

LEGISLATIVE COUNCIL

MINUTES

No. 22

Minutes of the meeting held on Wednesday 14 March 2001 at 2:30 pm

Members present:

President

The Hon Mrs Rita FAN HSU Lai-tai, GBS, JP

The Hon Kenneth TING Woo-shou, JP

The Hon James TIEN Pei-chun, JP

The Hon David CHU Yu-lin

The Hon Cyd HO Sau-lan

The Hon Albert HO Chun-yan

Ir Dr the Hon Raymond HO Chung-tai, JP

The Hon LEE Cheuk-yan

The Hon Martin LEE Chu-ming, SC, JP

The Hon Eric LI Ka-cheung, JP

Dr the Hon David LI Kwok-po, JP

The Hon Fred LI Wah-ming, JP

Dr the Hon LUI Ming-wah, JP

The Hon NG Leung-sing

The Hon Margaret NG

The Hon Mrs Selina CHOW LIANG Shuk-yee, JP

The Hon James TO Kun-sun

The Hon CHEUNG Man-kwong
The Hon HUI Cheung-ching

The Hon CHAN Kwok-keung

The Hon CHAN Yuen-han

The Hon Bernard CHAN

The Hon CHAN Kam-lam

The Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP

The Hon LEUNG Yiu-chung

The Hon SIN Chung-kai

The Hon Andrew WONG Wang-fat, JP

The Hon WONG Yung-kan

The Hon Jasper TSANG Yok-sing, JP

The Hon Howard YOUNG, JP

Dr the Hon YEUNG Sum

The Hon YEUNG Yiu-chung

The Hon LAU Kong-wah

The Hon LAU Wong-fat, GBS, JP

The Hon Mrs Miriam LAU Kin-yee, JP

The Hon Ambrose LAU Hon-chuen, JP

The Hon Emily LAU Wai-hing, JP

The Hon CHOY So-yuk

The Hon Andrew CHENG Kar-foo

The Hon SZETO Wah

The Hon Timothy FOK Tsun-ting, SBS, JP

The Hon LAW Chi-kwong, JP

The Hon TAM Yiu-chung, GBS, JP

Dr the Hon TANG Siu-tong, JP

The Hon Abraham SHEK Lai-him, JP

The Hon LI Fung-ying, JP

The Hon Henry WU King-cheong, BBS

The Hon Tommy CHEUNG Yu-yan, JP

The Hon Michael MAK Kwok-fung

The Hon Albert CHAN Wai-yip

The Hon LEUNG Fu-wah, MH, JP

Dr the Hon LO Wing-lok

The Hon WONG Sing-chi

The Hon Frederick FUNG Kin-kee

The Hon IP Kwok-him, JP

The Hon LAU Ping-cheung

The Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Prof the Hon NG Ching-fai

Dr the Hon Philip WONG Yu-hong

The Hon LAU Chin-shek, JP

Public officers attending:

The Honourable Mrs Anson CHAN, GBM, JP
The Chief Secretary for Administration

The Honourable Donald TSANG Yam-kuen, JP
The Financial Secretary

The Honourable Elsie LEUNG Oi-sie, JP
The Secretary for Justice

The Hon Michael SUEN Ming-yeung, GBS, JP
Secretary for Constitutional Affairs

Mr CHAU Tak-hay, JP
Secretary for Commerce and Industry

Mr Gordon SIU Kwing-chue, JP
Secretary for Planning and Lands

Miss Denise YUE Chung-yee, JP
Secretary for the Treasury

Mr LAM Woon-kwong, GBS, JP
Secretary for Home Affairs

Mr Stephen IP Shu-kwan, JP
Secretary for Financial Services

Mrs Lily YAM KWAN Pui-ying, JP
Secretary for the Environment and Food

Dr YEOH Eng-kiong, JP
Secretary for Health and Welfare

Mrs Regina IP LAU Suk-yee, JP
Secretary for Security

Mrs Fanny LAW FAN Chiu-fun, JP
Secretary for Education and Manpower

Ms Sandra LEE Suk-yee, JP
Secretary for Economic Services

Clerks in attendance:

Mr Ricky FUNG Choi-cheung, JP, Secretary General

Mr LAW Kam-sang, JP, Deputy Secretary General

Mr Ray CHAN Yum-mou, Assistant Secretary General (3)

Tabling of Papers

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

<u>Subsidiary Legislation / Instruments</u>	<u>L.N. No.</u>
1. Public Revenue Protection (Revenue) Order 2001 (gazetted on 7.3.2001)	61/2001
2. Designation of Libraries Order 2001 (gazetted on 9.3.2001)	62/2001
3. Public Health and Municipal Services Ordinance (Civic Centres) (Amendment of Thirteenth Schedule) Order 2001 (gazetted on 9.3.2001)	63/2001
4. Audit Ordinance (Amendment of Schedule 1) Notice 2001 (gazetted on 9.3.2001)	64/2001
5. Factories and Industrial Undertakings Ordinance (Cap. 59) (Appointed Day under Section 6BA(17)) Notice (gazetted on 9.3.2001)	65/2001

Other Papers

Report of the Bills Committee on Hong Kong Tourist Association (Amendment) Bill 2001 (published on 7.3.2001)

Questions

1. Hon Tommy CHEUNG asked Question 1.

The Secretary for the Environment and Food replied.

Four Members asked supplementaries and the Secretary for the Environment and Food replied.

2. Hon Audrey EU asked Question 2.

The Secretary for Planning and Lands replied.

Five Members asked supplementaries and the Secretary for Planning and Lands replied.

3. Hon YEUNG Yiu-chung asked Question 3.

The Secretary for Security replied.

Six Members asked supplementaries and the Secretary for Security replied.

4. Hon Cyd HO asked Question 4.

The Secretary for Financial Services replied.

Six Members asked supplementaries and the Secretary for Financial Services replied.

5. Hon Andrew CHENG asked Question 5.

The Secretary for Home Affairs replied.

Nine Members asked supplementaries and the Secretary for Home Affairs replied.

6. Dr Hon LUI Ming-wah asked Question 6.

The Secretary for Education and Manpower replied.

Nine Members asked supplementaries and the Secretary for Education and Manpower replied.

Written replies to Questions 7 to 20 were tabled for Members' information.

Bills

First Reading

Chief Executive Election Bill

Interest Rates (Miscellaneous Amendments) Bill 2001

**Industrial Training (Construction Industry) (Amendment) Bill
2001**

Merchant Shipping (Registration) (Amendment) Bill 2001

The Bills were 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

Chief Executive Election Bill

The Secretary for Constitutional Affairs moved the Second Reading and addressed the Council.

Question on the Second Reading proposed. The President stated that in accordance with Rule 54(4) of the Rules of Procedure, the debate was adjourned and the Bill was referred to the House Committee.

Interest Rates (Miscellaneous Amendments) Bill 2001

The Secretary for Planning and Lands moved the Second Reading and addressed the Council.

Question on the Second Reading proposed. The President stated that in accordance with Rule 54(4) of the Rules of Procedure, the debate was adjourned and the Bill was referred to the House Committee.

Industrial Training (Construction Industry) (Amendment) Bill 2001

The Secretary for Education and Manpower moved the Second Reading and addressed the Council.

Question on the Second Reading proposed. The President stated that in accordance with Rule 54(4) of the Rules of Procedure, the debate was adjourned and the Bill was referred to the House Committee.

Merchant Shipping (Registration) (Amendment) Bill 2001

The Secretary for Economic Services moved the Second Reading and addressed the Council.

Question on the Second Reading proposed. The President stated that in accordance with Rule 54(4) of the Rules of Procedure, the debate was adjourned and the Bill was referred to the House Committee.

Hong Kong Tourist Association (Amendment) Bill 2001

Resumption of Second Reading debate

The debate on the Second Reading which had been moved on 17 January 2001 resumed.

Hon Howard YOUNG, Chairman of the Bills Committee on Hong Kong Tourist Association (Amendment) Bill 2001, addressed the Council on the Report of the Bills Committee on the Bill.

Five Members spoke on the Bill.

The Secretary for Economic Services replied.

Question on the Second Reading put and agreed to.

Bill read the second time and committed to a Committee of the whole Council.

Committee Stage

The Council went into Committee and considered the **Hong Kong Tourist Association (Amendment) Bill 2001**.

Question that clauses 1, 2, 3, 5, 6, 8, 10, 13 to 19, 22 to 25, 27 to 39 and 41 to 48 stand part of the Bill proposed, put and agreed to.

Question that clauses 4, 7, 9, 11, 12, 20, 21, 26 and 40 stand part of the Bill proposed.

The Secretary for Economic Services moved amendments to the aforesaid clauses and addressed the Committee.

Question on the amendments put and agreed to.

Question that clauses 4, 7, 9, 11, 12, 20, 21, 26 and 40, as amended, stand part of the Bill proposed, put and agreed to.

New clause 33A read the first time.

The Secretary for Economic Services moved the Second Reading of new clause 33A and addressed the Committee.

Question on the Second Reading of new clause 33A proposed, put and agreed to.

New clause 33A read the second time.

The Secretary for Economic Services moved the addition of new clause 33A to the Bill.

Question on the addition proposed, put and agreed to.

The Council then resumed.

Third Reading

The Secretary for Economic Services reported that

the **Hong Kong Tourist Association (Amendment) Bill 2001**

had passed through the Committee with amendments. She moved that the Bill be read the third time and do pass.

Question on the Third Reading proposed, put and agreed to.

Bill read the third time and passed.

Motions

Proposed resolution under the Interpretation and General Clauses Ordinance

The Secretary for Commerce and Industry moved the following motion and addressed the Council:

Resolved that the Prevention of Copyright Piracy (Notices) Regulation, published as Legal Notice No. 39 of 2001 and laid on the table of the Legislative Council on 14 February 2001, be amended -

- (a) in section 3 by repealing "位置的" and substituting "告示的位置及";
- (b) in the Schedule -
 - (i) in the heading by adding "THE" before "ORDINANCE";
 - (ii) by repealing "而攜帶攝錄器材進入電影院、劇院或音樂廳，即屬犯罪" and substituting "，不得在電影院、劇院或音樂廳攜有或藏有攝錄器材";
 - (iii) by repealing "It is an offence to bring video recording equipment into" and substituting "No video recording equipment is allowed in".

Question on the motion proposed.

One Member spoke on the motion.

Question on the motion put and agreed to.

Proposed resolution under the Public Finance Ordinance

The Secretary for the Treasury moved the motion in Appendix I and addressed the Council.

Question on the motion proposed, put and agreed to.

Members' Motions

Consultation Document on Health Care Reform

Hon Mrs Selina CHOW moved the following motion and addressed the Council:

That this Council notes the Consultation Document on Health Care Reform.

Question on the motion proposed.

One Member spoke on the motion.

At 5:35 pm, the President's Deputy took the chair during the temporary absence of the President.

Another two Members spoke on the motion.

At 6:00 pm, the President resumed the chair.

19 more Members and the Secretary for Health and Welfare spoke on the motion.

Hon Mrs Selina CHOW replied.

Question on the motion put and agreed to.

Alleviating the difficulties of small and medium enterprises

Hon HUI Cheung-ching moved the following motion and addressed the Council:

That, as small and medium enterprises (SMEs) have yet to benefit from the recovery of the economy, this Council urges the Government to adopt measures and spare no effort to alleviate their difficulties; the measures should include:

- (a) in order to reduce the operating costs of SMEs, expeditiously and suitably relaxing the restrictions on the use of industrial premises, encouraging further introduction of internationally recognized quality certification services in the market, providing greater financial support in such areas as manpower training, marketing and the application of information technology, encouraging franchised companies to lower their fees and charges and to engage in healthy competition, as well as striving to maintain a simple tax system;
- (b) exploring additional means to ease the financing problem of SMEs, including using part of the balance of the guarantee amount under the Special Finance Scheme for SMEs to set up a credit fund for SMEs before the establishment of the Commercial Credit Reference Agency, examining the feasibility of relaxing the underwriting policy of the Hong Kong Export Credit Insurance Corporation and enhancing its guarantor function in

- (c) SMEs' applications for bank loans; and expeditiously establishing economic and trade offices in the Mainland, especially in Guangdong Province, for proactively gathering complaints by Hong Kong businessmen about the policies and laws of the Mainland, and referring them to the relevant Mainland authorities for action.

Question on Hon HUI Cheung-ching's motion proposed.

The President stated that Hon Kenneth TING would move an amendment to the motion. In accordance with the Rules of Procedure, the motion and the amendment would be debated together in a joint debate.

Hon Kenneth TING moved the following amendment to Hon HUI Cheung-ching's motion and addressed the Council:

To delete "manpower training," after "providing greater financial support in such areas as"; to add "freezing Government fees and charges which have a bearing on the business environment," after "to engage in healthy competition,"; to add "low tax rates and" after "as well as striving to maintain"; to add "(b) assisting SMEs in upgrading the quality of their manpower resources, including stepping up its efforts in encouraging talents to work for SMEs, enhancing the provision of tailor-made manpower training programmes for SMEs and providing tax concessions for on-the-job training;" after "a simple tax system;" to delete "(b)" and substitute with "(c)"; to delete "and" after "enhancing its guarantor function in SMEs' applications for bank loans;" and substitute with "(d) expeditiously implementing the Chief Executive's proposal made in his 1999 Policy Address that the banking sector needed to put more emphasis on the track record and business prospects of the borrowing enterprises in granting loans, instead of following the general practice of taking property as the main form of collateral; and"; and to delete "(c)" and substitute with "(e)".

Question on Hon Kenneth TING's amendment to Hon HUI Cheung-ching's motion proposed.

One Member spoke on the motion and the amendment.

At 8:40 pm, the President's Deputy took the chair during the temporary absence of the President.

Another 13 Members spoke on the motion and the amendment.

At 9:50 pm, the President resumed the chair.

Four more Members spoke on the motion and the amendment.

Hon HUI Cheung-ching spoke on the amendment.

The Secretary for Commerce and Industry spoke on the motion and the amendment.

With the President's permission, Hon Henry WU elucidated on some points he had made earlier which had been misunderstood by the Secretary for Commerce and Industry.

Question on Hon Kenneth TING's amendment to Hon HUI Cheung-ching's motion put.

Hon Mrs Selina CHOW claimed a division. The President then ordered the Council to divide under Rule 47(1) of the Rules of Procedure.+

The President announced that among the Members returned by functional constituencies, 23 were present, 11 were in favour of the amendment, five against it and seven abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 16 were present, one was in favour of the amendment, two against it and 12 abstained. (Voting record in Appendix II.) Since the question was not agreed by a majority of each of the two groups of Members present, she declared that the amendment was negatived.

Hon HUI Cheung-ching replied.

Question on Hon HUI Cheung-ching's motion put and agreed to.

Next Meeting

The President declared that the next meeting of the Council would be held on 28 March 2001 at 2:30 pm.

The Council was adjourned at 10:55 pm.

(Mrs Rita FAN HSU Lai-tai)
President

Council Chamber
Hong Kong

PUBLIC FINANCE ORDINANCE

RESOLUTION

(Under section 7(1) of the Public Finance Ordinance (Cap.2))

RESOLVED that -

1. Authority is hereby given for a sum not exceeding \$54,678,433,000 to be charged on the general revenue in advance of an Appropriation Ordinance for expenditure on the services of the Government in respect of the financial year commencing on 1 April 2001.
2. Subject to this Resolution, the sum so charged may be expended against the heads of expenditure, and expenditure for each such head shall be arranged in accordance with the subheads, shown in the draft Estimates of Expenditure 2001-02 laid before the Legislative Council on 7 March 2001 or, where such estimates are changed under the provisions of the Public Finance Ordinance (Cap. 2) as applied by section 7(2) of that Ordinance, in accordance with such estimates as so changed.
3. Expenditure in respect of any head shall not exceed the aggregate of the amounts specified in respect of each subhead in that head, by reference to percentages, in section 4(a) and (b).
4. Expenditure in respect of each subhead in a head shall not exceed -
 - (a) in the case of a Recurrent Account subhead, an amount equivalent to

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- (i) except where the subhead is listed in the Schedule hereto, 20% of the provision shown in respect of it in the draft Estimates;
- (ii) where the subhead is listed in the Schedule hereto, that percentage of the provision shown in respect of it in the draft Estimates which is specified in relation to that subhead in the Schedule; and
- (b) in the case of a Capital Account subhead, an amount equivalent to 100% of the provision shown in respect of it in the draft Estimates,

or such other amount, not exceeding the provision shown in respect of the subhead in the draft Estimates, as may in any case be approved by the Financial Secretary.

SCHEDULE

[S.4]

	Head of Expenditure		Subhead	Percentage of provision shown in draft Estimates
26	Census and Statistics Department	000	Operational expenses	38
28	Civil Aviation Department	170	Airport insurance	100
30	Correctional Services Department	149	General departmental expenses	36
31	Customs and Excise Department	248	Grant to the Customs and Excise Service Welfare Fund	100
40	Education Department	325	Direct Subsidy Scheme	41
		326	Kindergarten Subsidy Scheme	47
		330	Assistance to private secondary schools and bought places	35
		340	English Schools Foundation junior schools	42
		345	English Schools Foundation secondary schools	41
		489	Miscellaneous educational services	25
46	General Expenses of the Civil Service	013	Personal allowances	40
53	Government Secretariat: Home Affairs Bureau	536	Uniformed groups and other youth organisations	25

	Head of Expenditure		Subhead	Percentage of provision shown in draft Estimates
90	Labour Department	280	Contribution to the Occupational Safety and Health Council	25
		295	Contribution to the Occupational Deafness Compensation Board	25
92	Department of Justice	234	Court costs	25
		243	Hire of legal services and related professional fees	25
		287	Legal services for construction dispute resolution	25
95	Leisure and Cultural Services Department	368	Leisure and culture subventions	25
106	Miscellaneous Services	163	Write-offs	50
		192	Refunds of revenue	100
120	Pensions	015	Public and judicial service pension benefits and compensation	30
		017	Surviving spouses' and children's pensions, widows' and orphans' pensions and increases	30
		021	Ex gratia pensions, awards, allowances and increases	50
		026	Employees' compensation, injury and death related payments and expenses	30
130	Printing Department	002	Allowances	25
160	Radio Television Hong Kong	102	Technical Services Agreement	25

	Head of Expenditure		Subhead	Percentage of provision shown in draft Estimates
170	Social Welfare Department	176	Criminal and law enforcement injuries compensation	25
		177	Emergency relief	100
		179	Comprehensive social security assistance scheme	25
		180	Social security allowance scheme	25
		187	Agents' commission and expenses	100
		412	Refunds of rates	30
176	Subventions: Miscellaneous	414	Environmental Advisory Service	25
		437	Hong Kong - Japan Business Co-operation Committee	25
		446	Duty Lawyer Service	25
		475	Outward Bound Trust of Hong Kong	25
		503	Subventions to non-government organisation camps	26
		521	Skills centres	25
		527	Open University of Hong Kong	25
		528	Guardianship Board	25
177	Subventions: Non-Departmental Public Bodies	520	Vocational Training Council	25
		526	Legal Aid Services Council	25
		537	Employees Retraining Board	25

	Head of Expenditure		Subhead	Percentage of provision shown in draft Estimates
188	Treasury	187	Agents' commission and expenses	68