tape. As regards the responsible departments, they should enhance their communication with the relevant trades and the public, with a view to understanding better the problems confronting them. Besides, they should also take into consideration as far as possible the needs of the relevant trades when planning the implementation of public works projects.

On the other hand, I wish to emphasize one point and that is, even though environmental protection is an important part of sustainable development and merits support of society, for the interests of the people of Hong Kong as a whole, I still expect the Government to strike an overall balance among the relevant departments and improve their communication before they start planning for any public works projects in future. This is to prevent government departments from acting separately without co-ordination, wasting resources or restraining each other, so that the progress of major public works projects affecting the economy or the people's livelihood will not be delayed.

Last but not least, I hope that Members of this Council will all support this motion to give impetus to the economy of Hong Kong to develop in a more realistic direction and in a more efficient manner. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr NG Leung-sing 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.

PRESIDENT (in Cantonese): Second motion: Human resource policy.

HUMAN RESOURCE POLICY

PROF NG CHING-FAI (In Cantonese): Madam President, Hong Kong is a small city and its only important capital is human resources. Like natural resources, human resources should be developed, processed, and pooled together for proper utilization. In other words, if we are to develop and utilize our human resources, we must do a good job in training, pooling and putting to good use talents. And that is why a human resource policy cover such aspects as education and measures to pool talents. In the past, we used to refer to educators as gardeners and education as the work to nurture the growth of an upright person; hence, the work to pool and make good use of talents may well be regarded as efforts to "grow trees" in Hong Kong. In some measure, our work can be likened to planting a phoenix tree to attract phoenixes from all over the world to dwell on it and to entice those that have already inhabited here not to fly away.

Since the establishment of the Government of the Special Administrative Region (SAR), the Chief Executive has devoted much attention to issues relating to manpower resources, particularly education reform, and put forward quite a number of policies and measures. Regrettably, however, while the education reform has yet to be implemented even after a lapse of several years, the work to admit talents from outside Hong Kong is progressing at a snail's pace. This will inevitably arouse concern among the people and cause them to doubt whether the overall human resource policy of the SAR Government, if any, is capable of mobilizing the forward development of society. In particular, as we envisage the changes the world will be undergoing in the 21st century, we cannot help but feel that Hong Kong is lagging far behind others in terms of the state of its human resources. Many People are now saying that the 21st century will see economies of the world being reshaped by an information technology-led technological revolution and the consequential economic revolution. In the end, advanced economies in the world will undergo restructuring one after another from the old into a new knowledge-based economy. Meanwhile, Hong Kong is also in the process of such an economic restructuring. Since human resources are far more important than capital in the new economy, many countries in the world, regardless of whether they are as powerful as the United States or as small in size as Singapore, are all participating in the competition for talents by implementing ingeniously devised measures to nurture talents, upgrade the quality of their manpower resources, and attract talents from other countries. In order to attract talents from overseas, Finland, for example, has reduced the tax payable by high-salaried foreigners to only 58% of that payable by its own nationals. As regards mainland China, in addition to the painstaking efforts made in recent years to nurture and pool talents, major cities in the Mainland are also striving hard to compete for talents. But then, looking back on the home front, it seems that Hong Kong is rather unconcerned about the craze for talents spreading across the world in the new millennium. This is indeed a grave cause for concern.

Actually, the major principle of "cultivating talents for a knowledge-based society" put forward by the Chief Executive earlier on should be upheld as our basic concept of human resources. As such, I consider that the Government should put this basic concept into effect when formulating its overall human resource policy.

Madam President, talents come mainly from two sources. They are either produced locally through training or imported from places outside Hong Kong. Here, I should like to first speak on local training.

As Members are aware, talents are laddered. I will start with the education of the labour force, which is the so-called lifelong learning or continuing education. To begin with, we understand that about 40% of the labour force in Hong Kong are workers with an education standard below junior secondary level. At least this is the case presently. Every year, a large number of Secondary Three leavers will join the labour force. The situation is very unfavourable to these low-skilled workers of low education level in the new economy; they will see their employment opportunities and wage levels becoming increasing low. The best way to help them adapt to the new economy is to provide them with effective channels of lifelong learning, so that they can acquire more knowledge and more sophisticated skills through retraining. Hence, the Government is heading in the right direction in promoting the concept of lifelong learning. However, in order to enable every member of society to continuously upgrade his or her quality through lifelong learning, it is important that we have in place a matching education system that allows people to choose to resume education after joining the workforce and *vice versa*. Through this learning and working cycle, people should be able to move up the economic ladder and improve their living standard.

Further still, some leeway should be allowed in our human resource policy to enable people who cannot upgrade their skills through long-term or short-term training to secure a job. That means we may need to retain or create certain trades for these people. The small scale environmental protection enterprises mentioned in this Chamber by a number of Members on different occasions, for example, should have potentials for creating jobs. Last weekend, several Honourable colleagues joined me in visiting a few enterprises of this kind, and we all agreed after the visits that this should be a feasible proposal.

Now I should like to switch to higher education. Actually, higher education also faces a restructuring, only that its restructuring is consequent upon the restructuring of the economy. For example, given that the essence of knowledge-based economy is innovation, nurturing talents in the field of innovation becomes the basic responsibility of the higher education sector. On the other hand, the development trend of knowledge-based economy is globalization, we would then need to nurture talents with a world vision. With

regard to the higher education sector in Hong Kong, its scale has expanded from one university to nearly 10 tertiary institutions. As regards the age participation rate, which represents the percentage of senior secondary school graduates pursuing higher education, it is currently standing at 30% and is hoped to rise to 60% in 10 years' time. According to the theory about the different stages of higher education development advanced by Prof Martin TROW, who works in the Center for Studies in Higher Education, University of California, Berkeley, the elite system of higher education has an enrolment ratio of 15%, while that of the mass system and universal system of higher education are 15% to 50% and over 50% respectively. So, Hong Kong has now an elite system of higher education and it is in the process of restructuring into the universal system. Such a process of restructuring is of course not just a change in the enrolment ratio but will also bring along a series of other new issues. For instance, the three-year British model of university education originally designed for the elite system of higher education should be replaced by the four-year model which is universal. Besides, a multi-layer system of higher education should be established to encompass not only the existing universities and tertiary institutions but also community colleges. In this connection, although I have heard the Government talking about the establishment of community colleges before, we still have no idea how such colleges would be related to the system of higher education.

The other process of restructuring of the higher education sector, which I believe we have a responsibility to promote it, is the restructuring of the role of higher education. For a rather long period of time in history, teaching was the only role of higher education. In the middle of the 19th century, the German city Homburg proposed that universities should conduct academic researches. Since then, the German system of university has become an internationally recognized model and the role of higher education institutions has expanded to cover both teaching and scientific research. Nowadays, instead of concentrating on teaching and scientific research, the higher education sectors of countries all over the world are now developing a triple role of teaching, scientific research and co-operating with enterprises in conducting research and development (R&D). In this connection, I believe the Stanford University and the University of California, Berkeley in the United States are examples of the so-called underpinnings of every case of success that Members are familiar with. The universities in Hong Kong are also undergoing such a restructuring process. Certainly, since the background of each university is different and science and technology-related subjects are not available in every university, we need to re-examine the role of each university separately.

The Hong Kong Institution of Science (HKIS) has recently put forward a proposal in relation to the way to restore and maintain growth in the living standard in Hong Kong. The HKIS has reached a consensus that Hong Kong must develop industries and service sector trades that are knowledge-based and technology-based, with a view to diversifying the economic foundation; and that education and investment in R&D are important factors to achieving this objective. Hence, in addition to taking the lead in investing resources into primary, secondary and tertiary education, the Government must also invest in the basic and applied R&D projects conducted by tertiary institutions, as well as in the midstream R&D activities. The HKIS considers that such investment can help to produce more trained talents in the fields of science and technology, thereby stimulating private enterprises to invest more in R&D activities. In other words, apart from doing a good job in teaching, tertiary institutions should also put in more efforts to enhance their research work. Here, I should like to speak a few more words on research studies, albeit I normally speak only on education but not specifically on research studies.

Just now I have referred to the suggestions made by the HKIS, yet in reality, research efforts in other aspects are also very important to society. Now that Hong Kong is an economic entity, we have to deal with the various problems facing our society on our own. As such, the various Policy Bureaux must rely on their own judgement to formulate policies. But how are the Policy Bureaux going to ensure that the policies they formulate are of good quality? To do so, they will need to rely on research studies. In this connection, while the public policies implemented in Hong Kong have all along been criticized for their lack of backing in terms of long-term, in-depth research efforts, the same problem actually exists in other policy areas as well. By that I mean the Government is willing to spend money on commissioning consultancy firms to conduct research studies only when specific projects are waiting to be implemented, or to hastily consult some members of the relevant sector only after problems have arisen. In the future, the various government departments will need to have considerably strong research input to support their policy formulation work, and they can find such support in our universities. To put it simply, the Government should substantially increase the resources provided for universities to conduct research studies, including directly inviting staff members of the tertiary institutions to undertake research studies relating to social problems that must be resolved expeditiously.

Madam President, compared with our neighbours, the resources we put into education have been on the increase in recent years. This year, for example, the resources we put into education represent some 4.5% of our Gross Domestic Product (GDP). But then, there is still room for improvement as we are lagging far behind Singapore and other advanced regions in comparison. With regard to our expenditure on R&D, which we generally refer to as gross domestic expenditures on research and development (GERD), we are lagging far behind not only Singapore and Taiwan but also Israel and Finland which have a scale of development similar to ours. While the ratio of GERD to GDP of Singapore, Taiwan, Israel and Finland stands at 1.8%, 1.98%, 2.65% and 2.91% respectively, ours stands at only 0.36%. What is more discouraging is that our public expenditure on R&D, which is represented by that ratio of 0.36%, has in fact included 25% of the salaries paid to teachers in tertiary institutions. As regards the private sector, the relevant ratio only stands at a low 0.11%, which is much lower than the ratios recorded in the four places mentioned above. For this reason, my motion urges that in addition to attaching more importance to research work itself, the Government should also make an effort to encourage private enterprises to conduct more R&D activities on the one hand, and to facilitate co-operation between the Government, universities and private enterprises in conducting researches on the other. I have repeatedly used Israel and Finland as examples for drawing comparisons with Hong Kong because I wish to show Members how small and medium scale countries used to be overlooked by others have invested substantially in research activities. As we all know, Finland, which has a population of some 5.2 million, used to be not so advanced in terms of their industries originally. But due to its resolution to not borrowing the technology of others (the country has been investing substantially in R&D), so much so that its ratio of GERD to GDP ranked first together with Japan in 1998 among countries of the world. So, it is not surprising that NOKIA, a Finnish company, is leading the world's telecommunications industries. This is indeed a very enlightening example. Therefore, rather than taking itself lightly, Hong Kong should really formulate proactive policies to facilitate research work and to gradually allocate more resources to research activities. On the front of management, the Government should consider making the Research Grant Council independent of the University Grants Committee in due course, and following the examples of the national research councils of countries like Canada and the United States in accepting application for grants made by research institutions in both the private and public sectors.

That way, we should be able to contribute to building a more comprehensive research infrastructure and fostering a stronger trend of scientific research. With this, it would not be surprising that Hong Kong may come up with innovative products like those of NOKIA in such fields as communication, information technology and bioengineering (including materials for making Chinese medicines) in some five to 10 years' time.

Now I should like to speak a few words on the admission of talents. I believe Members have all heard about the recommendation for admitting talents made by the commission led by Prof TIEN Chang-lin. As far as I know, although the relevant scheme has already been implemented for more than a year, so far a total of only 111 applications have been recorded as of January this year, which is a figure far smaller than the Government's original estimate of some 1 000 to 2 000 cases. I hold that there are problems with the scheme and that the Government should review it to simplify the application procedures. I wish to point out in passing here that the relevant scheme is currently under the charge of the Security Bureau, but since the Bureau is responsible for security affairs and considers things from a security point of view, the scheme should be put under the charge of the Education and Manpower Bureau instead. If applications under the scheme could be considered by the Education and Manpower Bureau in relation to the matching policies on human resources as a whole, things would turn out very different. I hope the Government can consider suggestion.

A more specific point is that as a large number of postgraduate students from the Mainland will come to Hong Kong to participate in the research studies conducted by the eight tertiary institutions every year, indeed we could let these students stay in Hong Kong if they are able to find jobs before completing their studies. I hope the Government can consider this proposal as well, since this can be done very easily.

Madam President, as time is limited, I only wish to conclude my speech by expressing my gratitude to the Honourable CHEUNG Man-kwong for proposing an amendment to my motion to urge the Government to stop cutting back on university grants. I share his view in this respect and welcome very much his proposed amendment.

Actually, I have originally thought about proposing a similar motion, but in the end I decided to discuss the subject from a macro point of view. Nevertheless, I will still support the amendment proposed by Mr CHEUNG Man-kwong. Thank you, Madam President.

Prof NG Ching-fai moved the following motion: (Translation)

"That, as there are a lot of problems regarding the supply of human resources and related policies while Hong Kong is undergoing a new cycle of economic transformation, this Council urges the Government to expeditiously formulate a comprehensive long-term human resource policy that is able to keep pace with social and economic developments, with a view to enhancing the quality of local talents and Hong Kong's competitiveness, sustaining the development of the local economy, creating more employment opportunities, and narrowing the gap between the rich and the poor, so that people from all walks of life can benefit from economic prosperity; the policy should include:

- (a) expeditiously implementing measures to improve basic education, reviewing university education and the research work of the universities to ensure that, with sufficient resources, they can nurture quality talents who meet the needs of the time, conduct researches of a high standard, and foster co-operation and development in researches among the industrial and commercial sectors, government departments and the universities;
- (b) reviewing the manpower training programmes currently provided by various government departments and subvented organizations, examining the directions of various types of manpower training, and strengthening the interaction and co-ordination between government departments and subvented organizations, so as to enhance the cost-effectiveness of training programmes and enable everyone to pursue lifelong learning through different channels, thereby increasing their opportunities for horizontal and vertical mobility in the job market; and

- (c) without affecting the employment opportunities and remuneration of local people, improving the existing mechanism for admitting more effectively professionals from overseas and the Mainland, and correspondingly formulating complementary measures to attract talents to stay and develop their career in Hong Kong."

PRESIDENT (In Cantonese): I now propose the question to you and that is: That the motion moved by Prof NG Ching-fai be passed.

PRESIDENT (In Cantonese): Mr CHEUNG Man-kwong will move an amendment to this motion, as printed on the Agenda. The motion and the amendment will now be debated together in a joint debate.

I now call upon Mr CHEUNG Man-kwong to speak and move his amendment.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, despite its amendment to the motion, the Democratic Party shares the same objective as that of Prof the Honourable NG Ching-fai, which is why we will also support his motion. In this debate, I will speak on the education aspect, and the Honourable Andrew CHENG will deal with the manpower aspect.

The education policy of Hong Kong is constrained by financial provision. Very often, financial provision even distorts the education policy. In the past 10 years, a comment most commonly associated with financial provision for education was this: "The cake is just this big". This in fact means that even if we can work out a good policy, we will not be able to put it into practice because there is no money, and we thus have to make do with the less satisfactory. In this way, education and students are sacrificed — half-day primary schools, floating classes in secondary schools, cramped school premises, over-worked teachers, meagre research funding for universities and the three-year system for university education are all the results of "lack of money".

Since "the cake is just this big", an otherwise unnecessary conflict between basic education and tertiary education has emerged over the past 10 years in terms of education funding. In the early 1990s, the Government curbed the

growth of funding for basic education, and it even wanted to reduce the number of primary and secondary classes by increasing the class size, so as to expand tertiary education. But now, after the reunification, the Government is trying to cut the funding for universities, saying that the money thus saved has to be spent on basic education. Why is it that when it comes to education funding, we always have to cut out a piece of flesh to cure a boil? Why must we turn the needs of basic education against those of tertiary education? Why do we always have to let government officials responsible for finances dictate the development of education?

The Government argues that because of the Basic Law requirement on keeping expenditure within the limits of revenue, the growth of education funding cannot exceed economic growth, and so, all new initiatives under the education reform have to make do with the limited additional funding and compete for its share of the remaining cake. In the Budget last year, the Government allocated the remaining \$800 million for the purpose of launching the education reform. The education sector was then taken by pleasant surprise, but we also know that the education reform blueprint, whether about ensuring development of full potentials and attainment of the minimum standards, or about increasing the number of university places, will all need money. We have good reasons to worry that due to a lack of money, the education reform would ultimately have to "look at the picture of a cake to satisfy its hunger".

Yesterday, the Secretary for Education and Manpower, Mrs Fanny LAW, appealed to the commercial sector for donations to education. And, the Financial Secretary-Designate, Mr Antony LEUNG, also once asked parents to bear part of the expenses to be incurred by the education reform. It is true that even the cleverest housewife cannot cook a meal without any rice, but what is happening in Hong Kong now is that we have the rice but cannot cook any meal. Because of the constraint imposed by the Basic Law, despite our surplus of \$400 billion, we are just like a Tanka chicken that cannot drink the sea water near it. In the next few years, the economic growth of Hong Kong may still be slow, and so, I am afraid the increase in education funding will be very limited. For this reason, the Government must work out some ways to create new sources of funding or else the education reform will be reduced to a mere lofty ambition lacking the support of any resources — I mean, financial resources, not manpower resources.

The education reform is a commitment of the community, but the Government has the most important role to play, especially in providing the necessary finance. For the development of basic education in the next 10 years, there is a need to build 120 primary schools to implement whole-day primary schooling, and to carry out improvement works on the premises of 500 primary and secondary schools. In addition, due to the very strong demand of the education sector and society, we also have to reduce the class size very drastically. In this connection, even if the Government merely sticks to the modest commitment it made in the past, that is, a class size of not more than 35 students, it will still have to construct an additional 76 secondary and primary schools.

In the next 10 years, our education system will undergo substantial engineering to catch up with modern needs. In the past, the Government really owed basic education a lot, so it must take steps to mend the fold, to make up for its past mistakes. But it must also be noted that school construction must be accompanied by an increased number of teachers. The implementation of whole-day primary schooling, the reduction of class size and the taking of measures to ensure development of full potentials and attainment of the minimum standards will all require additional teachers or else we will not be able to look after individual students in deed. Therefore, the education reform must be complemented by an appropriate teacher training programme to train up a greater number of dedicated and quality teachers who can in turn cultivate more talents for Hong Kong.

Besides secondary and primary education, we must also pay serious attention to early childhood education and university education. Early childhood education has long been ignored by the Government like an abandoned baby, because the funding for it has been very, or shamefully, meagre. Last year, the Government allocated a direct grant of merely \$140 million to kindergartens; even when other subsidies are also counted, the funding for kindergarten education still represents as little as 1.6% of the total provision for education. The Government has always regarded kindergarten education as a burden, one which it does not wish to shoulder, thus leading to incessant increases in kindergarten fees and adding to the burden on parents. Recently, the Government has taken the step to impose further regulation on the incidentals charged by kindergartens. This will lead to further increases in school fees, but I suspect the quality will remain just the same. The Government promised last year that it would complete its review on the subvention system for kindergartens in the middle of this year. I hope that kindergartens will eventually be able to receive government subvention and cease to be an endless burden on parents.

Lifelong learning and the development of a knowledge-based economy are the most appealing slogans of the education reform. The Chief Executive says in his policy address that an annual total of 55 000 tertiary places will be provided within the next 10 years, bringing up the university participation rate to 60%. But shortly afterward, there have been news that the funding for universities will be cut by \$3 billion, and the Financial Secretary even tried to raise alarmist talk, saying that money could be given out to students to study in Harvard and Oxford overseas, because local university fees were too high. This example aptly shows how education in Hong Kong is controlled by a Financial Secretary who is so arrogant like an upstart: no education ideals, no programme for training up local talents, but only unit costs and market efficiency. That way, universities are operated like factories and banks, showing the materialistic attitude and myopia of finance officials. If university education continues to be so materialistic, failure will be the only result.

Madam President, if the education reform is to succeed, there must be stable financial support, and we must not be so myopic, materialistic, and miserly. The Basic Law requirement on keeping expenditure within the limits of revenue should be applied under the normal circumstances of achieving a balanced budget, but it is not at all appropriate when it comes to the education reform, especially one that emphasizes improved quality within a short time. Therefore, the Government should learn from the experience of the Language Fund, the Quality Education Fund and funding for creativity, and it should consider setting up a separate education reform fund. The profits and interests of this fund can be used to finance the future reform measures of basic and tertiary education. That way, the cake can be enlarged without violating the Basic Law principle of financial management, that is, keeping expenditure within the limits of revenue. And, there will also be a stable source of education funding.

At this time when the Budget is about to be announced, I urge the Financial Secretary to consider the proposal on setting up an education reform fund. With these remarks, Madam President, I beg to move.

Mr CHEUNG Man-kwong moved the following amendment: (Translation)

" To add "providing additional resources for" after "(a) expeditiously"; to add "including reducing the class size in primary and secondary schools and subsidizing early childhood education," after "implementing measures

to improve basic education,"; and to add ", and stopping curtailing the funding for universities" after "university education and the research work of the universities".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, made by Mr CHEUNG Man-kwong to Prof NG Ching-fai's motion, be passed.

MR TOMMY CHEUNG (in Cantonese): Madam President, quite a number surveys conducted in recent years have shown that the competitiveness and manpower quality of Hong Kong are showing worrying signs of decline. According to a survey conducted by the Census and Statistics Department last year, nearly 20% of the overseas companies which responded to the survey consider that the overall attractiveness of Hong Kong has declined when compared with that in 1999; as pointed out by a survey conducted by the British Chamber of Commerce during the same period of time, 73% of the respondents think that the standard of English of Hong Kong people is poor, and there is also a decline in their Putonghua standard. Over half of the respondents even comment that high quality employees are hard to come by in Hong Kong, and this has hindered their business development.

The Liberal Party is of the view that manpower training is very important to maintaining the competitiveness of Hong Kong, especially at a time when we have entered a knowledge-based era. So, it is imperative that we start enhancing our R&D efforts. In most advanced countries, the commercial sector and government are very keen on injecting resources for the purpose of conducting research in co-operation with universities, so as to raise their level of scientific research and in turn their competitiveness.

IBM of the United States, for example, donates as much as US\$1 billion a year to universities for the conduct of research, and in Europe and the United States, university research projects funded by commercial organizations are very common. But in Hong Kong, the commercial sector is not very keen on giving research donations to universities, and even the Secretary for Education and Manpower had to appeal to the commercial sector for donations the other day. After its analysis, the Liberal Party notes that there are two major reasons for this. First, the donations received by universities from commercial organizations now are mostly for the construction of buildings named after the

donors. Only a very small part of these donations is used for funding research work. Second, local universities are wholly funded by the University Grants Committee, and the funding they receive can already cope with all their expenditures. That is why the presidents of local universities do not have to raise any outside funding. This is in marked contrast to their counterparts in other countries, who have to approach the commercial sector personally for research funding. Another reason is that the people trained up by the local education system are unable to keep abreast of the needs of the commercial sector and their language standards are also very poor. As a result, the commercial sector has lost confidence in the local education system, and it is hard to persuade it make any investment in education.

For all these reasons, the Liberal Party supports the original motion, which demands a quicker pace in the implementation of measures to improve our basic education and a review of our university education system and research work. The Liberal Party further suggests that tertiary institutions should take proactive steps to enhance their communication with the commercial sector, so as to make sure that the training they provide can answer the needs of industries. That way, the commercial sector will become more interested in making investments in research. And, the Government can also provide some kind of assistance in the process. For example, the Hong Kong Productivity Council may assist tertiary institutions and the commercial sector in commercializing their research results, and the economic and trade offices of the Commerce and Industry Bureau located overseas may then provide assistance by promoting these commodities in the overseas market. We also propose that as an encouragement, the Government should offer a 200% tax deduction for the R&D expenses incurred by the commercial sector.

Besides our universities, the manpower training policy of the Government also warrants improvement. The Government has failed to properly supervise those manpower training institutions funded by it, and a good example is the Employees Retraining Board (ERB). In its report last year, the Audit Commission pointed out that the operation of the ERB was marked by high costs and inadequate supervision, and that inadequate supervision had made it possible for some funded retraining bodies to over-report their results. This is indeed an alarming problem. The report also noted a duplication of some of the courses run by the ERB itself, and that some of the retrainees admitted did not actually possess the qualifications required. All this has led to an extra government spending of \$2 million per annum. Besides, some of the retraining courses also fail to meet market demands.

The Liberal party is of the view that instead of spending huge resources on such a problematic ERB, it should actually use the resources for the provision of on-the-job training, especially for small and medium enterprises. As many as 200 000 employees in the catering industry, for example, need such training. In addition, for the sake of encouraging lifelong learning and promoting manpower training, the Government should offer a 150% tax deduction for the expenses incurred by companies and individuals on training.

As for the Admission of Talents Scheme, the Government has approved only 111 applications since its implementation in 1999. But in its report last year, the consultant commissioned by the Education and Manpower Bureau pointed out that there were roughly 1 700 IT job vacancies in Hong Kong, and the number of vacancies would increase to 15 000 three years later. This shows that there will be an acute shortage of IT talents in Hong Kong. To overcome this "shortage of talents", the Government should promptly relax the requirements under the Admission of Talents Scheme and streamline the application procedures.

The Government should also put in place an integrated policy on attracting talents from the Mainland and overseas. For example, it should conduct some detailed studies, so as to ascertain and project our manpower needs over the next 10 to 20 years. Then, on the basis of the needs of our economy and our acceptability, it should set down the quotas for family reunion, admission of talents and investment immigrants under a points system, so as to attract talents scoring high points to Hong Kong.

The amendment of Mr CHEUNG Man-kwong also urges the Government to "reduce the class size in primary and secondary schools". The Liberal Party supports this. But it does have some reservations about "stopping curtailing the funding for universities".

The Liberal Party has always agreed that our universities should undergo "slimming". But "slimming" does not necessarily mean lower quality of teaching. "Slimming" can in fact make a lady look more delicate and beautiful. The Secretary for Education and Manpower Bureau has recently cited a survey, which shows that four of our universities are among the top 10 in Asia in terms of funding, but those other universities in the region which rank among the top three in terms of academic standing are all outside the top-ten list for funding. This shows that it is still open to question whether reduced resources will affect the quality of teaching and research.

The amendment also asks the Government to "reduce the class size in primary and secondary schools and subsidize childhood education". The Liberal Party is of the view that this is not at all relevant to the point on human resource policy raised by the original motion.

Madam President, these are my remarks. The Liberal Party will support the original motion, but abstain from voting on the amendment.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, as we all know, Hong Kong is not endowed with any natural resources — it is neither large in size, nor abundant in resources. It has to import almost all the daily necessities and raw materials it needs. The only resource it has is its people. Human resource is the most valuable asset underpinning its prosperity and success. Unfortunately, in recent years, the human resource policy of Hong Kong has become increasingly unsuited to the needs of a knowledge-based society, and it is also plagued with many worrying problems.

First, there is an absence of a clear and definite human resource policy. There is no long-term planning, and even if there is any planning, it is often inaccurate and wavering, making it difficult for people to follow. At one time, it was said that there was a surplus of social workers, but at another, it was said that there was a surplus of medical doctors and even lawyers. Three years ago, at the request of the Government, The Hong Kong Polytechnic University (PolyU) started to phase in an annual increase in the number of places offered by three of its departments, the physiotherapy department, the occupational therapy department and the radiotherapy department, and the total number of places offered by these departments has now increased from some 100 to some 260. But then, due to the manpower saturation of the relevant grades in the Government and the Hospital Authority, the Government has now ordered the PolyU to cut the number down to 160 over the next three years. How is the PolyU going to deal with the new equipment and the new staff recruited? It is small wonder that the President of the PolyU, Prof POON Chung-kwong, cannot help criticizing the authorities for their vacillating manpower resource forecasts, saying that this has made it difficult for universities to follow, thus leading to wastage and confusion in terms of human resources management.

Second, the human resource policy is imbalanced. There is thus a manpower shortage for some particular jobs, but at the same time, some people

just cannot secure any employment. In brief, a situation of mismatch has emerged. There is manpower shortage at the top, but surplus labour at the bottom; while there are not enough people with high qualifications and skills, workers with low qualifications and skills have found it difficult to switch to new trades, which is why the unemployment rate has remained high all the time. According to a manpower assessment report of the Government, by year 2005, there will be a shortage of some 30 000 university graduates and another shortage of 80 000 matriculants. But by then, some 110 000 workers with an education level of only junior secondary education will become displaced. This is not conducive to the future development of Hong Kong. Even if Hong Kong can really achieve a tertiary institution age participation rate of 60% for all suitably aged youngsters within the next 10 years, this will be nothing to be proud of, for we will still lag behind many neighbouring countries and places. The reason is that the Government will only increase the number of diploma and associate degree places, and the university participation rate will remain unchanged at 18%, which is far below the 74.3% of South Korea, the 68% of Japan and the 25.9% of Taiwan.

Madam President, in the 21st century, the competition among different countries and places in the world is all about a competition in terms of talents. To create wealth, one must first have talents. The country or place which possesses more talents can always rest assured that it will not be beaten in the fierce competition. The quality and competitiveness of talents will be the key to success in the 21st century. How should the SAR Government promote manpower resources development, so as to train up large numbers of quality and competitive talents necessary for promoting our economic and social development? The DAB is of the view that the Government must do well in the following two respects:

First, there must be long-term manpower resources planning. But specific strategies and measures must be visionary and suitable. The relationship between long-term and short-term needs must be properly handled, so that they can complement one another to cope with the trends of development. There must not be any frequent U-turns or abrupt braking, for all this will waste resources.

Second, the human resource policy must be integrated and co-ordinated. The DAB is of the view that a comprehensive human resource policy should consist of the following three elements:

First, formal education. The training up of talents depends entirely on education. At the APEC Economic Leaders Meeting held in Brunei, the representatives of member states and regions all emphasized the importance of education to the development of human resources. But education in Hong Kong is far from satisfactory. Many employers have been complaining about the declining quality of university graduates in general, and their poor language standards in particular. Some university academics attribute this to the failure of the basic education system to train up an adequate number of students who can meet the requirements of university studies. Some parents who have the means are all sending their children overseas to pursue their studies, indicating that they have lost confidence in the quality of the local education system. And, even the Financial Secretary himself also thinks that local universities are not good value for money, saying that it may be a good idea to send students to prestigious universities in Britain and the United States in order to save costs. So, it seems that we can no longer ignore the importance of how best to improve the quality and competitiveness of local students. The DAB is of the view that we must launch the education reform, and not only that, we must succeed and cannot afford failure. The Government must make investments in basic education to ensure that students can develop their potentials to the fullest or attain the minimum standards, so as to raise the overall standards of students. On the other hand, since the tertiary education sector is facing many challenges such as programme expansion, conversion from a three-year system to a four-year one and the need to improve quality, the DAB hopes that the Government can take note of all this and stop the curtailment of university funding. At the same time, the Government should also foster the establishment of private universities, so as to train up more quality talents for society.

Second, continuing education. This is also plagued with many problems. There is a need to further strengthen retraining and to clarify what the concept of community colleges is all about. The authorities have not put in place any effective measures to implement its proposals. The \$400 million earmarked in the policy address by the Chief Executive for manpower training has not been put into any use so far. The DAB is of the view that the Government should step up the co-ordination of all relevant efforts and put in place a comprehensive and multiple-channel mechanism for qualifications recognition, so that the qualifications obtained by students through different channels and means can be given due recognition. As for the fees of continuing education, the Government should offer a 100% tax deduction, so as to encourage more people to pursue lifelong learning and increase their own value.

Third, employees' training. Besides the Government, subvented organizations and other institutions in society, which now provide various types of continuing education courses, all enterprises and organizations should also give weight to on-the-job training and provide internal staff training to raise their employees' productivity. The findings of a recent survey show that only about 8% of the companies in Hong Kong are providing formal staff training. We can notice that Hong Kong lags far behind other advanced countries if we look at the 93% of the United States, the 83% of the United Kingdom and the 68% of Australia. That is why we must make very hard efforts to catch up with them.

With these remarks, I support the original motion and the amendment.

Thank you, Madam President.

MR ANDREW CHENG (in Cantonese): Madam President, the motion moved by Prof NG Ching-fai today comprises three main parts, namely, education, training, and the admission of professionals from overseas and the Mainland. Earlier, Mr CHEUNG Man-kwong has spoken on the part relating to education and moved his amendment. I will speak on behalf of the Democratic Party on the parts of the motion relating to training and the admission of professionals from overseas and the Mainland.

Madam President, following the restructuring of the economy, manpower training has become increasingly important as a measure to cope with the needs of the market. Towards the end of last year, the SAR Government released its report on the Manpower Projection to 2005. According to the projection, there will be a surplus of manpower supply at the lower secondary and below level by some 137 000 in four years' time. So, the problem of supply exceeding demand in this aspect is indeed very grave. Regrettably, the manpower training programmes provided in Hong Kong have for many years been criticized for their inconsistent quality, and for the fact that their contents may not always be able to cope with the real needs of the market or to genuinely enhance the competitiveness of trainees. Earlier on, in commenting on the work of the Employees Retraining Board (ERB), the Audit Commission pointed out that some of the courses offered by the ERB had failed to cope with the needs of the market, and that the job placement rates of graduate trainees might be suspected of being exaggerated. During the time when the rate of unemployment was at its highest the Government had in fact introduced a wide variety of training

programmes to help ameliorate the unemployment problem, but only to little avail. Hence, one cannot but question the effectiveness of all those training programmes.

Certainly, Madam President, the overall policy on training is an issue relating to not only the ERB. In this connection, I do not intend to further criticize the ERB as other training institutions like the Vocational Training Council also have similar problems. Besides, there may also be problems of duplication of resources among the various training institutions. What I should like to point out is that the orientation of the Government's existing policy on training is not clear or well defined enough. Sometimes the training or retraining programmes provided by the Government are only regarded as haven for the unemployed, since the unemployed will not attend the training courses unless they have nothing to do. All along, a culture of lifelong learning has been lacking in Hong Kong, while on-the-job training and further education have always seemed to be the privilege of professionals. As for the wage earners in general, basically they just cannot afford to spend so much time attending training courses. Does the training policy of the Government aim to enable people with bright prospects to have a meteoric rise, pay increase and promotion, or does it aim to help those members of the public who lack competitiveness to enhance their marketability? Certainly, these two objectives do not contradict each other. Nevertheless, we definitely have to concern ourselves with the most needy, who, more often than not, cannot get the help that should be given to them. The Democratic Party holds that the Government should expeditiously promote the multi-channel mode of training. For example, we suggest the Government introducing a system of training coupons to enable members of the public to have more choices of training courses other than the existing training programmes of the Government, thereby encouraging them to explore their potentials on their own initiative.

Madam President, with regard to the issue of attracting professionals from overseas, the Democratic Party understands that in order to enhance the ability of Hong Kong to compete with the neighbouring countries and regions, we must have in place enough talents to cater for the needs of the market. If the objective of admitting talents of excellence from overseas is to facilitate the exchange of experience to cope with the development of innovation and technology in Hong Kong, the Democratic Party believes there should be no cause for criticism. Towards the end of 1999, the proposal to admit professionals from overseas and the Mainland was put forward by the SAR

Government. As indicated in the figures provided by the Security Bureau, as at the end of last month, the Administration has altogether approved 111 applications for admitting professionals from the Mainland to work in Hong Kong. Besides, it has also been reported that the number of overseas professionals admitted last year has increased by 30% compared to the 1999 figures, representing a new high in the past five years. These figures reflect that Hong Kong has been doing satisfactorily in attracting professionals from overseas and the Mainland. Certainly, any mechanism will always have room for improvement. However, does it follow that we can attract professionals in a more effective manner just by streamlining the vetting procedures to speed up the admission of professionals from outside Hong Kong? In our opinion, the most fundamental and essential point lies in whether or not the market in Hong Kong is attractive enough. Actually, the major principle governing the admission of professionals from outside Hong Kong has all along been that the job opportunities of local workers should never be taken away by employees from outside Hong Kong. Looking back on the past, the greatest concern of the Democratic Party has all along been the possibility that given the wide gap between the wage levels in the Mainland and in Hong Kong, the wage level of local workers might be suppressed upon the admission of professionals from the Mainland. Moreover, we have also been concerned that those admitted might not necessarily be professionals we lack or equipped with the special skills we require. For these reasons, Madam President, we hold that appropriate procedures for vetting applications for admission of professionals from outside Hong Kong should be retained to avoid admitting professionals for admission's sake, as well as to eliminate the chance of unscrupulous employers seeking to take the mechanism as an opportunity for importing cheap labour.

With these remarks, Madam President, I support the motion and the amendment it.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I support the original motion and the amendment on behalf of the Hong Kong Federation of Trade Unions (FTU).

We have studied and analysed the part of the original motion and the amendment concerning the admission of talents and I find that Prof NG was very careful when he drafted this motion. He thinks that we have to consider the admission of professionals without affecting the employment opportunities and

remuneration of local people. For this reason, we will support both the original motion and the amendment. However, we will be very doubtful if there is not such a premise. The labour sector has all along not opposed the admission of talents not readily available in Hong Kong, but we will be very worried if we import talents in a muddled manner for this reason. Madam President, I wish to stress that although economic recovery has been underway, we have still failed to fully improve the unemployment situation and the underemployment rate is still 2.7%. There is also very serious disparity between the rich and the poor.

Although we have entered an information technology era and we can adapt to the impact by raising the standards of education, however, we do not know how this adaptation should be started. This is a big problem indeed, particularly when around 1.8 million Hong Kong people have an education level of Secondary Three and 1.3 million people, discounting the youth and those with prospects of development, are older workers with a relatively lower education level. They will undoubtedly find the third economic transformation a nightmare. In a knowledge-led and economy-led society, estrangement caused by the digital gap has aggravated the disparity between the rich and the poor in real life.

With China's impending accession to the WTO, we are also worried if the intermediary role being played by Hong Kong will gradually be reduced with the opening up of the China market. If its role is really reduced, it will have very serious impact on the grass-roots workers. Madam President, as we can see and as admitted by the Government, in the course of our economic development, those people with lower education levels and outdated skills will encounter the greatest difficulties. Objectively speaking, they have a lower level of knowledge and skill and it will be extremely difficult for them to learn anew, especially to achieve good results in learning within a short time. What should we do? Should the Government be indifferent or should it formulate policies to solve the problem?

The human resources topic we are discussing is very important. Human resources are certainly related to university education and basic education. The proposal to cut funding to universities aroused heated arguments in this Council earlier on. The FTU opposed the motion at that time because we thought that we could not overlook the impact that the change would have on the morale of the relevant institutions. Therefore, we will be highly concerned about the problems that would arise in the course of changes in tertiary institutions or basic education.

Today, we are mainly discussing vocational training. Vocational training courses can answer the needs of those people with a lower level of education and skill mentioned by me just now. How can we help them solve the problem? I do not deny that there are many government agencies in charge of vocational training such as the Vocational Training Council (VTC), the Employees Retraining Board (ERB), the Labour Department and the Social Welfare Department, and we can say that their work is somewhat overlapping. Moreover, some non-government bodies are also offering vocational training. We have made prolonged observations and reflected our views to the Government during that period, but we find that the Government has still not adopted any forward-looking or resolute measures to solve the problem encountered by these people who are not too old but have lower education and skill levels in keeping up with the development of knowledge-based economy.

Looking back at a series of programmes implemented by the Government in the past, including retraining, vocational training and the Youth Pre-employment Training Programme (YPTP), we find that they are all short-term or shortsighted initiatives. The Government has expended a lot of resources but I wonder if the programmes can solve the problems. Taking the YPTP as an example, although we have no objection to the programme and we even think that it is a good programme because the most important point is that it can help the youth. The problem is that the programme has not explicitly offered the youth a way out. What is the difference between this programme and the pre-vocational training proposed by the VTC? What are the differences between the problems they are facing and the problems faced by secondary students? All these questions are unanswered. The Government has introduced these programmes one after another. We are positive towards community education proposed by the Education Commission (EC) earlier on. After the EC has made the proposal, I expect the Education Department or the Education and Manpower Bureau will propose other programmes, but we fail to see any such programme yet. However, some organizations continue to run training courses even though many graduate trainees have reflected their views. I hope that the Government will tell us explicitly how the problems can be solved and how it intends to solve the problem in a forward-looking manner. This is very important and I wish that the Secretary would respond to this issue later. In this Session and the last, I have raised the issue time and again and I wish that the trainees could apply what they learn. Most important of all, I wish that they could ultimately find a job in the relevant industries.

I also wish to emphasize another important problem concerning the provision of training. Some people simply do not have a chance to receive training because they have had primary education only and they cannot be admitted for training within the existing vocational training structure. What should they do? It seems that we have always evaded these questions. Madam President, I wish that the Government will resolutely solve these problems with a forward-looking vision and assist this group of people who have failed to keep up with the economic transformation to re-enter society. I understand that the ERB has recently made inspection visits to Singapore and Australia and Legislative Council Members of the last term visited Singapore as these countries have forward-looking measures to solve these problems. I wish that the Government would re-organize the existing vocational training structure and set up an employment committee comprising employees, employers, officials and specialists to co-ordinate efforts to help these people in respect of employment in the course of future economic development. I wish that this structure would assist these people and teach them how to move forward in line with the pace of social development. I restate my wish that the Government would be bold and resolute and solve the difficulties encountered by the middle-aged people in the course of economic transformation in a forward-looking manner. Thank you, Madam President.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, human resources can be described as the most valuable resources of Hong Kong, especially when Hong Kong is developing towards a knowledge-based economy and rising to the challenge of China's accession to the WTO as well as intense global competition. Inadequate human resources mean a difficult path ahead for Hong Kong. The Government currently spends over \$45 billion, one fifth of the total public expenditure, on education and training annually. This is a considerable sum. However, the community has been consistently complaining about and dissatisfied with the human resource policy of the Government. As a representative of the import and export sector mainly comprising small and medium enterprises (SMEs) and a member of the Small and Medium Enterprises Committee, I wish to reflect the views and proposals of SMEs on the human resources problem in Hong Kong.

As far as I realize and understand, there are three major human resources problems in Hong Kong:

Firstly, the English language standard of students has generally declined, and students in the Mainland, especially Shanghai, may soon be able to catch up with local students. The status of Hong Kong as an international commercial centre will be shaken in the long run;

Secondly, as a result of higher living expenses, the pay level of local workers and clerical staff is generally higher than that of their competitors in neighbouring regions; and

Thirdly, along with the transformation of Hong Kong into a knowledge-based economy, both new and traditional industries need to apply new technologies and information technology more. It is projected that jobs in the future will have increasingly higher requirements for knowledge and there will be increasingly less non-skilled or lower-skilled jobs. However, given their limited scale and capital, SMEs can hardly recruit university graduates, let alone attracting quality professionals or technical talents.

Apart from implementing such general measures as stepping up biliterate and trilingual training for students and promoting the culture of respecting and enjoying work, the Government should also design specific human resources support policies specific to the needs of SMEs. These policies should at least cover the four aspects below:

Firstly, the Government can allocate part of the security deposit balance of the Special Finance Scheme for Small and Medium Enterprises to subsidize SMEs to enhance training for talents in business management, marketing and information technology;

Secondly, the Government should enhance the effectiveness of training resources. Apart from eight tertiary institutions that train talents for the business sector, many support organizations such as the Trade Development Council, the Productivity Council, the VTC, the Clothing Industry Training Authority, the Construction Industry Training Authority, the ERB and many non-government organizations and associations also provide various professional technical and management courses. Yet,

these courses are invariably scattered and organized in a disorderly manner. The Government should consider integrating and rating these courses so that the employers operating SMEs can choose suitable courses for their employees;

Thirdly, the Government is considering seconding civil servants to large enterprises for hands-on training to boost civil servants' understanding of private organizations. The Government can also encourage tertiary institutions to arrange for students to receive hands-on training related to their academic subjects in SMEs such that SMEs will have more chances to identify talents; and

Fourthly, as SMEs often fail to provide employees with continuous training because of resource constraints, the Government should increase the deduction for expenses on self-education to encourage pursuit of continued studies. It can also consider providing uncapped deduction for expenses on self-education to those people who complete high-level professional courses within a specified time limit. This will encourage the employees of SMEs to constantly improve themselves and pursue professional courses of higher quality.

Madam President, SMEs employ over 70% of the local workforce, so if the Government can improve the quality of the employees of SMEs, it is tantamount to improving the competitiveness of our economy as a whole. Therefore, the Government should make the formulation of specific human resources support measures for SMEs a key area of work. Madam President, I so submit.

DR YEUNG SUM (in Cantonese): Madam President, in his policy address, the Chief Executive expressly stated at the outset that Hong Kong must develop towards a knowledge-based society in order to survive. Faced with the challenges of globalization, I believe Members will agree that increasing investment in manpower is inevitable. In fact, given the scarcity of natural resources in Hong Kong, manpower appears to be the only resource of significance. How can we cultivate talents through resources development seems to be pivotal to enhancing the competitive edge of our society. However, the decision of the Government to cut the funding for universities hastily is, to me, very heartrending indeed.

From my observations, I believe the reduction of funding for universities this time will have a three-fold impact. First, it will affect the staff morale, particularly as many new colleagues in the universities are employed on contract terms. For some new lecturers in their thirties, if they are married and have to repay home mortgage instalments every month, and as their contracts are for a term of two or three years, I think they must be at sixes and sevens when their contracts are close to expiry. Last time, the Government already cut the funding by 10%, although it was later reduced to 5%. But with a further reduction of 4% this time, colleagues on contract terms and I just cannot take this with a peaceful mind. I think it is not an exaggeration to describe the current situation as a state of widespread panic.

Second, I think the further reduction of funding for universities this time will certainly affect the quality of teaching. Last time when we debated this issue, some colleagues already mentioned an increase in the number of students in tutorials, which is an indisputable fact. Given a reduction of talents in universities, students are subject to considerable limitations when choosing subjects, particularly subjects to which a credit unit system applies. Therefore, regarding the Secretary's remark that the reduction of funding for universities will not affect the quality of teaching, I absolutely do not agree with it.

Besides, I am worried about the increasing commercialization of university education. Prof POON Chung-kwong, President of The Hong Kong Polytechnic University (PolyU), opined that this is not a big problem for the PolyU also gives weight to practical disciplines, so there is nothing wrong for the university to raise funds from the industrial and commercial sector. However, Prof Edward CHEN, President of the Lingnan University, said that as the Lingnan University focuses mainly on humanities disciplines, that is, the promotion of liberal arts education, how can they raise funds from the industrial and commercial sector? Even the presidents of universities must leave no stones unturned to raise funds. I really do not know what is going on with Hong Kong? We have a reserve of \$400 billion. When we are speaking so rightly about developing knowledge-based education, why can we not use our reserves to resolve some temporary financial problems?

In the past, there had been continuous and steady growth in the funding for universities, and this had brought us advantages. Most importantly, this had ensured the stability of talents and quality teachers overseas were easily attracted to come to teach in Hong Kong. However, if foreign teachers are offered

short-term contracts only, I believe many of them will not be interested to come to work in Hong Kong for they do not know if they can continue to stay in Hong Kong to conduct researches after the expiry of their contracts. With steady and continuous growth in education funding, the teaching and administrative staff will, to a certain extent, develop a sense of belonging towards the universities. They will develop a certain degree of commitment to work. Hence, they will be interested in pursuing further studies and willing to engage in long-term research work. Without a stable working environment, I believe all these advantages will be swept away.

Madam President, what we do not wish to happen has happened. Let me reiterate here that I hope the Government can learn a lesson. I also hope that the Secretary will engage in discussions with tertiary institutions, or discuss with them through the University Grants Committee (UGC) the issues relating to funding as soon as possible, in order to identify ways to prevent tertiary institutions particularly short of funding from laying off staff and cutting staff salaries, and from making such arrangements as voluntary redundancy or early retirement, and so on. We particularly hope that the UGC will expeditiously make provisions from the reserves. In the Finance Committee, the Government has undertaken to explore ways to further inject funds in 2001-04, and even introduce new funding arrangements as soon as possible. As the funding methodology of the Government is different from that of the UGC (in that the former calculates on the costs of subjects whereas the latter calculates on the average cost), the differential could be enormous. But still, I hope the Secretary can make amends and expeditiously take steps to alleviate the funding difficulties now faced by universities.

Looking into the future, Madam President, I hope the Secretary or the Financial Secretary will not keep on thinking about ways to further curtail the funding for universities for the loss may eventually outweigh the gain. The problem that we face now is how to catch up, so that the competitive edge of Hong Kong and our training of talents can meet the challenges of globalization. While our education expenditure accounts for 4% of the GDP, that in neighbouring Taiwan is 4.3%, let alone Japan and other countries. In fact, in the 1980s, the report of a panel of overseas education consultants already pointed out that manpower is the only resource of Hong Kong and so, the Government should direct its efforts to manpower investment. The report also reminded us that manpower investment is not just an economic issue because education and all-round development are both very importance. Education development may produce an ancillary effect.

I hope the Government can bear in mind that Hong Kong must wholeheartedly develop towards a knowledge-based society. To this end, further investment in education is inevitable. I hope the Government will not adopt such shortsighted business practice as to commercialize education and invest in the long-term development of education with a narrow vision. I hope the Government can adopt an open attitude and develop education with vision. To run education with a shortsighted business approach will, I believe, do severe damages to Hong Kong. Recently, the *Economists* has conducted a survey, showing that the ranking of the business environment in Hong Kong has fallen from the third to the 12th, no longer among the top 10 in the world. While business environment may be affected by a diversity of factors, I believe the training of talents is one of the major considerations. Faced with a change in the ranking of our business environment, should we not seriously consider if this has actually sent an important signal on the competitiveness of Hong Kong? Anyhow, I believe the training of talents is the most fundamental requirement for us to succeed.

With these remarks, Madam President, I support Mr CHEUNG Man-kwong's amendment and the original motion of Prof NG Ching-fai. Thank you.

DR LUI MING-WAH (in Cantonese): Madam President, Hong Kong has transformed from a manufacturing-based economy to a service-oriented economy. At present, all countries in the world are working hard on the development of a knowledge-based economy. The SAR Government and the community are also sparing no effort to promote the development of a knowledge-based economy. To this end, Hong Kong must develop technology-based industries, industries and the value-added service industry. All these developments must be based on knowledge and propelled by talents. The sound development of an economy involves a wide range of aspects, among which the economic policy of the Government plays a decisive role. Manpower supply is just one aspect but it is a very important aspect particularly as we are now transforming into a knowledge-based economy.

In respect of the formal education system in Hong Kong, we must ensure that the number of university graduates of different disciplines can meet the demands of economy and society. But more importantly, the Government must formulate a mechanism to monitor the operation of universities, their work of

nurturing talents, performance and the results of research activities. A knowledge-based economy requires quality talents, and a new generation that is inventive and innovative. These are indicators of whether the tertiary education in Hong Kong is on a par with world-class universities, and the guarantees for high-speed and sustainable development of the Hong Kong economy.

Besides, while the Government has introduced the admission of professionals scheme and the admission of talents scheme, the industrial and commercial sector has not reacted enthusiastically. The reasons boil down mainly to the exacting requirements of the Government, cumbersome application procedures and ignorance of vetting officials of tertiary education in the Mainland. The Government should learn by heart this economic formula: Society has to plough in some \$750,000 in three years to nurture a university engineering graduate. But if we import an experienced engineer from elsewhere, whether he or she has a master degree or doctorate degree, or possesses no degree but with the experience, or if we import a scientist, Hong Kong can greatly economize on its education expenditure and at the same time bring in new technologies, thereby contributing to the economy of Hong Kong and creating more job opportunities. Therefore, I suggest that the SAR Government should learn from Western industrial countries in respect of their criteria for the admission of talents and the relevant mechanisms.

From the figures presented by the Hong Kong Institution of Science in their Research and Development of Hong Kong: The Way Forward, the expenditure on R&D in Hong Kong is pitifully small compared to Singapore and Taiwan. In Taiwan and Singapore, their expenditures in this area in 1998 accounted for 1.98% and 1.8% of their GDP respectively, whereas that in Hong Kong was only 0.36% of the GDP. With this figure, it is very difficult to attract quality talents to come to work in Hong Kong. Although Taiwan and Singapore had started out earlier than Hong Kong, we must rouse ourselves to catch up since we have to develop high technology industries in Hong Kong. Therefore, the Administration should review its policies in this regard. For Hong Kong to successfully develop towards a knowledge-based economy, to develop high technology industries, and to enhance its own competitive edge, quality talents are required to serve as a driving force. Therefore, the Government must attach great importance to finding ways to attract professionals from the Mainland and overseas countries to come to conduct researches in Hong Kong, and to effectively nurture, manage and utilize human resources in Hong Kong. Thank you.

MS AUDREY EU (in Cantonese): Madam President, in October last year, the Chief Executive painted a very rosy picture in this Chamber. Under the heading of "Holistic Education for the New Century", he says: "I can see how our future generations will be able to seek out knowledge and be absorbed by the way it is communicated to them", "Resources will be more abundant" and "All children can have quality early schooling followed by nine years of free education". When it comes to higher education, he says, "Our university education will become more flexible and diverse. It will aspire to higher international reputation with the continued upgrading of academic standards and teaching quality."

Memories of all this are still fresh, but then, last week, the Finance Committee was forced to endorse the curtailment of university funding for the next triennium despite strong opposition. Madam President, I am very sorry about this; if the Chief Executive is aware of the grievances and worries voiced by the representatives of university staff and students at the relevant panels of the Legislative Council, he will realize that the rosy picture he painted for higher education will never realize.

To all these strong grievances, the Secretary for Education and Manpower has simply replied that these are the internal problems of the universities, and that they all enjoy autonomy. This leads me to ask, "Do our universities really enjoy any autonomy?" At the beginning, some university presidents expressed their discontent about any cut in funding in very strong language, and they also criticized the University Grants Committee (UGC) for its lack of transparency in allocating funds to the tertiary institutions. But in the end, they were forced to accept the cut. What is the implication of this?

Whenever the Secretary-General of the UGC attends any meeting of the Legislative Council, he will make reference to the Higher Education in Hong Kong — A Report by the UGC published in 1996, saying that all the criteria of funds allocation are listed in the Report. But if we study the Report carefully, we will see that only some broad directions and equations are mentioned in the Report. These equations contain many variables. For example, for the rough estimates of unit costs, there is in fact a huge range for each discipline. One example is that in the case of Biology, the range can be from 1.3 to 3.8, or almost a difference of 300%. The amounts of funds, or in other words, the size

of the cake, are already determined beforehand. And, it is all up to the UGC to decide how it is going to apportion the funds among the eight tertiary institutions. However, because of the many variables in the equations, it is very difficult for individual universities to know whether they have been allocated a fair and equitable share. And, since the UGC is the spokesperson of the tertiary institutions as well as the body responsible for monitoring whether they have used taxpayers' money appropriately, all university presidents decided to remain silent in the end.

In the past, when there were abundant resources for the universities, there were naturally fewer disputes, and the conflicting role of the UGC was also not so obvious. However, once funding is to be cut, the problem will certainly surface. And, since the funds allocation mechanism lacks transparency, interference with academic freedom is indeed a real possibility. According to those university professors and students who attended meetings of the Legislative Council, even the size of a tutorial class is as big as 40 to 60 students. How can we expect the universities to train up more quality graduates then? Let me also refer to the UGC report like its Secretary-General did, and let me quote paragraph 26.3 of the report: "To be effective, the classes need favourable student/staff ratios (often 15:1 or less)" Since university funding is to be cut and there are going to be waves of dismissal, how can university education become more diverse? How can it aspire to a higher international reputation with the continued upgrading of academic standards? Even the cleverest housewife cannot cook a meal without any rice. It is grossly unfair for the Secretary for Education and Manpower to lay all the blame on the internal problems of the universities.

Talents are the most important asset of Hong Kong, and its only natural resource as well. To increase this asset, we must make appropriate investments in education. To cultivate quality talents, we must not look only at cost-effectiveness. Universities and tertiary institutions must not be regarded as factories, and they must not be assessed only in terms of productivity.

Madam President, the primary and secondary education sectors are the segments which have seen the greatest number of reform efforts by the government. Many reforms have been carried out to improve the mode of teaching, curriculum design and teaching methods. But the results have so far

been unsatisfactory. The main reason for this is that the Government has all along failed to tackle the fundamental problem — the ratio of teachers to students in our classrooms. Currently, the average class size in primary and secondary schools ranges from 32 to 40. And, school principals also have the authority to increase the class size up to a maximum of 45 students. In a classroom packed with 40 students, it is already very difficult for a teacher to know the progress of each student under the conventional, one-way teaching approach. So, one can easily imagine what will happen if the various student-oriented education reforms are implemented!

The Government once tried to reduce the average class size, but the efforts in this direction have largely failed due to the need to implement whole-day primary schooling in 2007. Actually, both of these measures can help improve the quality of our education, and they are not mutually exclusive, but since the Government is reluctant to spend more resources, we have been forced to forgo one of them. This is really a great pity.

Childhood is the most important formative stage of one's life. Unfortunately, the funding for early childhood education occupies just a mere 1.6% in the overall funding for education. The Government has all along refused to provide direct subsidies to kindergarten education, and it has only sought to subsidize parents in the payment of school fees under the Kindergarten Subsidy Scheme; most of the resources have been spent on upgrading the qualifications of kindergarten teachers, but the pace is extremely slow. So far, qualified kindergarten teachers, that is, those who have received 360 hours of in-service training, represent only 75% of all kindergarten teachers. And, of these qualified kindergarten teachers, only less than 2% have received other kinds of childhood education training.

Madam President, I support the original motion and the amendment.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the knowledge-based economy, the accession of China to the WTO and globalization of world economy will no doubt bring forth endless business opportunities to large consortia and business tycoons. But all this will mean a very big crisis for workers at the lower strata of society, because these grass-roots workers, who possess only very low qualifications, have lost their competitiveness in the

knowledge-based society today. The accession of China to the WTO will only lead to the northward relocation of many more production lines, thus intensifying the unemployment problem faced by our manufacturing workers; the globalization of world economy will mean the elimination of national boundaries for investments, and our grass-roots workers will thus be exposed increasingly to competition from the outside world. They will have to put up with very low wages and long working hours for survival. The poor masses do realize that they must upgrade themselves amidst such difficulties, and they hope that the Government can offer them some assistance. Unfortunately, the Government has been very short-sighted, and it has looked upon this matter with an irresponsible attitude.

I can remember what the Secretary said at the briefing session on the policy address last year: "In a society with ever changing circumstances, the people of Hong Kong must keep on acquiring new knowledge and upgrade their occupational skills if they wish to maintain their competitiveness in the labour market; they must seek progress and strengthen their abilities every day. Employers must also encourage their employees to receive training and give them the assistance required. That way, employees will be able to enhance their worth and keep abreast of the times, thus helping enterprises to upgrade their competitiveness." I am sure that no one will gainsay the truth of the Secretary's words. But we must then ask, "What has the Government done in respect of human resource and training? Is it going to let grass-roots workers perish on their own?" Actually, many of the measures and policies recently introduced by the Government, such as the reduction of university funding mentioned by many colleagues, are indicative of the irresponsible attitude of the Government.

Madam President, that the knowledge-based economy has brought about structural unemployment appears to be the consensus of the Government and the people. Since the new economy is highly demanding on knowledge and skills, some workers with low qualifications and skills have been plunged into a state of long-term unemployment. The findings of a government survey released at the end of last year show that over the next five years, the number of workers with low qualifications and skills is estimated to be 1.2 million, or 37% of the total workforce. On the basis of supply and demand statistics, it is also projected that there will be a surplus of workers with junior secondary qualifications or below, and the number of such workers will be around 136 700. For technicians, there will also be a surplus of 7 400. If these grass-roots workers

fail to receive any appropriate training that enables them to change their occupations, they will be plunged into long-term unemployment. Unfortunately, despite its realization of the gravity of the problem, the Government has still clung to its irresponsible attitude.

In the past, we put forward quite a number of proposals on the provision of training for grass-roots workers. For example, we proposed that employers should be encouraged to provide training leave to their employees, with the Government offering allowances to employers for the hiring of temporary replacement. We also proposed that the Government might provide training vouchers or set up individual training accounts. But the Government rejected all these proposals. A University of Hong Kong study commissioned by the Government also recommends that each employee should be offered a training leave of three days annually. This recommendation is already very conservative, but still, the Government has turned it down. Instead, the Government stresses that employees should try to pursue studies after work or during weekends. But Members may still remember that when we debated the outsourcing system of the Government last week, many colleagues actually cited many cases showing that workers' working hours had been on the rise. The latest General Household Survey even indicates that the percentage of workers having to work more than 60 hours a week has been increasing incessantly, to nearly 99% now. The problem of long working hours is largely attributable to outsourcing by the Government. Having been "squeezed" by their employers, how can employees still spare any time and energy to receive retraining?

The Government seems to have allocated more resources to employees' retraining over the past few years, but all is still largely like a drop in a bucket. For example, it was said in the policy address last year that an additional \$400 million would be earmarked for retraining over the next five years, but how can this \$400 million help, when there are as many as 1.2 million workers with low skills and qualifications? Each of these workers will only get \$330 on average. May I ask the Secretary how we can possibly upgrade workers' occupational skills with just \$330? What is even more outrageous is that in order to save a mere \$8 million last year, the Employees Retraining Board even put its hands on the 270 courses it offered, increasing the fees for 45 courses by 200% and those of nine others by 500%. What types of courses are these? Mostly computer courses which can upgrade those workers with no skills. The Government subsequently "yielded" due to public pressure, but it would only do so for six months; starting from April, the fees will be increased. That being the case, how can workers with low skills upgrade themselves?

Many colleagues have commented that the debate today is just like a continuation of the debate last week on the curtailment of university funding, but I would say that this is much more than simply a continuation, because the curtailment of university funding is just the tip of an iceberg. To enhance the quality of education requires resources; the Government frequently claims that it has injected huge resources, but we think that these resources may have been used for the wrong purposes. Constrained by a lack of resources, we will definitely fail to enhance quality. What we can notice today is a situation of no resources and low quality. That being the case, what should we do? The Government says that it may be a good idea to bring in talents from the outside. But I would say that this is nothing but a passive measure, which practically turns the problem around. Therefore, I ask the Government to think twice before it acts. Thank you, Madam President.

DR RAYMOND HO (in Cantonese): Madam President, society is made up of human beings and so, the quality of human beings can definitely affect the achievement of a society. That Hong Kong has come a long way in developing from an unknown fishing port into a world-class metropolis is, to some degree, attributed to the assiduousness of Hong Kong people. Although the characteristics of Hong Kong people have changed alongside with the changes of the times, I believe that overall speaking, the quality of the people of Hong Kong definitely will not pale in comparison with the westerners. I believe if the Hong Kong Government can exert greater efforts in respect of human resources, it will not be difficult for the future development of Hong Kong to rise to on a par with those of New York in the United States and London in Britain.

I believe the most serious problem pertaining to human resources now faced by the Hong Kong Government concerns education and training. The Finance Committee recently debated the funding requirement for universities in the next triennium and finally, the funding for universities will be curtailed. This will in some measure affect the quality of teaching at universities. In other words, this will also affect the quality of graduates of local universities and the human resources of society in future. In this connection, I have the following views.

We all know that the quality of university graduates in Hong Kong has kept on deteriorating. The reason is that there are now more universities than in the past and the admission criteria of universities are far more lax than before. Basically, the popularization of university education is a just cause. But if the result of popularization is a decline in the quality of students, then the popularization of tertiary education will become meaningless. It is reported that in June last year, the Advisory Committee on Human Resources Development in the Financial Services Sector conducted a survey in which 49 local and multinational companies of different types were interviewed. Results found that only 5% to 10% of the cream of our graduates from local universities can meet their requirements in, among other things, the proficiency of Chinese and English; and these companies had to conduct recruitment overseas to fill the rest of the vacancies. This reflects the problem that government funding for university education is not proportionate to the effectiveness. I am not saying that the provision is too great or too small for I consider it necessary for the Government to provide adequate resources for tertiary education. Our concern is whether funding is provided properly.

Given the constant changes in the labour market and the overall environment in Hong Kong, the Government should allocate education resources in accordance with the demand of different sectors in the market to ensure the quality of graduates and prevent an over-supply of graduates. There are now five universities in Hong Kong offering engineering programmes and many graduates will join the engineering sector every year. But given the shrinkage in the amount of work in the Hong Kong market in recent years, the demand for engineering graduates has been decreasing. Even the Government has been cutting down on the number of positions for new recruits since two years ago and offering some grossly objectionable employment terms. Does this not give us cause for concern? This is not only a tragedy for the education sector, but also a waste of human resources. In this connection, I suggest that the Government should keep tabs on the pulse of the market and consult the private sector on the demand for human resources regularly in order to ensure that education resources are properly apportioned to universities in future.

Regarding the reduction of government funding for universities recently, some people are concerned that this will undermine the quality of teaching. Indeed, a reduction of resources may affect the quality of teaching. But I think universities can work for some form of merging in future, and this may well be a remedy to the problem. Merged universities can share facilities and thus reduce

administrative costs. I think we may have too many universities at present for there are eight of them. I suggest that the Government should start considering the possibility of merging some of the universities on the premise that ample time should be provided for the universities and appropriate arrangements made. Merged universities should be given more liberty to decide on their direction of development. I remember that during my term as the Chairman of the Council of the City University of Hong Kong (CityU), the Government had required the CityU to adopt the same mode of development as that of the Hong Kong Polytechnic University (PolyU), but I took exception to this policy. In general, every university has its unique historical background and direction of development. For instance, the CityU focuses on computer, electronic engineering and information technology, whereas the PolyU focuses on training of professionals. How possibly can they be required to develop in the same direction? So, irrespective of whether the universities will be merged or not, I think the Government should give universities a greater degree of freedom in their development in order to ensure the quality of teaching.

Tertiary education is an area to which great importance is attached in all advanced countries for universities are generally the source of quality talents. Therefore, in this meeting I have spent quite some time discussing university education. I hope that insofar as the future education and human resource policies are concerned, all relevant departments and organizations will be provided with clear guidelines and a consistent direction so as to facilitate the formulation of appropriate policies. Regarding the admission of professionals from overseas and the Mainland, I hope that before implementing this policy, the Government will give priority to local talents in its consideration in order not to knock the human resources situation in Hong Kong off balance. If Hong Kong can nurture quality university graduates and attract them to stay in Hong Kong for development, I believe Hong Kong will become an international showcase.

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

MISS CHOY SO-YUK (in Cantonese): Madam President, Hong Kong is undergoing a third round of economic restructuring. The Government must therefore formulate a comprehensive human resource policy to promote our social and economic development. This is absolutely necessary. When I speak on this motion regarding our human resource policy, I shall give some

views on two problems which are not covered in the motion, because they are also very important.

First, let me speak on women as a human resource. Although women constitute half of the population of Hong Kong, the contributions they have made to society in terms of human resources are definitely not commensurate with their proportion in the total population. The reason why women cannot make greater contributions is not so much their lack of abilities; rather, they have been prevented by two other factors from really "sharing half of the responsibility". First, the career and development prospects of women have been constrained by traditional Chinese values. In the Chinese community, men are always considered more important than women, and it is generally believed that "men should be breadwinners and women homemakers", and that women's vocation is to look after children at home. So, if a man stays at home to do household chores and look after his children while his wife works to fend for the family, he will certainly meet with the disapproval of society, which may criticize him for "sponging on his wife", and, not only this, both he and his wife will not accept something like this. But it is precisely this gender stereotyping that has confined women to their homes, thereby limiting the contributions they can make. That is why if women are expected to give full play to their abilities, we must change our concepts about their role. When there is a need, whether the one who stays at home as the homemaker is a man or a woman will not make any great difference indeed. For example, in my native province of Fujian, there is a place called Weian, where women do all the hard work of earning a living, such as farming, while men will stay at home to look after their children. This division of labour has worked well, showing that traditional values may not necessarily be the best. Madam President, I notice from your facial expression that you are wondering why this should be the case. What I mean is that if all of us can look at the matter from a different perspective, then, perhaps, more women who are more capable than their husbands may be able to work in society while their husbands stay at home. This is also a possible arrangement. In other words, capable women do not always have to stay at home to look after their children.

The second factor that limits the contributions of women in terms of human resources is that many of the arrangements adopted by society, in particular the Government, are not conducive to the liberation of women's productivity. The most obvious example is the shortage of nurseries and homes for the aged, which has forced many women to stay at home to look after their

children and elders. Therefore, the Government must allocate more resources to set up a greater number of nurseries and homes for the aged, so that women can work in society and change their established image in society.

Madam President, I also wish to say a few words on attracting talents to Hong Kong. In a knowledge-based IT society, talents are often more important than capitals. Without an abundance of quality talents, it will be impossible for any society to progress hand in hand with its economy, to amass more wealth. But how can we attract quality talents to Hong Kong? Nowadays, with the development of IT, in particular the popularity of optical fibre networks, boundaries among different places have gradually disappeared, and therefore, any place can be a workplace. A person employed by a New York company, for example, can still stay at his own home in Florida and work for the company. Such a "distance" working mode has become increasingly popular. As a result, the factors deciding one's choice of workplace are no longer confined to the availability of job opportunities, and people will tend to look at the conditions offered by a place as a whole. Therefore, if Hong Kong wishes to attract talents, it must somehow upgrade its overall quality as a society, so as to convince talents in different places that Hong Kong is an ideal home for them. To achieve this, we need to do much more than simply improving the business environment and education system. More importantly, we must upgrade the quality of our society as a whole in such aspects as the environment, law and order, accommodation, transportation, culture and recreation, and so on. Besides, democracy and the legal system are also very important. As long as we are able to offer a good living environment, talents from different places will surely come here. If not, even if the Government can improve the existing mechanism for the admission of talents, we may not necessarily be able to attract the best talents. Conversely, if the overall environment in Hong Kong is not good enough, then even if we can train up excellent talents, they will leave for other places.

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

MR MARTIN LEE (in Cantonese): Madam President, education is one of the most important link of a human resource policy. Recently, *the Economist*, an authoritative international magazine, has substantially downgraded its evaluation of the investment environment in Hong Kong. Apart from political factors, it cited other reasons such as the development prospects of knowledge-based economies in various places, and indicated that the performance of Hong Kong

has gradually worsened in recent years. If Members are not too forgetful, they should recall that the enhancement of education quality was also one of the key points of the policy address more than five months ago. Mr TUNG said, "our education policy is at the very core of our social policy. And our most important long-term social investment is in education the education system of old can no longer meet the challenges of the new age. Embracing the knowledge-based New Economy requires a large pool of talent equipped with the right skills and creativity." Mr TUNG also pledged that "once all these reforms have been put in place, I can see how our future generations will be able to seek out knowledge and be absorbed by the way it is communicated to them."

While the words are still ringing in our ears, the Government requested the Finance Committee of this Council to further reduce university funding in the next triennium, and it asked the eight universities in Hong Kong to "slim down" following a 10% reduction in funding three years ago.

Such a development is worrying: (1) the Government's actions are not in keeping with its promises. On the one hand, it wishes to reform and improve education quality, and yet on the other, it tries to reduce university funding by all means; (2) the Government has failed to learn a lesson from reforms in the past few years and it still rashly implements several reforms at the same time; (3) the Government says that it wishes to raise the cost-effectiveness of education, but it neglects a characteristic of education, that is, the fixed costs account for a very high proportion and there are relatively low marginal costs. Having been "on diet" for a certain period, it is really questionable if universities in Hong Kong have any fat to trim. If the Government continues to force them to "slim down", this will have evident adverse effects on the quality of university education and the research work of universities.

As stated in a report of the Hong Kong Federation of Students, since the last reduction in university funding, some courses have to make do with a higher student/staff ratio and some tutors have to teach more courses and classes and they even have to cancel tutorials, causing serious impact on teaching and learning. Moreover, universities have also been forced to cancel or merge some humanities, social science and general education subjects as a result of insufficient funding. Prof Paul CHU, the President-designate of the Hong Kong University of Science and Technology (HKUST), has emphasized that if the Government continues to reduce university funding, it will ultimately sap the vitality of the HKUST, and the HKUST will hardly be able to maintain the

existing academic standard. The remarks made by Prof CHU are also applicable to seven other universities.

Unfortunately, despite the community's concern, the Government is only concerned about cost savings. I absolutely agree that the Government must be prudent in fiscal management and carefully utilize public money but the Government has been very short-sighted in respect of university funding and it will lose more than it gain in the long run.

Therefore, the amendment proposed by Mr CHEUNG Man-kwong today is very important. Although some Members may think that it is meaningless to discuss this issue again today after the Finance Committee passed the reduction in university funding last week. However, university funding is not a temporary issue, but a matter of principle. Last week, quite a few colleagues indicated that they were very disappointed about the reduction in funding, but they had no choice but to accept the reduction for the sake of stable funding. The Government also indicated that it would endeavour to fight for additional resources for the universities in future when resources permit. That being the case, this Council should support Mr CHEUNG Man-kwong's amendment, telling the Government and the community in unequivocal terms that this Council opposes the Government's reduction of university funding and it will continue to fight for additional funding in future.

As stated by the Chief Executive in his policy address, our objective is to achieve a tertiary education participation rate of 60% in 10 years. By then, the total number of places for higher education will be around 55 000. Unless the Chief Executive has talked irresponsibly, otherwise, why do we have to waste the energy of so many university academic staff and ask them to ignore their proper occupation to act as salesmen, busily thinking of ways to reduce funding and broaden sources of income? Will it be more cost-effective for them to spend time improving the standard of university education and the research work of the universities instead?

Over the last few years, the workload of university staff has greatly increased as a result of the education reform and productivity enhancement, and there is a lack of job security. The gradual replacement of permanent terms by agreement terms has also robbed academic staff of their morale. Talents who wish to concentrate on teaching and research in a stable environment may not choose to stay in Hong Kong and those who have stayed are thinking about their

rice bowls. They are on tenterhooks and are forced to foster the flattery and shoe-shining culture. How can the quality of tertiary education in Hong Kong be improved then?

On the face of it, Madam President, reducing university funding can save public money. But what price do we have to pay? After computing the interests, the price and the costs, do we still think that it is worthwhile to reduce university funding? I can answer very explicitly that if the Government continues to "axe" universities, it is likewise axing our economic development, and it will certainly lose more than it will gain at the end.

With these remarks, Madam President, I support the original motion and Mr CHEUNG Man-kwong's amendment.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, with the advent of the 21st century, globalization and development of high technologies have become the mainstream of economic development in this century. As a result of this, impact was effected on our economic structure, causing our economy to change from being labour-intensive to knowledge-intensive and the manufacturing industry to shrink continually. A lot of workers, especially the middle-aged and women, who failed to adapt, were eliminated. In retrospect, our economic structure has transformed more than once. Indeed Hong Kong has experienced three economic transformations since the 1970s. In the 1980s to 1990s, because of the continuous expansion of the service industries, grass-roots workers were easily absorbed for a change of trade, thus sparing Hong Kong serious unemployment. Yet, the situation is different this time around and it would be extremely difficult for workers with lower knowledge and skill levels to switch trades.

In addition to the constraint imposed by their skill levels, they encounter yet another problem, that is, more and more people are competing for rice bowls for the working population has kept growing. The working population totalled 3.19 million in February 1997, 3.29 million in February 1998 and 3.42 million by the end of 2000. It has increased dramatically by over 200 000 within three years as a result of an increase in employment-age working population, returning emigrants and new arrivals from the Mainland.

Has there been a corresponding increase in jobs in tandem with the increased working population? No. Based on occupational class demarcation, 2.28 million people were in employment by the end of 1997, and there were a total of over 25 000 job vacancies. Last year, the number of employed people increased to 2.33 million and there were a total of 35 000 job vacancies. Given only tens of thousands of additional jobs in several major industries in the past few years, how could the additional workforce be absorbed?

It is essential for the Administration to review its existing policy in respect of the working population to alleviate the situation that the working population exceeds the number of jobs. Concerning the inflow of workforce, the Government should consider the endurance of our society in order that realistic immigration policies will be formulated. The Government should also consider whether it should limit the number of immigrants other than children arriving from China for reunion with their parents in Hong Kong in accordance with the Basic Law.

Foreign domestic workers are also the competitors of middle-aged people. Foreign domestic workers are often abused, for instance, some foreign domestic workers are working as salesladies or waitresses. As foreign domestic workers who hold a driving licence are permitted by the Administration to work as drivers, they have snatched the rice bowls of quite a few local drivers. The Administration must curb black market labour more vigorously so as to facilitate the employment of local workers. Moreover, the formulation and implementation of policies on imported workers must be handled by a designated department. At present, the Education and Manpower Bureau is in charge of the human resource policy while the Security Bureau is in charge of the vetting and supervision of imported workers, as a result the human resource policy is fragmented.

Madam President, Prof NG Ching-fai's motion is also concerned about funding for scientific research. The FTU thinks that the Government is still miserly with investments in R&D. With inadequate R&D, it will only be empty talk for our economy to move up the value-added ladder. The investments in R&D of Western countries generally account for over 3% of their Gross National Product (GNP), and the investments of other Asian countries such as Singapore, Japan and Korea also account for 1% to 2% of their GNP. Although the relevant investment by the Mainland only accounts for tenths of a

percentage point, the percentage will rise in the 21st century. As the investment by Hong Kong in scientific research only accounts for 0.25% of our GDP, the Government must sponsor scientific research more actively. The FTU thinks that the Government can initially consider setting an objective that the expenditure on R&D should be no less than 1% of the GDP in order to encourage the development of scientific research.

Madam President, human resources are the most valuable resources of Hong Kong and the Government must formulate a comprehensive human resource policy to improve the human resource quality and it should not waste the valuable human resources.

Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, human resources often have to do with quality, which is apparently abstract and wide-ranging but turns out to be of paramount importance. It is because quality affects the overall economic development and imposes special requirements on education and training. Where we should start is certainly a major issue. Different trades and industries have their own needs. Garment workers may have to keep abreast of the functions of new sewing machines; information technology personnel have to learn the latest computer programmes; and for employees working in the service industry, they have to be highly efficient and courteous, and have to understand the needs of customers and serve customers with the warmest hospitality before they can be considered a good attendant.

Looking at the overall economy of Hong Kong, we will see that the retail sector and tourism have played an important role in the service industry, and that is why Hong Kong has become a world-famous tourist destination. It is known that every tourist spends about half of their budget on shopping. In last year alone, about 13 million tourists visited Hong Kong, and shopping by these inbound visitors last year brought us a revenue of \$30 billion. The economic benefits are obvious. Therefore, it is doubtless important and necessary to upgrade the service quality of the retail sector and tourism industry to cope with future development.

According to the forecasts made by the WTO, in the next two decades, 1.6 billion people from all over the world will travel abroad. Among them, 130 million will be going to China, and 57 million of them will visit Hong Kong. So, whether Hong Kong will benefit more from tourism and from the markets of other relevant industries really depends on the quality and attitude of employees in the service industry.

Therefore, it is essential to provide training for employees working in the service industry. The World Travel & Tourism Council has also pointed out that tourism in Hong Kong will create over 20 000 jobs in the next decade. Moreover, as some of the elite members of the service industry will be attracted to join the Disney Theme Park in Hong Kong, a large number of vacancies will be available in the manpower market of the service industry. When filling these vacancies, it is most important to look after quality, or else the overall standard of the industry will be affected.

Members may remember this advertising slogan of the Hong Kong Tourist Association (HKTA) some years ago: "Wear a smile, you will make the world more wonderful". This does not only leave a good impression on tourists, but also benefits local people. I believe very few people will wish to see a grim-faced shopkeeper or tour guide.

In fact, service is multi-faceted. To wear a smile is just one element. Not only do we have to wear a smile and be patient and kind at all times, we must at the same time work efficiently, particularly as it is not easy for us to compete in the market with low prices for the costs in Hong Kong are higher than those in the neighbouring territories. So, we must improve the standard of our service in order to maintain our competitive edge. Otherwise, there will be less tourists coming to Hong Kong and local consumption sentiments will even be dampened. In view of this, the HKTA has introduced the theme of "Be a Good Host" over the past two years, and I am grateful for the assistance of Members.

There is a lack of training courses for people working in the retail sector. Although the Employees Retraining Board (ERB) has provided relevant training courses, most of them are on a full-time basis with no commencement dates. Similarly, not many courses are offered by the Vocational Training Council (VTC), and people at work may find it difficult to enrol on these courses due to the lack of time. People working in the tourist industry face the same situation. For local tour guides, it is not easy for them to take up more specific training

courses due to a lack of tourism-related courses. While the ERB and the VTC offer relevant courses, the courses are not tailor-made for people at work. So, the Government must do more indeed.

It is learnt that the Government is considering introducing a scheme to provide training courses for a diversity of trades and industries, including the retail industry, with a view to upgrading the skills of employees. A recognized certificate will be issued upon completion of the course, but a decision has yet to be made on whether the Government or other organizations will be the organizer. So, I hope the Government can expeditiously finalize and launch this scheme. In fact, these courses can provide the working public with an opportunity for self-enhancement, so these courses are urgently needed indeed. In addition to the Disney Theme Park, many other tourist attractions will come on stream in the next few years. Coupled with the rapid development of tourism in Southeast Asia and the neighbouring territories, we will lag behind if we fail to maintain the quality of our service.

Madam President, I wish to say a few words on the training of tour guides. As we all know, tour guides in Hong Kong are often criticized for only taking tourists to shopping and not doing enough in other areas of work. This is a somewhat lopsided view of them. Some of the more experienced tour guides are actually doing a very good job, only that they are in the minority. The local tourist industry will undergo a transformation which is deemed necessary, for legislation will be drawn up with a view to improving the service standard of the tourist industry. Following the transformation, the scale of operation should be improved and the standard of tour guides will certainly be raised accordingly. Only in this way can tourism appreciate in value.

MR MICHAEL MAK (in Cantonese): Madam President, in recent years there have been much criticisms of the quality of the university students in Hong Kong, their declined language proficiency and their poor attitude towards their studies. University graduates who used to be the elites of society are similarly facing the problem of finding jobs. One reads frequently in the newspapers that university graduates commit suicide because they are unable to bear the stress of unemployment. All this has cast doubts on the quality of education and the education system in Hong Kong.

With the imminent accession of China to the WTO, university students in the Mainland are a pool of valuable human resources for those businessmen who are prepared to expand their business. The business sector has been urging the Government to relax the importation of professionals from the Mainland. These professionals who are much coveted will certainly be able to compete with the local graduates.

The importation of professionals can promote communication and cultural exchange between the two places. Besides, it can bring in healthy competition and induce the emergence of new horizons. In order to ensure that the applicants do possess the professional competency required in Hong Kong and that the employment opportunities of the people of Hong Kong will not be adversely affected, the Government must examine the issue and formulate an open and fair vetting mechanism before deciding to admit professionals from outside the SAR to provide service here.

In addition, we must prepare for the adversities that may loom in future. We must strategically plan to raise the competitiveness of local talents. As the global economy and market are changing all the time and rapidly, and so in this knowledge-and-technology-based age, the demand for talents will only rise incessantly. However, in recent years, our education system has undergone great and fundamental changes. Parents have found it hard to follow, whereas the front-line teaching staff, faced with these sudden twists and turns in education reforms, have found it impossible to achieve the Confucian ideal of education for all, even though they have put in the best of their efforts.

With regard to the amendment proposed by Mr CHEUNG Man-kwong, I very much support his proposal to reduce the class size in primary and secondary schools and to inject more resources into basic education. These will enable teachers to vary their teaching methodologies to suit the needs of different students and to spare more time on dealing with the problems they may encounter in teaching.

As to the issue of funding for tertiary institutions, I am quite confused. It is because on the one hand the Chief Executive says that he wishes to increase the higher education participation rate among the young people to 60% in a decade's time, but on the other the funding for universities will be further curtailed by 4% in the next triennium, following a 10% reduction in funding in the previous triennium. This policy of expecting outstanding performance while refusing to

loosen the purse-strings will only be detrimental to the universities, and destroying the chances of success for the education reform. I therefore hope that the senior management in the Government will examine the results of each reform and how they can complement each other. For if not, this will not only fail to raise our competitiveness, but also undermine the foundation of our education system, thereby reducing the opportunities of training for local talents.

On this topic of training of professionals, perhaps I should describe some of the anomalies in the nursing profession. In recent years, the Hospital Authority suddenly stomped on the brakes and directed that its nursing schools stop admitting student nurses. Those who intend to join the nursing profession must apply to the higher diploma or degree programmes offered by The Chinese University of Hong Kong, the University of Hong Kong or The Hong Kong Polytechnic University. However, the number of graduates in nursing provided by these three universities will only add up to 400 in the coming year. When put against the annual wastage rate of 700 to 800 in the profession, there is bound to be a problem of shortage of nurses. This has exposed the erroneous manpower planning and projections undertaken by the authority.

One further point that should be noted is that the authority has stopped training psychiatric nurses in Kwai Chung Hospital and Castle Peak Hospital. The three universities which I have mentioned earlier only provide training for general nurses. In other words, there will be no more graduates in psychiatric nursing. Members may have noted that in recent years the number of psychiatric patients has been constantly on the rise and there is a shortage of experienced psychiatric nurses. It is doubtful how quality service in psychiatric nursing can be provided in future. As a representative of the sector, it is incumbent on me to urge for improvements in this sector, and it is more so on the part of the Hospital Authority. I hope that the concerned authorities can join hands with me to improve on the present condition.

According to the recommendations made in the health care reform paper, with increased emphasis on community-based health care services at the primary level, there will surely be an increase in the demand for nurses. Had the Education and Manpower Bureau and the Health and Welfare Bureau considered the future direction of development before making the decision to cut the number of places in nursing schools? Just imagine how the ideal of total health can be reached when there is such a severe shortage of manpower.

Lastly, I hope very much that the Government can pay more attention to devising a human resource training policy that will incorporate long-term and realistic considerations. It should aim at formulating a policy that can be effectively implemented. Only by so doing that a failure on policy and implementation levels can be pre-empted.

With these remarks, Madam President, I support the motion and the amendment.

MR LEE CHEUK-YAN (in Cantonese): Madam President, the topic under discussion today is human resource policy. It covers a very wide scope indeed and part of it will involve education. I believe there is no need for me to dwell on the part on education, for many Honourable colleagues have commented on this area earlier. I would like to say one thing and, that is, the point made by me when we last deliberated on the funding for university education. At that time, the Secretary said that money was not omnipotent, but I said that nothing could be done without money. But as to the question of how much provision would be made for education, I think I will talk about it later on in the Budget debate.

What I would like to talk about today is the human resource training policy in Hong Kong. Every time when we discuss the issue of unemployment, the Government would throw out training as a panacea as if it is the cure for the problem, thinking that the matter can be settled in this way. The Government would think that in this way there will be fewer attacks on it even if we want to. And when the public wants to criticize it, the Government would say efforts have been made in respect of training. I really wish to ask, "Just how serious does the Government want to improve the quality of our human resources?" I have great doubts about it and I suspect the sincerity of the Government. Why am I saying this? I think what the Government should do is to think about the overall policy on human resources training and where the greatest problems lie. We may put aside the part on education for the time being, for the greatest problem seems to lie in the lack of some effective measures on on-the-job training and induction training.

The Employees Retraining Board is charged with the responsibility of providing retraining to the unemployed. The Vocational Training Council is responsible for various kinds of industrial education and pre-vocational education. But in terms of on-the-job training, what has the Government done? Certainly, the Government will say that it does have programmes on on-the-job training and a sum of \$400 million has been set aside to organize a diversity of training programmes and skills upgrading courses. However, the fact that the Government says that a sum of \$400 million has been set aside to hold a diversity of training programmes shows precisely that it has no idea of where the problems lie.

Let me talk about what the problems are. The first great problem is that there is a disparity between the rich and the poor in terms of their working hours. I suggest Members to read the eighth question raised by me today, a question seeking a written reply. Some figures are provided in the reply and these figures do show a fact and that is, those with higher income will work relatively shorter hours. For example, 70% of those earning \$20,000 or above are working 35 to 49 hours weekly. But when we look at those with a medium income, that is, those earning from \$10,000 to \$20,000, we will find that they will need to work for more than 50 hours a week. I will not talk about the poorest, they are the most miserable of all. There are at present about 20 000 people with a monthly salary of under \$5,000 and they have to work for more than 60 hours a week. In the fourth quarter of 1998, there were 240 000 people in the middle income bracket. And in the fourth quarter of 2000, there were already about 350 000 people in this income bracket, and that represents an increase of 30%. In other words, there has been an increase of 30% over the past two years in the income group of people making \$10,000 to \$20,000 monthly. They have to work for more than 50 hours a week. This also shows that the only way for those in the middle income group to keep their level of income at \$10,000 to \$20,000 is to work longer hours. It can therefore be seen that in respect of working hours, there is also disparity between the rich and the poor. By proportion, there are less people with higher income who need to work more than 50 hours a week. Those in the low or middle income brackets will need to work longer hours. And the less income a person makes, the longer hours he has to work. It can be seen that working hours is a serious problem indeed.

The second major problem is the disparity between the rich and the poor in terms of training opportunities. What does it mean? At present, some

employers will provide their staff with training. We will see from government statistics that, over the past 12 months, 450 000 people have taken part in some job-related training courses arranged by their employers or at their own initiative. In other words, one in seven employees has participated in a training course. Although many people have taken part in training courses, what are the contents of these courses? We can see that there is also the problem of the disparity between the rich and the poor in respect of training. The opportunity of an employee with post-secondary qualifications to receive training arranged by his employer is 8.8 times higher than a worker with primary education. Executives and professionals stand 5.1 times more chance than non-skilled workers. The same situation happens in the enrolment for training courses. Those employees with post-secondary qualifications who take a training course are 9.1 times that of workers with primary education. Executives and professionals who take a training course are five times that of non-skilled workers. From this we can see that the kinds of training offered in the market will suit those with higher qualifications. They have more chances to receive training and they are more motivated. Some people would ask, "Is it because those with lower skills do not want to upgrade their skills?" Findings of a survey show that 55% of the employees do not take part in training because they have to work overtime and so they are unable to take any training courses. Therefore, the problem of working hours will affect the opportunities of those with low and even average academic qualifications to receive training. If the problem remains unsolved, it would be useless no matter what measures are adopted with the provision of \$400 million. It would only give the Government another excuse.

I am aware that recently the Government has sought the advice of various trades and industries. When the retail sector was consulted, the people in the sector pointed out that the employees could not possibly spare any time for training. They had to work from 10 am to 10 pm, that is, 10 to 10. How could they find the time for training? The employers' associations in the retail sector pointed out that they had not arranged any training for their staff because it was difficult to allocate time for training. They thought that it was impossible to ask staff members to receive training at seven o'clock in the morning, for that simply would not work. This is where the obstacle lies. I do not know how the Government is going to do with that sum of \$400 million and I do not know what the result would be like. The same problem is also found in the catering industry.

As I have said in the beginning, I have doubts about the sincerity of the Government in respect of the training of talents. For if it is sincere about this, it must solve the problem of working hours in the first place. This will enable workers to be granted leave for training. Of course, if workers are given training leave, we would not want the employers to bear all the financial responsibilities alone. In the final analysis, the Government still needs to offer assistance to the employers so that employers can release their workers for training. In this way, the Government ought to make some sort of investment and subsidy. So with reference to the local situation, some kind of subsidy for wages must be provided, and when this is coupled with the granting of training leave, some real momentum for training can be expected to pick up in Hong Kong. For if not, all this talk about training will remain nothing more than talk. Thank you, Madam President.

MR SIN CHUNG-KAI (in Cantonese): Madam President, I only wish to speak on the third point of Prof NG Ching-fai's original motion, that is, the admission of professionals from the Mainland and overseas. Judging from the wording of the original motion, it is difficult to tell whether or not local employment opportunities will be affected by the admission. So, the Government must give this proposal careful consideration before implementing it.

In the functional constituency to which I belong, I often come into contact with many information technology companies. Many of them have in fact set up offices in the Mainland and employed their staff there. So, actually there are not many employees whose presence in Hong Kong is genuinely necessary. Certainly, I have no reason to oppose a relaxation of the relevant policy as long as it is premised on not affecting local employment opportunities. Yet, if we want to formulate more pragmatic policies to provide assistance for companies in Hong Kong, I think an option most worthy of consideration is to study with the Mainland the issuance of a more simplified visa to allow mainland employees of Hong Kong companies to come to Hong Kong to attend meetings. For instance, if I have a company in the Mainland and if it is inconvenient for me to travel to the Mainland and hold a meeting there, it is best that my mainland colleagues can come to Hong Kong to attend the meeting and then return to the Mainland afterwards. This will not have an actual impact on the employment opportunities in Hong Kong and yet, it can provide some conveniences and attract more companies to set up their bases in Hong Kong. I believe this proposal will be welcomed by the labour sector and the industrial and

commercial sector for it is better than other forms of relaxation of the talents admission scheme that require a balance of interests between employers and the labour sector.

As for the other proposal, that is, to allow mainland students studying in Hong Kong to stay here for work — a proposal that has been raised by many people, I believe it will not arouse much controversy and is probably on the agenda under review by the Government. I trust even local students will not particularly oppose this proposal because Hong Kong has indeed paid for their training here. But how can they be attracted to stay and work in Hong Kong?

I think the Government should seriously consider these two points.

Originally, I only intended to raise these suggestions, but having listened to the grand ideology that Mr LEE Cheuk-yan has presented in great length just now, I cannot help giving vent to my feelings. I think globalization has caused a mammoth problem. What do we mean by costs? On the question of increasing the costs of the local job market, since so many Hong Kong people are already going north to spend their money, further increases in the costs of, say, the retail industry, will aggravate the problem of people going north for spending. Both sides are set to face problems, and people will choose with their feet. In fact, the people of Hong Kong are highly mobile. Given that many Hong Kong people are going north for spending, retail prices in Hong Kong have already fallen to a very low level. Prices at some restaurants in Hong Kong have dropped to a level close to those of mainland restaurants. Recently, a relative of mine from Guangzhou came to Hong Kong, and he said that there was not a big difference between the prices for daily necessities in Hong Kong and those in Guangzhou. So, let us think about this: If the costs in Hong Kong are increased, people will go north for spending, and we cannot possibly stop them from doing so. Therefore, this is actually a dilemma. Obviously, I do hope that the fringe benefits for local workers can be improved. But what exactly should we do to genuinely help them? It beats me indeed. I think if the costs are further increased, people will choose with their feet in that they will not spend locally and will rather go to the Mainland for spending. This is a question with endless discussions.

Moreover, in relation to the work aspect, two days ago we discussed the legislation concerning the chairs of computer operators, that is, what sitting position is best for them. The original intent of Mr LEE Cheuk-yan in

formulating this legislation may target at data entry clerks. But I told him that this kind of work had long been relocated to the Mainland. That is, companies have set up a data line in the Mainland, so that data is input in the Mainland and subsequently processed in Hong Kong. While we are certainly at liberty to draw up the relevant legislation, it will not be of great help to these workers for this kind of work has long been relocated to the Mainland. This is the problem caused by globalization. In the past when there was no globalization, attention could be directed at a particular segment of a comparatively closed market and control could be imposed on wages by way of regulation. While we can now impose restrictions on the admission of talents and labour, it is nevertheless very difficult to restrict the export of work by employers. At its peak, the paging industry in Hong Kong employed 20 000 to 30 000 workers but now, there are only a few thousand of them or even less because this type of work has largely been moved to the Mainland. Most operators answering calls at paging stations speak Cantonese with accents. Why? The principal reason is that the prices are different. Therefore, we must strike a balance between the interests of both sides in formulating policies.

Today, I only wish to speak briefly on the admission of professionals. I hope the Government can understand the actual situation. What I have suggested is a proposal which is simpler, unlikely to meet with opposition, and likely to make everyone happy. Further, it can also be put into practice within a short time. I hope the Hong Kong Government will negotiate with its mainland counterpart for ways to enable mainland employees of companies with headquarters or branch offices in Hong Kong to come to Hong Kong to attend meetings. I think the issue of short-term visas can practically resolve some problems.

MR TAM YIU-CHUNG (in Cantonese): Madam President, Alvin TOFFLER, who is renowned as the most influential contemporary social ideologist for writing *Future Shock* and *The Third Wave*, predicted the emergence of hypersymbolic economy in *Powershift*, published in 1990. In this new economy, the requisite of increased value-addedness is not cheap labour but knowledge. Unemployment is no longer a problem of quantity, but quality. To resolve the problem of unemployment, the solution does not lie in the redistribution of wealth, but redistribution of knowledge.

Today, as we cry out loudly that knowledge-based economy has arrived, we certainly identify with the above prediction. Under the rapid economic transformation, the development of human resources in Hong Kong is faced with even more and greater challenges. Firstly, there is increasing pressure from the population. From mid-1996 to the present, the population of Hong Kong has increased by 7%; the working population has even registered an increase of 10%, from 3.09 million in 1996 to 3.4 million at the end of 2000. Nevertheless, job vacancies had failed to catch up with the growth of the working population. Secondly, the skills and knowledge required by new jobs cannot instantly match with job seekers. It is difficult for job seekers to find suitable jobs and the wages for their original posts have kept on falling.

In Hong Kong, education reforms are now pressing ahead in full steam in the direction of all-round development of students to cope with the social environment and needs of the 21st century and supply talents for the economic and social development of Hong Kong. But meanwhile, the policy on human resources development in Hong Kong has ignored the 3.4 million working population, particularly the need to upgrade the skills of workers with a low education level. As a result, many workers are repelled and marginalized by the employment market whenever an economic transformation takes place.

Madam President, I have participated in the work on employees retraining since 1995 and I have an intimate knowledge of the rapid changes of the Hong Kong economy. On the difficulties of retraining, the training work itself is not difficult but re-employment of retrainees is but a tall order. With diminishing demand for unskilled workers in the labour market, if retraining is instantly linked with re-employment it will result in a narrowing scope of retraining. If it is allowed to continue like this, I am afraid retraining will eventually be led down a blind alley, facing a wall of public criticisms. So, my attitude now is to do the best that I can and give no thought to the outcome, making the utmost effort to help as many workers as possible and seek re-employment for retrainees as far as possible. It is because the Employees Retraining Board cannot possibly resolve all the problems, including those on the economic front, demographic policy, job opportunities, remuneration, behaviour and attitude, and so forth.

In the motion debate on youth unemployment earlier, I already pointed out that as many government departments and organizations are working separately on manpower training and development, the overlapping framework and scattered resources have resulted in fragmented training policies. Besides, improvements must also be made in three areas with regard to the policy on human resources development: first, how to step up research efforts to fully grasp the information in respect of the labour market, thereby making systematic and comprehensive forecast of job vacancies of different types of work; second, how to better the infrastructures for human resources development; and third, how to foster the convergence between various training endeavours and continuing education initiatives and their continuity.

Madam President, recently my colleagues on the ERB and I have visited Singapore and we saw that our competitor was launching programmes in full gear to nurture talents and upgrade skills. They have also set up a fund on on-the-job training to provide funding for small and medium enterprises to organize training courses for staff and to subsidize the wages of employees undergoing on-the-job training.

We must formulate a comprehensive and sound policy on human resources development in order to continuously upgrade the level of skills of the people as well as their ability to make decisions on their own. Only in this way can Hong Kong continue to enhance its competitiveness in the knowledge-based world economy and eventually attain full employment and steady economic growth.

Madam President, I must thank Prof NG Ching-fai for moving this motion with a wide coverage. As this topic involves all trades and industries, we can speak freely on whatever aspects we like and in our own wonderful ways. I so submit.

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

(No Member responded)

PRESIDENT (in Cantonese): Prof NG Ching-fai, you may now speak on Mr CHEUNG Man-kwong's amendment. You have up to five minutes to speak.

PROF NG CHING-FAI (in Cantonese): Madam President, first of all, I would like to express my gratitude to those 19 colleagues who have participated in this debate, they have indeed presented many very insightful suggestions. Earlier, we have stated repeatedly that under the knowledge-based economy, we must respect knowledge and value knowledge. Only in this way can we invest in education and other related aspects. Therefore, a comprehensive and forward-looking human resource policy is critical to the future of Hong Kong. Thus I hope the Secretary will seriously formulate the policy in a scientific way.

Before I finish, I would like to say a few more words. If the funding for universities is really cut, it will surely cause impact on the universities. However, I can say in a responsible manner in this Chamber that regardless of the tremendous work pressure our university colleagues are facing, many of them are still upholding their duties diligently and conscientiously in order to strive for progress in teaching and research pursuits. I think universities should be supervised by the public. In the meantime, I believe every one of us wishes our universities to achieve decent progress so that they will be able to supply quality talents to society. Thank you, Madam President.

SECRETARY FOR EDUCATION AND MANPOWER (In Cantonese): Madam President, following the knowledge-based development of the global economy, the economy of Hong Kong has entered a new cycle of restructuring. The new economy will provide opportunities for the future development of Hong Kong, yet at the same time it will also bring along considerable challenges to our working population. It is indeed timely that Prof NG Ching-fai has moved this motion on human resource policy to stimulate discussion and draw on collective wisdom at the beginning of the new century when our economy is undergoing restructuring. The question of debate today is a broad one, but it is also very meaningful. In this connection, Honourable Members have put forward a number of constructive views, many of which merit our follow-up and examination. I hereby express my gratitude to Members for their views.

All along, Hong Kong upholds a free economy policy under which the supply and demand of human resources as well as the remuneration and employment conditions of workers are determined by market forces. With the exception of a few professions providing services mainly for the Government and

subvented agencies, such as medical practitioners, teachers and social workers, the Government has never had in place any central planning on the supply and demand of human resources. In the past the human resource policy of the Government of the Special Administrative Region (SAR) was concentrated on providing education and training opportunities for the public. However, with the economy undergoing restructuring and the social environment changing rapidly, there is indeed a need for us to understand better the trend of development of the supply and demand for human resources in Hong Kong and to make proper preparations beforehand, so as to minimize the impact of manpower mismatching on the economic and social development of Hong Kong.

As the Education and Manpower Bureau (EMB) completed last year a detailed projection of Hong Kong's manpower demand up to year 2005, we can now have a more systematic and specific understanding of the labour market situation in Hong Kong in the coming five years. Besides, we will also be conducting reviews regularly to assess and monitor the market in respect of changes in demand for human resources. Nevertheless, I must point out at the same time that we should never seek to deceive others or ourselves, as any manpower supply and demand evaluation can only give us with information on the trend of development, rather than producing any accurate estimation of the actual manpower supply and demand situation in different trades and industries.

Given the rapid changes in the social environment, naturally corresponding adjustments must be made to our education system and training structure to allow greater flexibility in our school curricula and training courses, thereby bringing them more in line with the needs of the time. But then again, regardless of how far the education system and training structure have changed, if people's way of thinking should remain unchanged, every effort made in this connection would only be futile. The key to upgrading the quality and competitiveness of the Hong Kong's human resources lies in fostering a culture of lifelong learning and self-improvement in society to help the public to develop a proactive attitude of self-reliance. The successful achievement of this objective is dependent not only on the responsibility of the Government and the education sector, but also the participation of society as a whole. More important, it is also dependent upon the good example set by social leaders, including Members of this Council, as well as the positive view they contribute to help promoting and developing a good social culture in this respect.

Without a doubt, the SAR Government attaches great importance to education and is committed in this respect. With regard to basic education, the Government has accepted all the recommendations made by the Education Commission (EC) regarding the school system, curricula and assessment mechanism in force in Hong Kong. But since the implementation of the various improvement measures requires much time and manpower, many problems cannot be resolved simply by the provision of additional resources. The reduction of class size for primary and secondary schools is a good example. If we believe that class size can be reduced by providing schools with additional funding, I am afraid we are over-simplifying the issue without paying regard to the fact that Hong Kong does not have an adequate supply of land or quality teachers. While the amount of resources the Government injects into the education sector every year represents close to 25% of its public expenditure, whether or not such an amount is adequate is a matter of opinion. For our part, what we care about most are whether or not such resources have been used appropriately, and in which key projects should resources be invested to achieve the optimal results.

With regard to higher education, at present, the grants provided for universities amount to about one third of the total expenditure on education. After 10 years' of rapid development, both the Government and the University Grants Committee (UGC) consider that our higher education sector has entered a consolidation stage. And for this reason, we have asked the various universities to cut back on expenditure by 5% through enhanced productivity programmes within six years' time. The Government has proposed to reduce the grants provided for universities in the hope that the various universities can streamline their structure under the major principle of not sacrificing teaching quality, with a view to enhancing both their performance and their operating efficiency. Given the autonomy they enjoy in their administrative and academic aspects, the various tertiary institutions can achieve the objective of enhancing productivity through different means. In their speeches a number of Members have equated the proposed reduction in university grants with some of the visions envisaged by the Chief Executive. I am afraid this is neither fair nor appropriate. As a matter of fact, when answering questions raised by Members of this Council several weeks ago, the Chief Executive also made it clear that to enable 60% of our young persons to receive higher education is a long-term objective to be achieved in 10 years' time, and that the Government would allocate additional resources to achieve this objective in a gradual and orderly manner.

The universities in other places of the world, including public universities, rarely depend solely on public funding. Since the people of Hong Kong are very enthusiastic in participating activities that are in the interest of the public, I believe they would be most willing to provide assistance for universities of high quality. Earlier, it was pointed out by Prof NG Ching-fai and Dr LUI Ming-wah that research expenditure had been on the low side compared with that of other places. What they have said is true, and yet this situation is attributable to a number of factors. In fact, before the EC introduced the mechanism for assessing research studies, our research work was very limited and of poor quality. The situation has improved gradually over the past 10 years. When it was first introduced by the EC into Hong Kong, the assessment mechanism was met with strong objection and loud voices of complaint. Even though there are still many opposing views in this respect, after putting the mechanism into effect we have at least demonstrated that it could indeed achieve some concrete effects. So, do Members not agree that there is no gain without pain?

Further still, the area of excellence study introduced by the EC three years ago has in fact helped to further enhance the quality of research efforts made by universities. In my view, given the improvement in our research efforts and quality, we should indeed consider increasing the resources provided for research work. With regard to the funding provided for universities, we have particularly considered the increasing number of postgraduate students and research studies and correspondingly increased the relevant funding in the next triennium by 27% to cater for the needs arising therefrom. At present, many industrial and commercial enterprises have expressed interest in co-operating with universities to carry out R&D projects. In this connection, the universities and industries co-operation scheme under the Innovation and Technology Fund has effectively contributed to the co-operation between universities and the industrial and commercial sector. Over the past three years, the Innovation and Technology Fund has provided funding totalling \$235 million to subsidize a total of 127 projects carried out by the various tertiary institutions.

As regards manpower training, the Vocational Training Council and the Employees Retraining Board (ERB) have been playing an important role in this respect. Besides, the Construction Industry Training Authority and the Clothing Industry Training Authority also provide vocational training courses for specified trades in their respective sector. While different training agencies will

have their own respective responsibility and target clients, it is still inevitable that some of the courses provided by certain agencies or the roles they play might overlap. The Education and Manpower Bureau will be conducting an overall review of the functions, modes of operation and co-ordination mechanism of the various training agencies shortly, with a view to enhancing the effectiveness of the various training programmes and thereby catering better for both the needs of both the market and the trainees. Recently, in addition to the overseas study tour conducted by the ERB, the Education Department has also sent a delegation to the United Kingdom to inspect the country's vocational training provided for secondary school students as well as the vocational qualification system in force there. We have gained very fruitful results from these study tours and the Education and Manpower Bureau will be conducting relevant studies in collaboration with the government departments concerned, with a view to linking and co-ordinating better the various education, vocational training and skills upgrading programmes under our charge.

In order to ensure that the various training programmes can cater for their needs, we must encourage the relevant industries to participate actively in assisting us to establish the training direction and in designing training programmes, for only they can understand best the training needs of their employees. The Government has thus established the Task Force on IT Manpower and the Advisory Committee on Human Resources Development in the Financial Services Sector to provide proper communication channels for the industries concerned, training bodies and relevant government departments to exchange views on the training needs of these two important economic sectors. Moreover, in designing training courses under the skills upgrading programme, we will also take on board actively the opinions raised by employers, employees and relevant training bodies. We hope that this tripartite mode of co-operation can be extended to the training programmes provided for other sectors. Since we wish to ensure that the various training programmes can meet the practical needs of the sectors concerned, we are now actively soliciting views from all sectors concerned. Actually, in designing the skills upgrading programmes, we have all along taken into very careful consideration the proposals put forward by the relevant industries. Earlier, Mrs Selina CHOW mentioned that there were no training programmes for employees of the retail sector. I should like to point out that this is mainly because we are still waiting for the retail industry to furnish us with their suggestions on the training programmes.

Given the knowledge-based economic restructuring that Hong Kong is now undergoing and China's imminent accession to the WTO, there will indeed be a further structural change to the labour market within these five years, and there will bound to be problems of mismatch between job requirements and the academic qualification of workers. As indicated in our estimation results, the demand for manpower with university degree or tertiary education level will exceed that of the expected manpower supply by more than 116 000 persons. Since it is definitely impossible for Hong Kong to satisfy such demand within a short time by means training and education, we must actively consider attracting talents from outside Hong Kong. With regard to the existing immigration policies under which foreigners are allowed to work in Hong Kong, our policy directive is to admit, under the major premise that the employment opportunities of local residents will not be affected, talents that are lacking in Hong Kong, so as to help promote the economic development of Hong Kong as a whole. In accordance with this policy objective, foreigners to be admitted to work in Hong Kong must possess the skills, knowledge or experience that Hong Kong needs but is in lack of currently, and their remuneration package should be comparable to the prevailing level in the local market.

In December 1999, the Admission of Talents Scheme was introduced by the SAR Government for professionals from the Mainland. The purpose of this Scheme is mainly to absorb talents engaging in knowledge-intensive and high value-added industries to help maintain the status of Hong Kong as a centre of manufacturing and service industries. Although only 111 applications have been approved over the past year since it was implemented, we still should not underestimate the economic benefits of the Scheme. In addition to contributing to the business development of their host organizations, the talents admitted into Hong Kong will also help to bring about new employment opportunities, thereby giving impetus to the economic development of Hong Kong. In November last year, the SAR Government relaxed the overseas residency requirement for overseas Chinese citizens who wish to work in Hong Kong from not less than two years before the date of application to one year. As a measure to help newly established companies and small scale enterprises to recruit the talents they need, the Labour Department has opened the existing placement service interactive websites since 1 February this year to assist employers in placing job

vacancy advertisements and recruiting overseas talents. Professionals are of great importance to the knowledge-based economy in the 21st century, and many countries and regions over the world are making an effort to recruit professionals to help them push forward their economic and technological development. For our part, the Chief Executive also announced in his 2000 policy address that the Government would carefully and actively review the existing immigration policy, with a view to facilitating the admission of more quality talents from the Mainland and overseas into Hong Kong. When conducting the review, we will take into full consideration the demand and supply situation of the various types of professionals in the market, and at the same time we will also hold fast to our standing policy of promoting the development of the economy while safeguarding the employment opportunities of local workers.

Lastly, I wish to point out that today is the fourth time in this February I speak in a motion debate, and I utterly do not agree with the points made by Mr LEE Cheuk-yan earlier on in respect of people earning more than \$20,000 monthly but working less than 50 hours a week. If there should be any jobs of such kind, I would like Mr LEE Cheuk-yan to tell me where I could find them. I believe many teachers, school headmasters, civil servants and a number of Members in this Chamber will not agree with his view. During this motion debate, I feel that every one of us here is suffering from a certain degree of schizophrenia. On the one hand, we hope that the reform of the education system can be carried out in a gradual and orderly manner, and that not too many new measures will be introduced at one time. On the other hand, in this motion debate we are urging that many measures be put into effect tomorrow. I just hope Members can take note of this point.

Madam President, I so submit. Thank you.

PRESIDENT (In Cantonese): I now put the question to you and that is: That the amendment, moved by Mr CHEUNG Man-kwong to Prof NG Ching-fai's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(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 amendment passed.

PRESIDENT (In Cantonese): Prof NG Ching-fai, you may now reply and you have 45 seconds.

PROF NG CHING-FAI (in Cantonese): Madam President, actually, I still wish to talk about many things. Nevertheless, I would like to express my gratitude once again to colleagues who have participated in this debate, and I also wish to thank Mr CHEUNG Man-kwong for the amendment. I hope we can have a better and proper human resource policy to suit the overall social development.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Prof NG Ching-fai, as amended by Mr CHEUNG Man-kwong, 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 as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 7 March 2001.

Adjourned accordingly at half past Eight o'clock.

Annex**WRITTEN ANSWER****Written answer by the Secretary for Health and Welfare to Dr TANG Siu-tong's supplementary question to Question 5**

According to the records of the Department of Health, 62 persons fell ill after taking Chinese medicinal herbs during 1996 to 2000, for the following reasons:

	<i>No. of persons</i>
Developing allergy after drinking herbal decoction	25
Consumption of Chinese medicinal herbs contaminated with potent herbs	24
Inappropriate self-medication	10
Excessive dose of potent Chinese medicinal herbs in the prescription	3
	62