

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 9 January 2002

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, G.B.S., J.P.

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

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.

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

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

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

THE HONOURABLE NG LEUNG-SING, J.P.

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, J.P.

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN, J.P.

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, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., 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 ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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.

THE HONOURABLE MA FUNG-KWOK

MEMBERS ABSENT:

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

DR THE HONOURABLE LO WING-LOK

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ANTONY LEUNG KAM-CHUNG, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

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

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

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

MR LAM WOON-KWONG, G.B.S., J.P.
SECRETARY FOR HOME AFFAIRS

MRS REGINA IP LAU SUK-YEE, J.P.
SECRETARY FOR SECURITY

MR JOHN TSANG CHUN-WAH, J.P.
SECRETARY FOR PLANNING AND LANDS

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

CLERKS IN ATTENDANCE:

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

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

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Electronic Transactions (Exclusion) (Amendment) (No. 2) Order 2001	282/2001
Hotel Accommodation (Miscellaneous Provisions) Ordinance 1998 (39 of 1998) (Commencement) Notice 2001	283/2001
Hotel and Guesthouse Accommodation (Fees) (Amendment) Regulation 2001 (L.N. 212 of 2001) (Commencement) Notice 2001	284/2001
Securities and Futures Commission (Levy) (Futures Contracts) (Amendment) (No. 3) Order 2001	296/2001
Banking Ordinance (Declaration under Section 2(14)(b)) Notice 2001	297/2001
Companies (Amendment) Ordinance 2001 (27 of 2001) (Commencement) Notice 2001	298/2001
Animals and Plants (Protection of Endangered Species) Ordinance (Amendment of Schedules) Notice 2001 (L.N. 237 of 2001) (Commencement) Notice 2001	299/2001
Companies (Summary Financial Reports of Listed Companies) Regulation (L.N. 249 of 2001) (Commencement) Notice 2001	300/2001
Commodities Trading (Contract Levy) (Amendment) (No. 3) Rules 2001	301/2001

Tax Reserve Certificates (Rate of Interest)

Notice 2002 1/2002

Other Paper

No. 49 — Legal Aid Services Council
Annual Report 2000-2001**ORAL ANSWERS TO QUESTIONS**

PRESIDENT (in Cantonese): Members and government officials, this is our first meeting in 2002. I wish all of you good health and every success.

Question. First question.

Construction Costs of Railways

1. **MR ERIC LI** (in Cantonese): *Madam President, being the first Member who asks a question, I would like to take this opportunity to wish you a progressive Chinese new year and every success.*

Madam President, a total of \$200 billion will be invested in various railway projects in the next 15 years. In this connection, will the Government inform this Council:

- (a) of a breakdown of the estimated costs of each railway project, including the costs of construction works, track-laying and installation of signalling equipment, the purchase of train compartments, and other specific items;*
- (b) of the increase in length in kilometres of the rail network upon the completion of these railway projects and the average construction cost per kilometre of the railways, expressed in Hong Kong dollars; how this compares to the construction cost of the existing railways; and*

- (c) *how the respective construction costs per kilometre of the new railways and the existing railways compare to the relevant costs in the neighbouring territories, including the Mainland?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, like what Mr LI had said, being the first Bureau Secretary answering Members' questions, I would like to wish all Members good health and every success, and I look forward to a happy working relationship between the Government and Members in the coming year. *(Laughter)*

Madam President,

- (a) About \$200 billion will be invested in 12 rail projects in Hong Kong. This investment underlines our commitment to the development of transport infrastructure to meet Hong Kong's long term needs and to maintain Hong Kong's position as a regional transportation and business hub.

Of the 12 projects, six are at different stages of implementation. They include the West Rail, the Tsung Kwan O Extension, the Tai Wai to Ma On Shan Rail Link, the Tsim Sha Tsui Extension, the Sheung Shui to Lok Ma Chau Spur Line and the Penny's Bay Rail Link. A breakdown of their costs is given in the table at Annex A. Overall, about 68% of the total cost is attributable to construction works, 15% to track-laying and signalling works, about 6% to train procurement and about 10% to land resumption and clearance.

The remaining six projects have been recommended in the Railway Development Strategy 2000, namely, Sha Tin to Central Link, Island Line Extensions, Kowloon Southern Link, Northern Link, Regional Express Line and Port Rail Line. It is estimated that these six projects will cost a total of about \$100 billion. While the costs of these projects and the breakdown will only be firmed up during detailed design which has yet to start, we expect that the breakdown should not be significantly different from the six current projects.

- (b) Upon completion of these 12 rail projects by 2016, our rail network will expand by more than 100 km or 75% to well over 250 km. The average cost per kilometre of the 12 rail projects is about HK\$1.2 billion in 1998 prices. This is lower than that of the existing railways, which when brought to the same price level, stands at an average of about HK\$1.4 billion per kilometre.
- (c) As regards the cost comparison with neighbouring cities, we have made comparisons with the metro-systems in Tokyo, Singapore, Taipei, Shanghai, Guangzhou and Shenzhen based on available information. The details are given in Annex B. I must stress here that such comparisons should not be taken at face value as costs will certainly vary from place to place due to many factors such as wage costs, topography and standards and requirements in terms of operation, construction, environment, and so on.

Annex A

Cost Breakdown for the Six Current Rail Projects

	<i>Construction works</i>	<i>Track-laying and signalling works</i>	<i>Train procurement</i>	<i>Land resumption and clearance</i>
West Rail	69%	11%	5%	15%
Tsueng Kwan O Extension	65%	23%	8%	5%
Tai Wai to Ma On Shan Rail Link	65%	18%	15%	2%
Tsim Sha Tsui Extension	73%	19%	4%	5%
Sheung Shui to Lok Ma Chau Spur Line	75%	12%	1%	11%
Penny's Bay Rail Link	58%	30%	10%	2%
Overall	68%	15%	6%	10%

Note: The percentages may not add up to 100% due to rounding.

Comparison with Overseas Urban Railways' Unit Costs

<i>Cities</i>	<i>Unit cost of Hong Kong to that of the city</i>
Tokyo	50%
Singapore	comparable
Taipei	comparable
Shanghai	2 times
Guangzhou	2.5 times
Shenzhen	2 times

MR ERIC LI (in Cantonese): *Madam President, just now Members and the Secretary were wishing each other a happy new year, and this is proof that 2002 has come. But according to (b) of the main reply, the Government's calculation of the costs of rail links still based on 1998 prices. We all know what happened over the last three years. Public affordability has been weakened and a deflation has taken place. I would like to know why the Secretary calculated the costs of rail links at 1998 prices? How does the prices then compare to the current prices? We have all heard the good news that the costs of rail links have come down. Does it mean that passenger fares will be even lower in future?*

SECRETARY FOR TRANSPORT (in Cantonese): *Madam President, it is mainly because the six rail projects in the Railway Development Strategy 2000 were initially based on 1998 prices in the proposal. But certainly, if the downward trend of prices continues, the actual figures in the contract to be awarded in future will surely be lowered. The simplest example is the West Rail. The cost of the West Rail, as initially estimated, was \$64 billion. The latest estimation, and I stress estimation, of its cost is \$46 billion. So, if the construction cost keeps on falling, the overall costs will be reduced accordingly.*

DR PHILIP WONG (in Cantonese): *Madam President, I would like to ask the Secretary, judging from the present circumstances, do railway projects still have to cost as high as \$200 billion?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, to us planners, the information we have at hand or available to us comes from the Railway Development Strategy 2000. We will have to come to the final stages of the projects before we know the actual figures. If application for funding is required, the Government will certainly provide the latest estimation and will definitely not use the figures in 1998.

MR LAU PING-CHEUNG (in Cantonese): *Madam President, despite a reduction in the costs of railways, there seems to be no sign showing that passenger fares will come down. On the contrary, there is the pressure for fare increases. I would like to ask the Secretary will he consider adjusting the fares downwards?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, as I had briefly explained on another occasion, public transport fares do not correlate with inflation on a straight-line basis. To put it simply, the costs incurred by a company include many fixed costs, such as staff cost. So, basically they bear no straight-line correlation with changes in inflation. Therefore, it is impossible for the company to control the expenditure on many of the fixed costs or to effect changes to such costs in line with inflation accordingly. Only a very small part of the fees and expenses is more directly pegged to inflation.

MR NG LEUNG-SING (in Cantonese): *Madam President, part (b) of the main reply used prices in 1998 as the basis of calculation. But from the cost breakdown for the six rail projects, I can see great differences in the percentages of land resumption and clearance costs. This percentage of the West Rail is 15%, whereas that of other rail links, such as the Ma On Shan Rail Link or the Penny's Bay Rail Link, is a mere 2%. Is it because land prices in 1998 were far higher than the current land prices and savings can therefore be achieved in the cost of land resumption, thus reducing the cost by 40% to 50%? Can the Secretary give us specific figures?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, first of all, I would like to explain why there are such big differences in the percentages

of land resumption and clearance costs incurred by different rail links as listed in Annex A. This really has to depend on geographical factors as well as the size of private land actually involved in the relevant rail project. The West Rail and the Sheung Shui to Lok Ma Chau Spur Line will definitely involve more private land than the Tseung Kwan O Extension and even the Ma On Shan or Tsim Sha Tsui Extensions. In fact, the Tsueng Kwan O Extension and the Ma On Shan Extension will heavily involve the use of tunnels and so the land to be resumed will naturally be less, and this can explain the variations in the percentage. Regarding the actual expenditure on land resumption, given that a criterion of land resumption is making compensation at the market value of land in the market, the cost of land resumption will surely be lowered if the market value of properties falls as a result of market changes.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, I am more concerned about the fares of railways and their financing. One of the reasons we often hear railway companies used to ask for fare hikes is the need to develop railways in future. I wish to ask the Secretary: Given the \$200 billion funding provided by the Government and an additional provision of \$100 billion in future for railway development, does it mean that the railway companies do not have to obtain financing on their own and is therefore not subjected to pressure for fare increases? Or is it that the \$200 billion referred to by the Secretary is actually not government injection, but will be provided by the railway company, whether it be the Kowloon-Canton Railway Corporation or the MTR Corporation Limited, through its own financing efforts, thus making it necessary for the company to borrow from outside consortiums? I would like the Secretary to tell us explicitly if this \$200 billion will be wholly injected by the Government and therefore there will be no pressure on the railway companies to increase their fares?*

SECRETARY FOR TRANSPORT (in Cantonese): *Madam President, this \$200 billion is Hong Kong's total investment in railway projects. As Members may know, when a railway has to be constructed, capital will come from three sources: First, direct government injection to the railway company; second, the reserves of the company, in other words, its past profits; and third, borrowings from the market. In securing financing for a project, each railway company will obtain the required capital from these three sources in the light of the actual circumstances. Whether a railway company puts emphasis on borrowings or*

government injection for financing purposes will also depend on the actual circumstances. Generally speaking, resources come from three sources.

MR ABRAHAM SHEK: *Madam President, in view of the massive amount of investment to be injected into the railway system, will the Administration advise this Council whether there is any intention to set up a railway authority in the future to supervise the planning, construction and running of the railways for the overall benefits of the passengers and the public, so as to achieve the economy of scale in terms of purchasing and construction costs?*

SECRETARY FOR TRANSPORT: Madam President, indeed we do have a railway authority, and that is the Secretary for Transport. Before we decide on any particular railway project, the Government would take into account the best possible alignment, the demand situation, the transport need and so on, and then commission one of the two railway corporations to prepare a proposal. In that process, the corporation would look into the possibility of the cheapest and the best possible method of construction in implementing the project. So, to that extent, each corporation is really adopting a very prudent and basic approach in ensuring that we achieve the economy of scale as well as the efficiency required in undertaking the project.

MR HOWARD YOUNG (in Cantonese): *Madam President, I would like to ask a question on the figures provided in Annex A of the main reply. I notice that the percentage of track-laying and signalling works of the Penny's Bay Rail Link seems to be at odds with the percentages of other rail links. I first thought that the cost of construction works of the Penny's Bay Rail Link should be particularly higher given the use of tunnels, whereas track laying is kind of standard works. Can the Secretary tell us is there any special reason for this rather unusual case as cited above?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, the alignment of the Penny's Bay Rail Link is actually very short and so the cost of its construction works is low. Given its short alignment, the cost of track-laying and signalling works accounts for a substantial part of the overall costs, and because of the short alignment of this rail link, the cost of its construction

works is small. Besides, a great majority of land involved is government land, and the cost of train procurement, which takes up about 10%, is of a normal standard. It is mainly because of the short alignment of this rail link that its track-laying and signalling works account for an overwhelming proportion of the total costs of the project.

MR HENRY WU (in Cantonese): *Madam President, my question is about the cost of construction works in Annex A of the main reply. Indeed, at meetings of the subcommittee on public works, I often heard the Government say that many consultants would have to be commissioned owing to inadequate resources. My question is: Of the cost of construction works in Annex A, how much is attributable to consultancy fees?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I will provide the information to the Member in writing. (Annex I) But I wish to explain that after the Government has decided to go ahead with a railway project, the construction of the railway will basically be passed onto the relevant railway company for it to handle on its own. In the course of construction, the company will certainly make use of its own resources, including its technical talents, and will turn to consultants only when such need arises.

DR RAYMOND HO (in Cantonese): *Madam President, having read Annex B of the main reply, I found that the construction of railways in Hong Kong costs as high as \$1.2 billion to \$1.4 billion per kilometre, which is very expensive. But in the Mainland, such as in Shanghai, Guangzhou and Shenzhen, the construction costs are lower than ours by over 50%. Will the Secretary consider in what areas we can co-operate with the Mainland, so as to pare down the costs of railways?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, as I mentioned in the main reply, the construction costs of railways vary from place to place due to a host of different factors. In fact, our construction costs are comparable to such metropolis as Singapore and Taipei, and the railway costs in Hong Kong are lower than those of Tokyo by half. As to whether it is possible to reduce the construction costs through co-operation with the Mainland, the

reality is that all companies, be they from the Mainland or overseas, can submit their bids on projects being put to tender. As regards railway technologies, Hong Kong is currently an exporter of such technologies to the Mainland. For the time being, we have not imported railway technologies from the Mainland, but this may happen in future.

MR LAU KONG-WAH (in Cantonese): *Madam President, part (a) of the main reply mentioned the Regional Express Line. After his visit to the Guangdong Province, the Chief Secretary for Administration put forth the concept of a levitated system. Are China and Hong Kong currently discussing the construction of such a railway system; and what is the latest progress and its alignment?*

PRESIDENT (in Cantonese): Mr LAU Kong-wah, how does your supplementary question relate to the main question?

MR LAU KONG-WAH (in Cantonese): *Madam President, they are related in a way that after the Secretary answered this supplementary, I would perhaps ask about the construction costs. (Laughter)*

PRESIDENT (in Cantonese): Mr LAU, I will give you one more chance. Please rephrase your supplementary question so as to relate it to the main question.

MR LAU KONG-WAH (in Cantonese): *Thank you, Madam President. My supplementary question is this: In part (a) of the main reply the Secretary mentioned some new projects. We know the construction costs of some of these projects, but we do not know the costs of some other projects. I am particularly concerned about the construction costs of the Regional Express Line, and the Chief Secretary for Administration had mentioned co-operation with the Mainland. Can the Secretary inform this Council of the progress of co-operation between Hong Kong and the Mainland as well as the estimated construction costs?*

PRESIDENT (in Cantonese): I am sorry, Mr LAU. You may have to ask this question in another oral question, because I do not think that this supplementary is directly related to the main question.

We have spent 17 minutes on this question. Last supplementary question.

DR LUI MING-WAH (in Cantonese): *Madam President, the Secretary has provided lots of information, but all the information is expressed in terms of percentage. In respect of Annexes A and B of the main reply, I hope the Government can provide the detailed amounts, because percentages can only give us a general impression, so I hope the Government can provide the actual figures concerning the construction works, and so on. For instance, the costs of the Tseung Kwan O Extension and the Tai Wai to Ma On Shan Rail Link are comparable, but the percentage of train procurement of the latter is double that of the former. Is it because more trains are procured for the latter rail link or the trains procured for it are particularly expensive? I hope the Government can provide the actual figures.*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, we will answer this supplementary question in writing. (Annex II)

PRESIDENT (in Cantonese): Second question.

List of Sites for Sale by Application

2. **MR LAU PING-CHEUNG** (in Cantonese): *Madam President, it was reported that the Secretary for Housing had indicated that the Government had planned and reserved a sufficient number of produced and formed sites to meet the additional housing demand arising from the population growth in the coming eight years. Regarding the sale of these sites, will the Government inform this Council of:*

- (a) *the total land area, capacity for housing production and other details of the sites, together with a breakdown of the data by district;*

- (b) *the respective criteria for determining the lots to be included in the List of Sites for Sale by Application, the timing for such inclusion, and whether unsold lots on the List at the end of a financial year should again be included in the following year; and*
- (c) *the channels through which developers may purchase unsold lots on previous Lists?*

SECRETARY FOR HOUSING (in Cantonese): Madam President,

- (a) We have reserved or earmarked adequate land to cater for the housing need generated by population growth in the coming eight years. Some of the reserved land has been formed and can be allocated and disposed of for both private and public housing development. The estimated new land that can be made available for housing development is given at Annex 1.

It is difficult to estimate, at this stage, the number of housing units that can be produced from this supply of new land. Land is not formed until there is a firm development programme that require such formation and servicing. After land is formed, the Government will only dispose of and allocate the land, in accordance with housing demand and the market situation. Formed land would not be disposed of in large quantities at the same time.

The estimated number of private flat completions is based on the current information available, such as lease modifications, building plan submissions and planning applications. The progress of these private housing developments will be affected by market conditions and the commercial decisions of individual private developers. The lead-time for flat production from land disposal to completion of flats is about three to five years, depending on the scale and complexity of individual housing projects.

From 2002-03 to 2004-05, the estimated total private flat completions during this period amount to about 90 000 units. Details are at Annex 2. Relevant information shows that about one

third of the new completed units is built on new land allocated or disposed of by the Government and about two thirds is built on redeveloped private properties or resulting from changes of land use. These projects are dependent on the commercial decisions of private developers as well as market demand.

From 2002-03 to 2005-06, the estimated total public housing flat production is about 120 000 units. Details are at Annex 3. The Government is currently reviewing a number of longer term public housing issues, including the balance between subsidized flats and loans, the eligibility criteria for home ownership or loan assistance, and the criteria for allocation for sites of subsidized home ownership. Therefore, it is difficult, at this stage, to estimate the number of public housing production in the longer term.

- (b) Before the commencement of each financial year, the Government announces a one-year Land Sale Programme (LSP) of specific sale sites and a four-year Land Development Programme of estimated quantity of land available in the next four years. The LSP provides details of the sites to be sold in scheduled land auctions and tenders and sites available under the Application List system in the coming financial year. The purpose of the Application List is to provide flexibility to the LSP by allowing the market to determine the timing and quantity of additional land required to meet market demand. A developer interested in any site on the Application List may apply for its sale by offering a price. If the Government considers the price offered reasonable and accepts it, the site will be put up for sale by auction or tender in accordance with the relevant procedures.

In selecting land sale sites for inclusion in the Application List, the Government will consider the following factors including whether the sites concerned have been formed and relevant statutory planning procedures completion, the availability and conditions of the sites, and the economy and market conditions. In view of the prevailing market conditions and to allow the market greater flexibility, we have put the larger, more valuable sites in the current financial year's Application List and have arranged for the smaller private housing sites to be sold in the scheduled land auctions.

This approach allows more medium and small developers to participate in the scheduled land auctions.

The Application List system has been working well and is welcomed by the property sector. Since the introduction of this system in April 1999, 11 sites have been sold by application, including two commercial sites and two shipyard sites sold in the current financial year. Unsold sites may be rolled forward to the next financial year's Application List. Sites which have remained on two consecutive Application Lists and are not expected to attract applications in the near future will not be included in the Application List in the next financial year but will put to other temporary uses.

- (c) If an unsold site is rolled forward to the subsequent financial year's Application List, any developer may apply for its sale in the financial year concerned in accordance with the above-mentioned procedures. If there are requests for the sale of unsold sites which were on previous Application Lists but are no longer on the current one, the Government may consider the requests on a case-by-case basis subject to the availability of individual sites.

Annex 1

Formed and Unformed Land Production Capacity

<i>Land Production Capacity</i> ¹ (hectare)		<i>2002-03 to 2009-10</i>	
		<i>Formed Land</i> ²	<i>Unformed Land</i> ³
Hong Kong	Public Housing	0.0	6.1
	Private Housing	20.5	30.5
	Sub-total	20.5	36.6
Kowloon	Public Housing	20.1	49.6
	Private Housing	12.6	37.5
	Sub-total	32.7	87.1

	<i>Land Production Capacity</i> ¹ (hectare)	<i>2002-03 to 2009-10</i>	
		<i>Formed Land</i> ²	<i>Unformed Land</i> ³
New Territories ⁴	Public Housing	38.1	47.8
	Private Housing	127.2	167.5
	Sub-total	165.3	215.3
Total	Public Housing	58.2	103.5
	Private Housing	160.3	235.5
	Total	218.5	339.0

Note:

1. Not including redevelopment land and land involved in lease modifications.
2. Formed lands are land formed with supporting infrastructure, such land will only be disposed of by sale or allocated pending on prevailing market conditions.
3. Unformed land is land that will be formed upon firming of development parameters and programmes. When the development programme is finalized, site formation will proceed.
4. Including Tsuen Wan and Kwai Tsing.

Source: Planning Department, Housing Department

Annex 2

Estimated Private Housing Production

<i>Estimated Production</i> ¹ (Flat)	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>Total</i>
Hong Kong	2 300	800	2 600	5 700
Kowloon	7 300	3 400	10 200	20 900
New Territories ²	21 400	23 800	19 200	64 400
Total	31 000	28 000	32 000	91 000

Note:

1. These figures include newly formed land and redevelopment sites.
2. Including Tsuen Wan and Kwai Tsing.

Source: Rating and Valuation Department

Annex 3

Estimated Public and Subsidized Home Ownership (including HOS) Production

*Estimated Production*¹

<i>(Flat)</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>Total</i>
Hong Kong	0	1 600	3 400	1 900	6 900
Kowloon	19 500	4 800	7 500	19 500	51 300
New Territories ²	16 600	15 700	21 100	9 900	63 300
Total	36 100	22 100	32 000	31 300	121 500

Note:

1. These figures include newly formed land and redevelopment sites.
2. Including Tsuen Wan and Kwai Tsing.

Source: Housing Department

MR LAU PING-CHEUNG (in Cantonese): *Madam President, I would like to ask the Administration whether the figures listed in the main reply include the quantity of land for sale put up by statutory bodies like the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation and so on? If they do not, how will the Administration adjust and regulate the impact of this quantity of land on the supply and demand in the land market?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, could you ask Mr LAU to specify which statutory body with a quantity of land for sale does he wish to be informed?*

PRESIDENT (in Cantonese): *Mr LAU Ping-cheung, please repeat your supplementary question.*

MR LAU PING-CHEUNG (in Cantonese): *Madam President, I was not asking for quantities. I was only asking whether the figures include quantities of land supplied by other statutory bodies. If they do, the Secretary could say yes*

PRESIDENT (in Cantonese): Secretary for Housing, please sit down first.

MR LAU PING-CHEUNG (in Cantonese): *But if they do not, then I would like to ask the Administration how will it adjust and regulate the impact on the supply and demand of government land when these statutory bodies put up this quantity of land for sale?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, Annex 1 sets out the quantity of newly developed land. As for land from other bodies such as the two railway corporations, such information should have been included in the Annex if this is available to us, if not available, then it is not included. Annex 1 does not include details on land for redevelopment.

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

MR LAU PING-CHEUNG (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. Since the Secretary has replied that the figures do not include such information, then I think she has to say how will the Administration adjust and regulate the impact on the supply and demand of land in Hong Kong when these statutory bodies put up their land for sale. Does the Administration have a regulatory mechanism or method in place?*

PRESIDENT (in Cantonese): Which Policy Secretary will take this question?

SECRETARY FOR HOUSING (in Cantonese): Madam President, with regard to the speed of the sale of land owned by the two railway corporations and the area of land involved, as the corporations are developing property with private sector developers and in the absence of any government subvention, we would regard the buildings constructed as private buildings. The developers and the two railway corporations will put up land for sale in accordance with the market

situation. I do not think that the corporations will put up their land for sale in large quantities at one go. Therefore, no regulatory mechanism will need to be set up as the corporations will make their adjustments in accordance with the market situation like other private developers.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I only wish to add a few words. The Administration will scrutinize every proposal for commercial and residential developments submitted by the two railway companies before approval is given. Land will be disposed of only when the Administration is satisfied that there are genuine needs from the railway companies for development. When land is disposed of, the Administration will impose requirements as to the completion time and the number of units to be completed. Throughout the process, the Lands Department is involved. When land is disposed of at the initial stage, the Administration would make decision according to completion time and practical needs and as the Secretary for Housing has said, the railway companies will make adjustments according to market conditions. If the market is sluggish, progress will definitely be slowed down. If the market is buoyant, the railway companies will put up the land for sale according to schedule or even earlier. However, all these will have to follow the schedule as agreed with the Administration earlier.

PRESIDENT (in Cantonese): Secretary for Housing, please supplement your comments.

SECRETARY FOR HOUSING (in Cantonese): Madam President, may I add some information as regards the supplementary question raised by Mr LAU? At first, the Secretary for Planning and Lands will co-ordinate the disposal of new land for private development in accordance with the land disposal and development programme. If railway companies are granted the right to develop their rolling stock depots, then we will try to study how conflicts arising from the development projects can be avoided and whether these projects will have any impact on the long-term housing development, uses and so on. So ultimately we have a mechanism in place to oversee such developments and Mr LAU should rest assured.

PRESIDENT (in Cantonese): As there are still 11 Honourable Members waiting for their turn to raise their supplementary questions, I will try to allow more Members to ask their questions and hope Members will be precise in their questions.

MR ALBERT CHAN (in Cantonese): *Madam President, firstly, after reading the information given, I still have no idea as to what was the housing production programme the Government has in mind. Annex 2 shows that the estimated private housing production for 2002 to 2005 is about 30 000 units in average annually, that is quite close to the annual private housing production of 85 000 units as planned by the Government in the past and this leaves people with the impression that the policy of the annual housing production of 85 000 is still in existence. Would the Government clarify this point? Secondly, when land is to be disposed of, redeveloped or have its land use changed, the Government is able to exercise control over the time when land is to be disposed of or put up for auction; but when applications are made for redevelopment or reconstruction on private land, often the private developers will have control over the time schedule. That is a very odd situation, for these developers are asking the Government not to sell land on one hand, but on the other hand they are making massive applications for change in land use and they are speeding up such a process*

PRESIDENT (in Cantonese): Mr Albert CHAN, your supplementary question is especially long.

MR ALBERT CHAN (in Cantonese): *Madam President, I am sorry, this supplementary question of mine is technically very complicated. It is also very important as it touches on money issues. So it will have to take up some of our time. The main reply mentions that about two thirds of the flats produced is on redeveloped private properties or resulting from changes of land use. Then if the Government reduces the quantity of land it disposes of, would the proportion be also reduced when the private developers apply for changes in land use?*

PRESIDENT (in Cantonese): Mr Albert CHAN, you have raised two questions, but I would only ask the Secretary to answer one of them. Mr CHAN, which question would you like the Secretary to answer?

MR ALBERT CHAN (in Cantonese): *Madam President, I think we are all very concerned about the issue of the production of 85 000 flats, but if the Government says that it is no longer mentioned then it is no longer an issue, and nothing will need to be said about it*

PRESIDENT (in Cantonese): Mr CHAN, would you please tell me which question you would like the Secretary to answer?

MR ALBERT CHAN (in Cantonese): *Madam President, then could the Secretary answer my second supplementary question? For that is about the granting of approvals and it is relatively more important. I am not sure if the Secretary for Planning and Lands or the Secretary for Housing would like to take that question.*

PRESIDENT (in Cantonese): Which Secretary would like to take this question?

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the quantity of land we disposed of has not been reduced. We are just using the Application List system to meet market needs. The supply of land is definitely not reduced. Our major target is to ensure a sufficient supply of land to meet market needs. As to the question of whether the quantity of land approved for changes in land use can be reduced, since the sites are private properties, if the owners can afford the land premium required, then they are free to apply for changes in land use. Having said that, I do not believe that they will be very enthusiastic about applying for changes in land use in view of the low market value of their sites. Personally I am not aware of such a state of affairs.

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

SECRETARY FOR HOUSING (in Cantonese): Madam President, I do not know if Mr Albert CHAN would like me to answer his first supplementary question or not. As a matter of fact, with respect to public housing, we do have programmes devised and pledges made. The Administration and the Housing Authority make pledges on the number of public housing flat production and so the supply of public housing should not be on the high side, for flat production is carried out according to the production programme that we have in place. As for private housing, our policy is to give a free hand to the market. As I have said in my main reply, there is a mechanism to regulate land supply and flat production. Take for example, site formation will take place in unformed land only when there are firm development programmes or land disposal programmes, thereafter land sale will proceed according to market demand and as appropriate. And developers will decide on the progress of the development programmes in accordance with market needs. So when Members are looking at the supply of flats in the annexes, they should read the figures with the future housing demand in mind.

DR DAVID CHU (in Cantonese): *Madam President, in Annex 1 of the main reply, hectares are used by the Government as a unit of measuring land. I would like to ask how many flats can be produced for each hectare of land according to government estimates?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, one hectare of land equals to 10 000 sq m, and supposing the plot ratio is three times, then the total floor area of that site will be 30 000 sq m. Or suppose the average area of a flat is 60 sq m, then one hectare of land can produce 500 flats. Suppose the plot ratio is five times, then the total floor area will be 50 000 sq m. And if the area of each flat is only 50 sq m, then one hectare of land can produce 1 000 flats.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary in part (a) of the main reply mentions that "The Government is currently reviewing a number of longer term public housing issues Therefore, it is difficult, at this stage, to estimate the number of public housing production in the longer term." May I ask the Government that, when considering the number of public*

housing production in future, can there be some kind of a basis, that is to say, at least the future provision will not be any less than the present number? In so doing, even if the future demand for public housing will not be so great, then at least the present eligibility criteria for public housing application can be relaxed so that more people can become eligible. Additionally, would a change in the use of the existing 120 000 flats be made when conducting a review?

SECRETARY FOR HOUSING (in Cantonese): Madam President, the review is presently being undertaken, but no conclusion has been reached yet. We will definitely consider the valuable opinions given by Mr LEUNG just now.

MR JAMES TIEN (in Cantonese): *Madam President, as regards land supply, the Administration says in part (b) of the main reply that smaller sites will be put up for auction and those with a greater value will be put into the Application List. The system is a well-established one. However, the two lots which have been earmarked over the past year are all over 1 million sq ft and thus many small and medium developers are excluded from the earmarking. I would like to ask the Government, does it mean that a land lot which is smaller in size is marked "small", or a land lot of greater value is marked "large"? How come one focus is on the size and another is on the price? Which one of these two should be taken as the criterion? Will the Government consider laying down some criteria to state that sites under a certain number of square metres can be applied for their sale?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the practice we adopt this year is to put sites of a smaller size for regular auction and those of a larger size and of a greater value will be put into the Application List. Presently we are formulating our land sale programme for next year. During this process, we will take the present conditions into account and will consult the views of the sector.

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

MR JAMES TIEN (in Cantonese): *Madam President, the Secretary has not answered my question. I would like to know that according to existing practice what is meant by large. Does it mean a site of 100 000 sq m or 50 000 sq m? What are the criteria used by the Government?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): *Madam President, we do not have any fixed criteria such as a land lot which is more than 50 000 sq ft will be regarded as large and one which is less than that will be regarded as small. That will have to depend on factors such as land use and demand at that particular time. For the current year, however, we have no criteria insofar as figures are concerned to tell small land lots from large ones.*

PRESIDENT (in Cantonese): *We have used 21 minutes in this question. Now the third question.*

Study on Landscape Value Mapping of Hong Kong

3. **MR MARTIN LEE** (in Cantonese): *Madam President, in October last year, the Planning Department awarded an 18-month consultancy contract for a study on the Landscape Value Mapping of Hong Kong. The main objective of the study is to collect information on the geographical distribution and other basic features of landscapes in Hong Kong to facilitate future assessment of the impact of major projects on such places. In this connection, will the Government inform this Council:*

- (a) *of the reasons for conducting this study; whether it is because quite a number of landscapes are threatened by development projects; if so, of the places at which the landscapes are under threat;*
- (b) *of the short-term measures in the interim to protect various landscapes before the study is completed and relevant measures are drawn up; and*
- (c) *why this study requires 18 months to complete and does not include a consultation exercise; whether it will consider creating temporary*

posts such as researchers so that the study can be completed as early as possible?

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President,

- (a) The reason for the Government to conduct the study on "Landscape Value Mapping of Hong Kong" is not because a number of landscapes have been threatened by development projects. The purpose of our study is to fulfil a positive objective by collecting and analysing the baseline conditions of the landscape resources in the territory in order to establish a database of the landscape covering the whole of Hong Kong.

In the past, the Government has never surveyed the landscape resources in Hong Kong as a whole and collected relevant information in a systematic way. When considering individual development projects, the departments concerned therefore have to collect afresh information on the landscape in the relevant areas to facilitate their assessment of the landscape impact of these projects. With the database, the assessment process will be more comprehensive and efficient.

- (b) All currently known landscapes of value are basically protected by relevant legislation. Most of them are zoned conservation areas, green belts, coastal protection areas or sites of special scientific interest on statutory outline zoning plans. Under the Town Planning Ordinance, development within these areas is generally not permitted. The Victoria Harbour and country parks are safeguarded by the Protection of the Harbour Ordinance and the Country Parks Ordinance. In addition, the Environmental Impact Assessment Ordinance requires that for certain specified projects, a comprehensive environmental impact assessment report must be prepared, which is subject to the approval of the Director of Environmental Protection. Landscape impact is one of the major areas of assessment.

- (c) The assessment on the territory's baseline conditions of the landscape resources is the first major study of its kind ever conducted in Hong Kong. The scope of the study includes developing a system of landscape classification and establishing a set of classification criteria and evaluation criteria, as well as conducting a territory-wide field survey to collect information on the landscape in the whole of Hong Kong. In view of the scale and complexity of the survey, and the remoteness and inaccessibility of most of the sites under survey, the study will need to take quite some time. The Planning Department has consulted the professional bodies, which have unanimously advised that the study period of 18 months is reasonable.

As to whether temporary posts such as researchers could be created in order to expedite the study process, we consider there might be some difficulties. The majority of the survey work will have to be conducted by surveyors with professional knowledge about landscape and the Planning Department does not expect that there are many professionals in this field available as temporary staff. Nevertheless, the department will refer the proposal to the consultant for consideration. Meanwhile, the department, together with the consultant, will explore how to expedite the study process where possible.

MR MARTIN LEE (in Cantonese): *Madam President, it is said in part (b) of the Secretary's main reply that all currently known landscapes of value are basically protected by relevant legislation. But the study on "Landscape Value Mapping of Hong Kong" is not yet completed. This means that the Government still does not know the locations of landscapes of value. That being the case, how can it be said that all these landscapes are basically protected by relevant legislation? Madam President, let me give you an example. The Democratic Party has recently conducted a "Hong Kong Top Ten Landscape Poll". Some 6 000 people voted, and the elected landscapes include, among others, Sai Kung, Tai Long Wan and Nine Main Streams and Cascades. I believe that not all these landscapes are protected under the Protection of the Harbour Ordinance and the Country Parks Ordinance.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, we are also aware of the landscape poll conducted by the Democratic Party. This poll covered not only landscapes of value but also conservation areas. We are of the view that this poll is of a different nature. The current study of the Government aims to establish the baseline conditions of landscape resources on a territory-wide basis. It covers all the urban and rural landscapes in the whole of Hong Kong, and besides natural landscapes, it also covers artificial landscapes.

MR MARTIN LEE (in Cantonese): *Madam President, the main question is: Since the Secretary says that the locations of the landscapes concerned are not yet known, how can he tell us that they are protected by legislation?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the Government does roughly know what these landscapes are. In fact, as we all know, there is nothing so particularly secret about how many landscapes of value there are in Hong Kong, nor will we suddenly discover any additional landscapes of value either. Therefore, generally speaking, we do know where the landscapes are, and we believe that most of them are already protected by legislation.

MRS SELINA CHOW (in Cantonese): *Madam President, as pointed out by the Secretary just now, this territory-wide database of landscape resources will provide useful reference in our future development. These landscapes are in fact the assets of Hong Kong. May I ask whether this database can be used for other purposes, such as fostering the development of the landscapes as tourist attractions? In particular, will consideration be given to reaching out for remote landscapes?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, we very much welcome the use of the landscape study findings by other departments and organizations for any purposes. If the Government can assist other organizations in any way, we are certainly prepared to do so.

MR WONG YUNG-KAN (in Cantonese): *Madam President, it is mentioned by the Secretary in part (b) of the main reply that some of the landscapes concerned are protected under the Country Parks Ordinance and the Protection of the Harbour Ordinance. As far I am aware, some of these landscapes are now inaccessible to vehicles. If one wishes to visit these landscapes, one may thus have to walk for two to three hours. May I ask the Government whether it will consider the idea of making these landscapes more physically accessible by constructing more roads leading directly to coastal parks and conservation zones?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): *Madam President, this question is outside the scope of the study. I believe that their remote location are precisely the reason why many landscapes of value can remain as they are. In the process, we must strike a proper balance and identify those features that deserve conservation.*

MR LAW CHI-KWONG (in Cantonese): *Madam President, it is mentioned by the Secretary in part (b) of the main reply that most of the landscapes concerned are protected by legislation, and that the development of these places will not be permitted under the Town Planning Ordinance. Besides, it is also mentioned that even if these places are to be developed, comprehensive environmental impact assessments must be conducted first. But then, it is mentioned on the other hand by the Secretary in part (a) that the objective of the study is to facilitate the landscape impact assessments of the departments concerned when they consider the relevant development projects. If the majority of these landscapes will not be developed, and if most of the development projects concerned will not be permitted, will it be a waste of public money for the Government to conduct this territory-wide study? And, even if there is still any development at all, comprehensive environmental impact assessments will still have to be conducted again. Does the Government have any other objective behind this study, apart from just the reason mentioned in part (a)? Madam President, if that is the only objective, there would seem to be a waste of public money.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): *Madam President, the Government certainly does not have a hidden agenda. The study is genuinely related to landscapes of value. But when it comes to landscapes,*

we cannot just stand here and do our observation, and we must observe them from perspectives at a distance before we can determine whether they are of any value. Therefore, we must conduct a lot of studies and observe some landscapes from different perspectives before considering whether they merit preservation.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the study of the Government aims to collect information about local landscapes, so the Government would certainly have set down some objectives. May I ask the Secretary whether the objectives of information collection also cover some landscapes not protected by legislation, such as valuable and old trees? And, valuable and old trees aside, what other landscapes not yet protected by legislation are covered in the information collection?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): *Madam President, the study does not cover any individual valuable and old trees; our study looks mainly at places. Let me perhaps share with Members the broad scope of this government study. This study is divided into five parts: first, a review of the relevant local and overseas experience in classifying and assessment landscapes; second, the establishment of a landscape classification system and a set of landscape classification criteria; third, conducting a baseline conditions study covering information collection and site inspections; fourth, the classification of landscape information based on an analysis of the baseline conditions collected, with a view to establishing a database of the landscapes covering the whole of Hong Kong and producing a set of landscape features map; fifth, proposing a set of assessment criteria to ascertain the significance of landscape features and whether they can be easily affected by development, in order that a proposal on appropriate indicators that can systematically and objectively assess impacts on landscapes could be worked out.*

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

MISS CHOY SO-YUK (in Cantonese): *Madam President, no. The Secretary for the Environment and Food once said that information about valuable and old*

trees would be collected. May I ask why it is not possible to do these two tasks together? If the Government does so, it will not have to spend additional expenses.

PRESIDENT (in Cantonese): Miss CHOY, this is a separate question and not a part of the supplementary question you asked just now.

MR HOWARD YOUNG (in Cantonese): *Madam President, it is mentioned by the Secretary in part (b) of the main reply that the Victoria Harbour is already protected by legislation. But I do not think that the protection is comprehensive enough. From the perspective of the tourism industry, the most valuable landscapes of Hong Kong may probably be the Harbour and the Peak. Will the study cover these major tourist spots, so as to find out, for example, whether they will be blocked by developments? Will it seek to find out how to avoid such a situation — one under which tourists at the Peak cannot see the Harbour while those at the Star Ferry Pier looking towards the Peak can only see buildings but not the ridgeline? Will the Government consider these factors?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, this will be covered by the study. But whether any town planning guidelines are to be formulated will belong to another scope of work.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I find part (b) of the Secretary's reply to the main question of Mr LEE rather vague. According to the Secretary, many landscapes are already protected by legislation, but I am not that positive. May I ask the Secretary what kind protection the Government has been offering to our skyline? There is a very high building in Whampoa Garden, and it virtually blocks our sight of the ridgeline. What kind of protection is this? I agree that it is good for the Government to collect information about our landscapes. The position of the Government is also very proper because natural landscapes and historical relics are the assets of Hong Kong and can enable us to develop another important kind of industry. But the point is that during the current period of transition, how is the Government*

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, please state your supplementary question.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I now ask my second supplementary question.*

PRESIDENT (in Cantonese): Miss CHAN, you are permitted to ask one supplementary question only.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I am now going to ask my question. I have been arguing about this issue with the Government for several years, and time and again the Government told me that protection measures are already in place, but that it can do nothing to protect the skyline. How is the Government going to offer protection? What new ordinances are there to offer protection? I hope that the Secretary can answer my question.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the study in question deals with the various places where landscapes of value are found; the Government will give thoughts to the issue raised by Miss CHAN under a separate work project. This project involves the guidelines of town design, and consultation is now underway. It is expected that new guidelines can be submitted this year. As far as this issue is concerned, we must identify a right balance. We simply cannot say that Hong Kong shall from now on stop constructing high buildings. But at the same time, we should also protect many places with landscapes of value. We wish to strike a proper balance between the two sides.

MR HENRY WU (in Cantonese): *Madam President, as pointed out by the Secretary in the last paragraph of the main reply, the Government estimates that there are too many available professional researchers. May I ask the Secretary how many such professional researchers are there? How many people are currently engaged in this type of work? How is the relevant professional status defined? Do people in the profession need to obtain licences?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, as I mentioned in the main reply, there are not too many professionals available as part-time or temporary staff. I can share some relevant information with Members. The consultant that we commission this time has hired 19 local and overseas professionals who come from different professions such as landscape gardening, town planning, forest ecology, information engineering systems and the humanities.

MISS CHOY SO-YUK (in Cantonese): *Madam President, it is pointed out by the Secretary in his main reply that since this study requires highly professional knowledge, it is not appropriate to hire large numbers of temporary staff. But will the Secretary consider the idea of employing fresh graduates? The Government has to provide training to the staff it employs anyway. Why does it not provide training to temporary staff, so that more people can take part in the study to expedite the work?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, we have employed 19 people for this study. However, having listened to Members' view, we will certainly relay their view to the Planning Department, so that the consultant can give thoughts to it.

PRESIDENT (in Cantonese): Fourth question.

Crackdowns on Sale and Purchase of Duty-not-paid Cigarettes

4. **MRS SELINA CHOW** (in Cantonese): *Madam President, regarding crackdowns on the sale and purchase of duty-not-paid cigarettes, will the Government inform this Council of:*

- (a) *the respective numbers of persons arrested, prosecuted and convicted last year for selling duty-not-paid cigarettes, and how such numbers compare with those of the preceding year;*
- (b) *the respective numbers of persons prosecuted and convicted last year for buying duty-not-paid cigarettes; and*

- (c) *the measures the Customs and Excise Department will take to prevent the resurgence of the sale of duty-not-paid cigarettes?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, to reply to the first part of the question: the numbers of persons arrested, prosecuted and convicted in 2001 for illegal sale of illicit cigarettes were 658, 611 and 556 respectively. The numbers in 2000 were 502, 457 and 410 respectively.

To reply to the second part of the question: the numbers of persons arrested, prosecuted and convicted in 2001 in connection with buying illegal illicit cigarettes were 131, 131 and 109 respectively. The numbers in 2000 were 98, 98 and 92 respectively.

To reply to the third part of the question: the Customs and Excise Department (the Department) has adopted a series of proactive measures to combat illegal sale and purchase of illicit cigarettes. These measures have achieved major results.

In April 2000, the Department set up an 84-strong Anti-Illicit Cigarette Task Force, which is dedicated to combating smuggling and sale of illicit cigarettes. The Task Force has strengthened the collection of intelligence on cross-border cigarette smuggling syndicates through stepped up co-operation with customs authorities in the Mainland and other countries, and strengthened enforcement action, including the conduct of more frequent searches on river trade vessels and small vessels. These measures have helped to curb the supply of cigarettes through smuggling. The Task Force has also enhanced its efforts in investigating, arresting and prosecuting people who are suspected to be involved in the sale of illicit cigarettes.

The Department also stepped up its enforcement actions against people who purchase illicit cigarettes. It has launched various publicity campaigns to educate the public the seriousness of the offence, and is reviewing an existing reward scheme with a view to encouraging more people to come forward to report smuggling activities to the Department.

These measures have achieved major results. The average numbers of persons arrested and prosecuted per month in 2001 have increased by 31% and

34% respectively over those in 2000. Street sales are also declining. The number of black spots of illegal sale of illicit cigarettes declined from about 100 in early-2000 to about 20 in recent months. Retail prices of illicit cigarettes in the black market have also increased from an average of \$90 per package of 200 sticks in early 2000 to \$110 in recent months. The latest black market price of popular brands has increased to \$120 to \$150 per package of 200 sticks. These changes reflect that Department's action has reduced the supply and quantity of illegal illicit cigarettes.

The Department will continue its efforts to combat smuggling and sale of illicit cigarettes, and strive to eliminate these illegal activities.

MRS SELINA CHOW (in Cantonese): *Madam President, the sixth paragraph of the main reply gives us an impression that the situation seems to have come under control but the information given by the sector tells me that the black spots of illegal sale of illicit cigarettes have actually not been reduced to 20, and up till the present, there are still 63 black spots. I have also provided the Department with the information that such cigarettes can be directly ordered by mobile phone and the activities have spread from public housing estates to private housing estates. Would the Secretary inform this Council, from the perspective of the Government, of the estimated loss in revenue and how the Administration would control the spread of such activities?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Mrs Selina CHOW for the information given. I believe the Department would find the information very useful, including the 63 black spots just mentioned by Mrs Selina CHOW and the information that such cigarettes can be directly ordered by mobile phone. Therefore, with the information provided by Mrs Selina CHOW through her contacts with the sector, the Department would certainly take follow-up actions.

According to the figures at hand, in 2001, the Department successfully seized 360 million illicit cigarettes, and 204 million among them were for transshipment. In other words, these cigarettes were not transported for sale in Hong Kong but transported via Hong Kong for sale in Greece, Europe and other countries. In 2001, the Department seized around 156 million illicit cigarettes for sale in Hong Kong. If we could recover duties on these 156 million cigarettes, the duties would amount to \$125 million. Taking the period from

January to December 2000 as an example, the annual duties collected from tobacco were \$2.427 billion. These figures are only cited for reference, since the Department has failed to seize all illicit cigarettes, we have no means to know about the quantities involved. Madam President, I cited these figures not to show that the Government is not concerned about the problem. In fact, the Government is highly concerned about it, thus, we have especially dispatched 84 staff to the Department in April 2000 for setting up an 84-member Anti-Illicit Cigarette Task Force in order to step up enforcement.

MRS SELINA CHOW (in Cantonese): *Madam President, actually, my supplementary is meant to ask the Government how much revenue had been lost. I believe that the Government must take other factors into account besides calculating on the basis of the illicit cigarettes seized. For instance, the number of smokers in Hong Kong and the number of cigarettes sold by official channels. My supplementary was, by referring to the figures calculated, how much total revenue had the Government lost on the whole?*

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

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Mrs Selina CHOW for her supplementary. I also wish to know how much revenue we had lost. Yet, I really cannot obtain such data by any means though I really wish to do so. Of course, we know the actual figures of tobacco duties collected by official means. We can do so through some duty-free shops, the Lo Wu Control Point, and the existing five immigration halls since Hong Kong people are permitted to bring specified quantities of duty-free cigarettes when they return from foreign places to Hong Kong. We have data on such cigarettes sold by official means. But we do not have the latest survey results at hand, showing the existing number of smokers in Hong Kong and the average quantities of cigarettes smoked by each smoker per day. Precisely because of the lack of such data, we can hardly estimate how much duties on tobacco we lost.

MR LAU KONG-WAH (in Cantonese): *Madam President, I do not know the meaning of "black spots of illegal sale of illicit cigarettes" as stated by the Government, but I am not sure if the Administration has noticed that many of*

such activities in the market are scattered and sporadic. However, the figures in the first and second paragraphs of the main reply show that the numbers of both the sellers and buyers arrested have increased. Why did the Secretary say that the situation had improved? Would the Secretary tell us if the sentence imposed on those 100-odd convicted buyers of illicit cigarettes were strict? Did the sentence have deterrent effects?

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Mr LAU Kong-wah for his supplementary. The Department would continuously follow up all black spots on which we had information. Our colleagues in the Department would also take various tracking down actions, including "posing as customers", and trying their best to control the sale of illicit cigarettes.

Concerning the second part of Mr LAU's question, the information at hand shows that, in 2000, the sentences passed by the Court on buyers of illicit cigarettes were generally fines ranging from \$20 to \$2,000. In 2001, the sentences passed by the Court on such buyers of illicit cigarettes ranged from fines of \$100 to \$2,000, while the maximum penalties specified under the law is a fine of \$1 million and two years' imprisonment. Certainly, the Court would ultimately determine the penalties on the basis of individual cases.

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

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary has not answered whether she thinks that the penalties have deterrent effects.*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, it would be difficult for us to comment on the decisions made by the Court.

MS MIRIAM LAU (in Cantonese): *Madam President, around the year before last, this Council passed a legislation targeted at users of duty-not-paid fuel and imposed substantially heavier penalties. If drivers breach the legislation, besides being fined and imprisoned, they would have their driving licences*

suspended. I know that the passage of this legislation has material effects. I was told that the relevant problems have almost been reduced by half, which shows that such activities have substantially reduced. As compared to duty-not-paid fuel, the Government seems to be more lenient with the problem of illicit cigarettes. In my view, if the relevant penalties do not sufficiently reflect the seriousness of offences, they may not have significant effects. Would the Government consider imposing heavier penalties for the relevant offences? The supplementary of Mr LAU also asked about the relevant penalties because he thought it seemed that the penalties imposed have been unable to reflect the seriousness of offences, and were not effective. Would the Government conduct a study with the aim of making the control of illicit cigarettes as effective as the control of duty-not-paid fuel?

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, in Hong Kong, we respect judicial independence. I have just said that the maximum penalties specified under the law are a fine of \$1 million and two years' imprisonment. Members would find that there is a big difference from between this and the actual judgements passed by the Court from 2000 to 2001. I am sure the Court must have made such judgements on the basis of individual cases.

The question asked by Ms Miriam LAU might cause Members to misunderstand that the penalties I mentioned when I answered Mr LAU Kong-wah's question represent the penalties imposed by the Court in all cases on illicit cigarettes. Mr LAU Kong-wah just asked how the Court imposed penalties on the sellers and buyers of illicit cigarettes. There are in fact some other offences relating to illicit cigarettes, including smuggling and storing of large quantities of illicit cigarettes. The Court has passed different sentences for such offences. Perhaps, I can give some information for Members' reference. In general, for smuggling and storing illicit cigarettes, the Court would pass such sentences as a fine ranging from \$5,000 to \$115,000 or imprisonment from two to 18 months. The information is obtained from the sentences passed by the Court in 2001. In 2000, in respect of smuggling and storing large quantities of illicit cigarettes, the Court has passed such sentences as a fine ranging from \$5,000 to \$80,000 and imprisonment from two to 16 months.

MR MICHAEL MAK (in Cantonese): *Madam President, it seems that combating the sale of illicit cigarettes should not be the responsibility of the*

Customs and Excise Department alone and the police should also have a certain role to play. Is the Department or some other departments responsible for the co-ordination?

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Mr MAK for his question. The Department takes the lead in combatting activities relating to illicit cigarettes. Of course, the police as another enforcement body would take arresting and prosecution actions if they come across illicit cigarettes cases in the course of their work.

PRESIDENT (in Cantonese): This Council has spent more than 15 minutes on this question. We shall proceed to the last supplementary now.

MR TOMMY CHEUNG (in Cantonese): *Madam President, would the Secretary inform us of the numbers of cases in which young people are being made use of in the sale of illicit cigarettes, and how does the Government handle the problem?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I do not have the relevant information at hand. With your permission, I would give this question a written reply. (Annex III)

PRESIDENT (in Cantonese): Fifth question.

Remedial Works for PRH Blocks in Tin Shui Wai

5. **DR TANG SIU-TONG** (in Cantonese): *Madam President, the authorities concerned previously stated that foundation strengthening works for Block J of Tin Fu Court and Blocks K and L of Tin Chung Court in Tin Shui Wai were scheduled for completion by February, April and October 2002 respectively, while remedial works to repair the unusual cracks at two public rental housing blocks in Tin Yuet Estate were scheduled for completion by September 2000. In this connection, will the Government inform this Council of:*

- (a) *the progress and revised estimated expenditure of each of the above works;*
- (b) *the completion dates of the works for Tin Fu Court and Tin Yuet Estate; and*
- (c) *the reasons for any delays in such works?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, foundation strengthening works for Block J of Tin Fu Court have reached the final stage and will be completed in June this year. The estimated total expenditure is \$56 million. There is a slippage of four months due to geological complexities, which necessitated more rigorous monitoring and an extended works schedule. Extra care has to be exercised to minimize adverse impact on residents of nearby newly occupied blocks and students of new schools. The Government and the Housing Authority (HA) would like to apologize for the inconvenience caused by the delay to purchasers of Block J of Tin Fu Court.

On 7 February 2001, at the meeting of this Council, the Secretary for Housing explained in detail the nature of the foundation strengthening works of Block K and the foundation remedial works of Block L of Tin Chung Court. Works are progressing on schedule for completion in January 2003. The estimated total expenditure is \$163 million.

As for Tin Yuet Estate, the completion date mentioned by Dr TANG refers to the original expected completion date of the superstructure contract. When releasing the review findings of 105 site foundations in mid-March 2000, the Housing Department (HD) pointed out that it was necessary to repair the hairline cracks in Blocks 17 and 18. After collecting data, thorough inspections and detailed analysis, the consultant worked out a comprehensive remedial plan in mid-2001. Foundation strengthening was not required. Following discussions over the works schedule and contractual arrangements, the remedial works commenced in August 2001 for completion in September 2002 at an estimated total expenditure of \$40 million.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Secretary pointed out in the first paragraph of the main reply that foundation strengthening works for Block J of Tin Fu Court were scheduled for completion in June this year,*

meaning that there would be a slippage of four months. Have the Government and the HA informed the purchasers of the slippage and assured them that the strengthening works would be completed in June? What will the Government offer to compensate for the losses thus incurred?

SECRETARY FOR HOUSING (in Cantonese): Madam President, the relevant purchasers had been told by the HD in November 2000 that the foundation strengthening works for Block J of Tin Fu Court would not be completed until February 2002. After learning of the delayed occupation of the building due to the slippage, the HD has informed the purchasers of the revised occupation date in November 2001. In the next few days, the HD will contact the purchasers in writing to find out their needs. I have also asked the HD to find out the need of each purchaser to see whether they have a need to purchase other Home Ownership Scheme (HOS) units, revoke the initial agreements, or make other housing arrangements such as applying for public housing. Once again, on behalf of the Government and the HA, I would like to apologize to the relevant purchasers for the inconvenience caused by the delay.

As regards compensation, several packages had been proposed by the HA at the end of 2000 to all purchasers affected by the delay in foundation works — including 935 prospective purchasers of Tin Chung Court and Tin Fu Court. 897 owners have chosen to give up the flats they originally bought and instead purchased the HOS resale units specifically reserved for them in Tin Shui Wai, to apply for loans, or to retain their position on the Waiting List. Deposits and interest (calculated on the basis of the prime rate plus 2%) have subsequently been returned to them too. 38 prospective purchasers have remained with their choices in Block K of Tin Chung Court and Block J of Tin Fu Court, with 31 of them preferring Block J of Tin Fu Court instead. In view of the rather lengthy period required for waiting, I have requested the HA to consider returning the deposits and interest to the remaining owners, or allowing them to purchase other HOS flats or join other subsidized housing schemes if they do not want to wait any longer. The HD has recently contacted individual owners and, as far as I know, several owners have indicated interest in purchasing other flats in Tin Fu Court or applying for loans.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, some engineers have been quoted by the media as saying that the remedial piling works carried*

out in Blocks K and L of Tin Chung Court were unsatisfactory as the buildings still showed signs of tilting. What would be the Government's response for this? Is the Government still convinced at this stage, that such remedial piling works is the safest and most cost-effective to be carried out for the two blocks of building?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I am grateful to Mr TAM for raising this supplementary question which gives me a chance to clarify this issue to Honourable Members and the public in this Chamber.

The foundation of Block K of Tin Chung Court is in compliance with the upper limit of the ratio of uneven settlement imposed by the HD. The works carried out by the Government is merely for the purpose of foundation strengthening. As the foundation of Block L will be affected by foundation remedial and strengthening works, its settlement data will change as works progress. The HD will definitely collect the relevant data for internal analysis. As these data are related to the resumption speed of settlement and other factors, it is inappropriate for the data to be published at this stage. Nevertheless, I can stress that: First, both the HA and HD are satisfied with the current progress of the remedial works; second, upon the completion of the works and after occupation, Blocks K and L will definitely meet the safety standards in terms of uneven settlement; and third, Block L of Tin Chung Court (apparently reported to be Block L) has absolutely no danger of any collapse. There is no need for the residents and occupiers of the six occupied blocks of Tin Chung Court, namely Blocks F, G, H, J and M, and Chung Fu Shopping Centre, to suffer any panic.

MR ALBERT HO (in Cantonese): *Madam President, it will take almost three years for the remedial piling works carried out in Blocks K and L of Tin Chung Court to complete, and the cost for completing the relevant works for each block of building amounted to \$80 million. We just cannot help asking this question: Is it worthwhile to do so? Is there a possibility for the Government to have made a wrong estimation and to have failed to foresee the complexity of the remedial piling works as well as the amount of time and money required? Notwithstanding this, the relevant works are still in progress. Was this decision made out of the political consideration that no more demolition should be allowed in any case for fear of great impacts on the HA and the Government, as what happened in the case of Yuen Chau Kok in Sha Tin? Furthermore, will the*

Government rule out the possibility of having to demolish the two blocks of building due to technical reasons?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank Mr Albert HO for raising this supplementary question. The expenditure of the remedial works for Blocks K and L of Tin Chung Court has indeed risen for we intend to strengthen their long-term foundation stability. Such works are preventive by nature, involving mainly the addition of 53 piles and props. The HD and the HA have opted for foundation remedial works because the building structure is still considered safe and there is no need for the buildings to be demolished. In addition, longer reconstruction time will require increased expenses. According to our estimate, it will cost \$600 million for Tin Chung Court to be demolished. The Government is of the view that it is not necessary for Tin Chung Court to be demolished since the building will still be usable upon the completion of remedial works.

MR ALBERT HO (in Cantonese): *Madam President, the Secretary has not answered whether the possibility of having to demolish the two blocks of building can be ruled out. What I meant is: Will the possibility of having to demolish the two blocks of building be ruled out even after remedial works are found to be futile several months after the commencement of works?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, there is absolutely no need for these two blocks of building to be demolished.

MR AMBROSE LAU (in Cantonese): *Madam President, it was rumoured that a new set of inclinometer had been installed by the relevant authorities to monitor the tilting of Blocks K and L. Is this true? If so, what is the purpose of installing the inclinometer? Furthermore, what influence will the data collected have on the safety of the buildings?*

PRESIDENT (in Cantonese): Mr Ambrose LAU, were you trying to ask the Secretary to confirm a news report? If so, you would have breached the Rules of Procedure. Will you rephrase your question?

MR AMBROSE LAU (in Cantonese): *No, Madam President. I was only trying to ask whether such situation exists.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank Mr Ambrose LAU for raising this supplementary question. The Government has installed a real time monitoring mechanism in Blocks K and L of Tin Chung Court for the purpose of replacing manuel efforts in collecting settlement data when foundation remedial works are in progress. I guess Mr LAU can understand that settlement monitoring is essential because the works mainly aim to strengthen the foundation. Therefore, it is necessary, after the completion of each phase of works, for us to collect and analyse the settlement data collected before revising the next step to be taken to ensure the works meet our design requirement.

DR DAVID CHU (in Cantonese): *Madam President, does the Secretary know how many purchasers are still waiting for the three blocks of building to be made available for occupation? Will these purchasers receive compensation from the HA?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank Dr David CHU for raising this supplementary question.

First of all, let me say a few words on the number of purchasers. Insofar as Tin Fu Court is concerned, 31 purchasers are still waiting for it to be made available for occupation. As regards Blocks K and L of Tin Chung Court, four purchasers are waiting for occupation in Block K and three others for Block L. There are altogether 38 purchasers. When it comes to compensation as provided in the relevant sale and purchase agreements, purchasers are entitled to revoke the agreements in the event of delay in the scheduled occupation date, with the deposits already paid returned to them in full yielding interest at the rate of prime rate plus 2%. A purchaser now requesting the Government to return their deposits will therefore be given a rate of 7.125%. As I have stated earlier, the HA has at the end of 2000 decided to provide all purchasers with such options as revoking the initial agreements, purchasing other HOS flats specifically reserved for them, joining other subsidized housing schemes, or retaining their original position on the Waiting List. Deposits already paid will be returned to

them in full with interest too. As pointed out by me earlier, if the remaining 38 prospective owners no longer wish to wait, I will ask the HA to contact them separately and let them opt for other housing units.

Actually, more than 200 HOS flats in Tin Fu Court and Tin Chung Court in Tin Shui Wai are still available for them to purchase. Of course, they may purchase HOS resale flats in other districts too.

MR NG LEUNG-SING (in Cantonese): *Madam President, according to the information provided by the Government, the remedial and strengthening works mentioned earlier will not be completed until January 2003. Will the Secretary inform this Council whether safety reports or notices will be published at regular or non-regular intervals in order to allay the worries of the residents?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank Mr NG for raising this supplementary question. As stated by me earlier, the settlement figures will change as works progress. As these data are related to the resumption speed of settlement and a number of other complicated factors, it is inappropriate for the data to be published at this stage. As I have pointed out earlier, what is most important is that we are satisfied with the progress of works. Furthermore, all uneven settlement will be able to fully meet the safety standard set by the HD, that is, not exceeding 1 to 300, upon the completion of the works.

I would like to reiterate that these two blocks of building have absolutely no danger of collapse. It is totally unnecessary for the residents living in the neighbourhood to worry.

PRESIDENT (in Cantonese): Last supplementary question.

DR RAYMOND HO (in Cantonese): *Madam President, the foundation strengthening works for Tin Fu Court and Tin Chung Court aim to address the tilting problem faced by the buildings. The costs involved will rise as the time to be spent lengthens. Will the Secretary for Housing inform this Council whether or not the Government has adopted a contract stating the format of performance*

specification, that is, a contract requiring an ultimate achievement of the objectives, when inviting bidding, instead of making continuous payment to the relevant construction companies and allowing them to continue with their works even though they have failed to produce satisfactory results?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I would like to thank Dr HO for raising this supplementary question. The answer is in the affirmative.

PRESIDENT (in Cantonese): Sixth question.

Work Progress of Urban Renewal Authority

6. **MR FREDERICK FUNG** (in Cantonese): *Madam President, in his letter to the Panel on Planning, Lands and Works of this Council dated 8 March 2001, the Secretary for Planning and Lands indicated that the Administration would propose a series of recommendations to the Urban Renewal Authority (URA). Regarding the work of the URA, will the Government inform this Council:*

- (a) of the progress of each recommendation mentioned in the above letter; how the Administration urges the URA to implement the relevant recommendations, and how it will deal with situations in which the URA decided not to implement the recommendations;*
- (b) whether it is aware of the progress of the work of the URA and its future plan; and*
- (c) whether the Government and the URA will regularly report to this Council on the progress of urban renewal; if so, of the timetable; if not, the reasons for that?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, in our letter of 8 March 2001 to the Legislative Council Panel on Planning, Lands and Works, we have made seven pledges as follows:

- (i) we would recommend to the URA that its acquisition offer should be more favourable than the Government's land resumption offer as an incentive to flat owners to sell their properties to the URA;
- (ii) we would recommend to the URA that priority should be given to the 25 uncompleted projects of the Land Development Corporation (LDC);
- (iii) we were prepared to recommend to the URA that, in respect of the 25 uncompleted projects of the LDC, the acquisition offers of the URA should have regard to the fact that the residents in these project areas had waited for redevelopment for quite some time;
- (iv) we would suggest to the URA that the removal allowance for flat owners should not be less favourable than that offered to flat owners in the Tsuen Wan project;
- (v) we would suggest to the URA that, under the proposed flat-for-flat exchange scheme, at least 1.2 times the number of flats in proportion to the number of participating owners should be provided for allocation;
- (vi) we would recommend to the URA that the cash compensation for tenants of cubicles and bunk beds should not be less favourable than that currently offered to tenants by the LDC; and
- (vii) we would be prepared to discuss with the Housing Authority (HA) and the Housing Bureau the residents' proposal that the income and assets test for applicants for a flat under the Home Ownership Scheme or a loan under the Home Purchase Loan Scheme should be more flexible in the case of tenants affected by URA redevelopment projects.

In April 2001, we made these seven recommendations to the then Chairman of the LDC, who is now the Chairman of the URA. We are staying in close touch with the URA management on the implementation of the urban renewal programme.

The current position on the recommendations is as follows:

- (i) as regards the first recommendation, the URA has decided to adopt the Government's policy of using a seven-year-old flat as the basis for calculating the Home Purchase Allowance payable to owners of domestic properties; the URA will also offer an incentive for owner-occupiers and owners of tenanted flats to cover removal costs and expenses related to the purchase of a replacement property; details of the incentive will be announced prior to the implementation of each project;
- (ii) as regards the second recommendation, the URA plans to include all 25 uncompleted projects of the LDC in its first draft five-year corporate plan;
- (iii) as regards the third recommendation on the acquisition offers of the URA in respect of the 25 uncompleted LDC projects, the matter is still being considered by the URA;
- (iv) as regards the fourth recommendation on removal allowance for flat owners, the issue is still being considered by the URA;
- (v) as regards the fifth recommendation, the URA is still considering the proposed flat-for-flat exchange scheme;
- (vi) as regards the sixth recommendation, the URA is considering cash compensation for affected tenants as an alternative to rehousing; in cases where cash compensation is paid, the amount will be similar to that offered by the LDC; and
- (vii) as regards the seventh recommendation on income and assets test, the Administration is still discussing with the Housing Authority.

We consider that the seven recommendations are reasonable and practicable. The URA has not set any policies which contradict any of the seven recommendations and I have no reason to believe that the URA has any intention to violate these seven recommendations. Like Members and residents in older urban areas, we see urban renewal as a priority. However, the URA is a newly established independent statutory body with its unique culture of

operation. Besides, its senior management have just been appointed. The URA should be given a free hand to get on with its work. We will continue to monitor developments closely. I believe the URA will make every effort to achieve the urban renewal targets set by the Government.

Concerning part (b) of the main question, we are generally aware of the work of the URA. At the end of November last year, the URA submitted an application to the Government for approval to implement a few "early launch" projects. The Financial Secretary has now approved these projects and the URA can therefore begin implementation immediately. At the same time, the URA is preparing its first draft five-year corporate plan and the first draft annual business plan for the Financial Secretary's approval. We are also aware that the URA has set up four district advisory committees and is now tendering for the services of social service teams.

Concerning part (c) of the main question, the Government and the URA have attended from time to time meetings of the Legislative Council Panel on Planning, Lands and Works and case conferences concerning the URA and the urban renewal programme. Since the establishment of the URA in May last year, the Government and the URA have met with Members four times. This is a good mechanism for providing Members of this Council with first hand information regarding the work of the URA. We are prepared to continue attending meetings as and when requested by Members of this Council.

MR FREDERICK FUNG (in Cantonese): *Madam President, since the Secretary has not answered the first part of my main question, before I raise my supplementary, may I know — I certainly do wish to raise a supplementary — whether I could first ask the Secretary to respond to the part of my main question he has not answered and then raise my supplementary afterwards?*

PRESIDENT (in Cantonese): Mr Frederick FUNG, I will allow you to seek clarification. If the Secretary has not answered any part of your main question, please repeat that relevant part of the question and I will ask the Secretary to answer it. After that, I will let you raise a supplementary.

MR FREDERICK FUNG (in Cantonese): *Does that mean I will be given the chance to follow up the issue?*

PRESIDENT (in Cantonese): I will let you raise another question, which is a supplementary question.

MR FREDERICK FUNG (in Cantonese): *Madam President, first I would like the Secretary to clarify one point. My main question comprises three parts, and a portion of part (a) asks "how the Administration urges the URA to implement the relevant recommendations". However, in his main reply the Secretary has only pointed out what the URA would do in relation to the first and second pledges. As regards the remaining pledges (iii) to (vii), the Secretary only mentioned that the recommendations were still being considered by the URA but no mention has been made of what actions the Government would take. Actually, my main question was on the actions the Government would take to urge the URA to implement the relevant recommendations. I think the Secretary has not answered the part of my main question asking about the Government's actions and I hope the Secretary will make some clarifications in this respect.*

PRESIDENT (in Cantonese): Mr Frederick FUNG, so this is the part of your main question which you believe the Secretary has not yet answered. Please resume your seat first. Secretary, do you have anything to add?

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, I think I have already spent seven minutes reading out my main reply. Nevertheless, I can say that since its establishment in May last year, the URA has not set any policies so far to contradict these seven recommendations. Hence, the relevant part of Mr FUNG's question is in fact rather hypothetical.

PRESIDENT (in Cantonese): Mr Frederick FUNG, you may now raise your supplementary question.

MR FREDERICK FUNG (in Cantonese): *Madam President, I now raise my supplementary question. With regard to the first of the seven pledges, the Government considers that the URA has not violated the recommendation made by the Government in this connection. As the Secretary points out in the main reply, the relevant pledge is that the Government would "recommend to the URA that its acquisition offer should be more favourable than the Government's land resumption offer". That means the URA will acquire the relevant flats at a higher price than the offer made by the Government, which is equal to the price of a seven-year-old flat. But then, the URA's response to the first pledge is that it will use a seven-year-old flat as the basis for calculating compensation payments. In other words, if the compensation payment for a seven-year-old flat is \$1 million, the offer made by the Government will certainly be over this amount while the same amount is used by the URA as the calculation basis. Actually, this is a bit less favourable than the Government's recommendation, which means it is a kind of contradiction. In this connection, could the Secretary inform this Council whether he would still consider the URA has accepted the Government's recommendation even though the URA's offer is less favourable than the Government's recommendation?*

PRESIDENT (in Cantonese): Mr Frederick FUNG, please resume your seat.

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, I think the URA has made a pledge in the light of our recommendation. According to the first of our recommendations, the URA's acquisition offer should be more favourable than the Government's land resumption offer. It is very clear that we are talking about "acquisition offer"; we have never said anything about compensation in monetary terms. Perhaps let me repeat what the former Secretary for Planning and Lands said at the meeting of the Panel on Financial Affairs held on 30 March last year. The former Secretary said that the owners of affected domestic properties would be eligible for a home purchase allowance calculated on the basis of the cost of a seven-year-old replacement flat and also some other higher amount allowances. So far the pledges made by the URA have not contradicted the recommendations concerned.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary mentioned in the main reply that urban renewal is seen as a priority. I believe Members*

just cannot agree with that more. However, many members of the public have found the URA's work progressing too slowly and are therefore burning with anxiety. Could the Secretary inform this Council whether he is aware that the slow progress would probably have something to do with the sluggish market at present, as there is no incentive for developers to participate in the redevelopment projects? Could the Secretary also inform this Council when would the Government plan to inject substantial funds to help implement the urban renewal programme?

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the URA is an independent statutory body established in May last year. While the URA has to operate under the new statutory structure, there is also a need for the staff from the former LDC to get familiarized with the new culture of operation. We have since then conducted two recruitment exercises. I believe Members are aware that over the past few months we have already appointed a permanent Administration Director and two permanent Executive Directors. The Administration Director and one of the Executive Directors have started working since 1 January this year, while the other Executive Director will assume duty on 1 February. We expect the URA to expeditiously implement its urban renewal programme once its senior personnel have all taken up their jobs. The first and foremost task of the URA at present is to formulate policies, including policies on acquisition, rehousing, and so on. On top of that, the URA also needs to prepare its first draft five-year corporate plan and the first draft annual business plan. We have commenced discussing the relevant recommendations with the URA and we expect the URA to complete this task shortly. Upon receipt of the relevant drafts, we will submit them to the Financial Secretary for approval. With the Financial Secretary's approval, we can then inject funds into the URA and commence the projects concerned.

MR FRED LI (in Cantonese): *Madam President, first of all, let me declare an interest. I am a non-executive director of the URA.*

Many of the so-called seven pledges given by the Government require resources. My supplementary is related to the third pledge, which reads: The Government is prepared to recommend to the URA that, in respect of the 25 uncompleted projects of the LDC, the acquisition offers of the URA should have regard to the fact that the residents in these project areas had waited for

redevelopment for quite some time. May I ask the Secretary whether this can be interpreted as the Government agrees or supports that the acquisition offers made by the URA in respect of these 25 projects should be more favourable compared to other projects; and if so, whether the Government will provide the URA with more resources accordingly?

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, according to our understanding, the residents affected by these 25 projects have been waiting for quite a long time since 1998. That is why we have already suggested according top priority to these projects in the Urban Renewal Strategy. At the meeting held on 22 November last year, the URA decided to include these 25 uncompleted projects of the LDC in its first draft five-year corporate plan. I believe Honourable Members do understand that we cannot say what kind of projects they are or how their redevelopment programmes are going to implement, as this would have very far-reaching implications. Nevertheless, we will suggest the URA give special treatment to these 25 projects, including the exercise of greater flexibility in handling and arrangements for individual cases when formulating the relevant acquisition terms and conditions. Yet we do not have any fixed idea as to what specific measures the URA will adopt to implement the two suggestions concerned.

MR FRED LI (in Cantonese): *Madam President, the Secretary has not answered my supplementary, which had very clearly mentioned about acquisition offers. While the residents affected by these 25 projects have been waiting for quite a long time, the relevant acquisition offers may involve additional resources. But then, the Secretary has not responded this point of my supplementary. I hope the Secretary will give us some further information in this respect.*

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

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, as far as the acquisition offers are concerned, we have insisted on using a seven-year-old replacement flat as the calculating basis. Apart from that, we also agree to the provision of some higher amount allowances. As regards these 25 uncompleted LDC projects, we hope to see arrangements with greater flexibility.

MR JAMES TO (in Cantonese): *Madam President, according to the fifth paragraph of the Secretary's main reply, the URA is preparing its first draft five-year corporate plan and the first draft annual business plan. In this connection, may I ask the Secretary whether he is aware that at the meeting of the Panel on Planning, Lands and Work held in July last year Members of the Council has already requested the Government and the URA to complete the said drafts by September last year? Bearing in mind that the government officials attending the meeting have promised to complete the drafts in October last year and that it is now January 2002 already, could the Secretary inform this Council whether the Government is aware of the reasons why the URA still has not yet completed the two drafts, or is it that the Government has made subtle instructions or unofficial negotiations to make it difficult for the URA to prepare the draft corporate plan and draft business plan due to resources constraints or other problems? Could the Secretary inform this Council whether such is the case?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, this is by no means the case. If the URA could submit the two draft plans to us in the near future, we would deal with them expeditiously and submit them to the Financial Secretary for approval. Upon receiving the Financial Secretary's approval, we can then determine the amount of funds to be injected. As regards the "early launch" projects, we have taken very little time to process the application for approval to implement these projects.

PRESIDENT (in Cantonese): Council has spent more than 17 minutes on this question. Question time shall end here.

WRITTEN ANSWERS TO QUESTIONS

Provisionally-registered Optometrists

7. **MR MICHAEL MAK** (in Chinese): *Madam President, it is learnt that as at 1 December last year, among the 1 914 registered optometrists, 1 121 of them did not possess the professional training qualifications required for formal registration and were only provisionally-registered. The practice of optometrists under provisional registration is subject to restrictions, including*

the prohibition from using any diagnostic agent. However, it is difficult for the general public to distinguish provisionally-registered optometrists from the formally registered ones. In this connection, will the Government inform this Council:

- (a) whether it plans to implement measures to reduce the number of provisionally-registered optometrists gradually; if so, of the implementation schedule; if not, the reasons for that;*
- (b) whether there are measures to assist provisionally-registered optometrists in obtaining the qualifications required for formal registration; if so, of the details; and*
- (c) of the existing monitoring measures to ensure that the services provided by provisionally-registered optometrists meet the professional standard, in particular on the use of drug and preparation of contact lenses?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, the Supplementary Medical Professions Ordinance (Cap. 359) (the Ordinance) and the Optometrists (Registration and Disciplinary Procedure) Regulation (the Regulation) provide the legislative framework governing the registration and discipline of optometrists. As stipulated in section 15(1) of the Ordinance, only persons who were practising the profession on or before 1 December 1994 could apply for provisional registration. The deadline for application for provisional registration was set on 31 May 1995. In order to safeguard public health, only those applicants who satisfied the Optometrists Board that they had acquired substantial knowledge, experience and skills, or those who had passed the examinations conducted by the Optometrists Board were granted provisional registration. The names of these provisionally registered optometrists were entered into Part IV of the register established under the Ordinance and they are allowed to practise subject to the restrictions imposed by the Optometrists Board as appropriate.

- (a) The Ordinance does not stipulate a time limit for the practice of Part IV optometrists. However, given that there will be no new entrants to Part IV of the register, the number of provisionally registered optometrists will decrease gradually. The rate of

decrease will depend on various factors, including whether the optometrists concerned are prepared to seek registration in other parts of the register through obtaining the required qualifications. Alternatively, a Part IV optometrist can proceed to Part II or Part III of the register upon passing the relevant examinations conducted by the Optometrists Board, and further to Part I provided that he/she has practised for one year or more as a Part II optometrist and also obtains the Certificate of Attainment in Ocular Pharmacology issued by the Hong Kong Polytechnic University. The Optometrists Board is discussing the examination requirements in preparation for organizing the Part II and Part III examinations.

- (b) The Optometrists Board is the statutory body responsible for promoting the standard of professional practice and conduct among optometrists. Discussions are ongoing regarding the organization of additional courses in optometry by tertiary institutions. The Board stands ready to consider and assess the standard of any new courses for the purpose of application for registration.
- (c) The relevant restrictions on the practice of individual Part IV optometrists are set out on the certificate of registration issued by the Board, that is, whether the Part IV optometrist in question is allowed to practise refraction only, or to practise refraction together with contact lenses fitting. The latter may involve the use of staining agents. It is an offence if a registered optometrist fails to display his/her certificate of registration, or a certified copy of such certificate, in a conspicuous position in the premises where he/she practises the profession. With these measures in place, the general public should be able to tell whether an optometrist is registered as well as the restrictions on his/her practice.

All registered optometrists are required to comply with the Code of Practice issued by the Optometrists Board. Aggrieved clients may file complaints to the Board. Any optometrist who is suspected of contravening the Code of Practice may be subject to inquiries by the Board and disciplinary actions including removal of his/her name from the register.

Statistics on Mainland People Settling in Hong Kong

8. **MR JAMES TO** (in Chinese): *Madam President, regarding statistics on mainland people settling in Hong Kong, will the Government inform this Council:*

- (a) *of the number of mainland people who came to Hong Kong for settlement under the Certificate of Entitlement (C of E) Scheme during the period from 1 July 1997 to the end of December last year and, among them, the respective numbers of people who were "aged under 20" and "aged 20 or above" on arrival;*
- (b) *of the current number of people whose applications for C of E have been approved but are still residing in the Mainland and, among them, the respective numbers of people who are "aged under 20" and "aged 20 or above";*
- (c) *of the number of C of E applications referred by the Mainland Public Security Bureau Offices now being processed by the Administration and, among them, the respective numbers of applicants who are "aged under 20" and "aged 20 or above"; and*
- (d) *whether it knows the daily average number of One-way Exit Permit (OEP) issued by the relevant mainland authorities each year for the period 1998 to 2001, and the daily average number of OEP quota allocated to mainland children of Hong Kong permanent residents which were utilized last year?*

SECRETARY FOR SECURITY (in Chinese): *Madam President,*

- (a) From 1 July 1997 to the end of December 2001, a total of 114 708 mainland persons came to Hong Kong for settlement on the strength of a OEP affixed with a C of E under the C of E Scheme. Among them, 86 646 were aged under 20 while 28 062 were aged 20 or above.
- (b) As at the end of December 2001, about 9 000 eligible persons issued with a C of E were still residing in the Mainland. Since the

respective numbers of eligible persons aged 20 or above and aged under 20 are normally recorded when these persons arrive in Hong Kong with a C of E, statistics on the number of eligible persons still residing in the Mainland by age group are not available.

- (c) As at the end of December 2001, 2 817 C of E applications were being processed by the Immigration Department. Since the respective numbers of eligible persons aged 20 or above and aged under 20 are normally recorded when these persons arrive in Hong Kong with a C of E, statistics on the number of such applicants by age group are not available.
- (d) During the period from 1998 to 2001, the average daily number of OEP quota utilized for each year is as follows:

<i>Year</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>
Daily Average Number	154	150	157	147

In the year 2001, the daily average number of OEP quota utilized for eligible mainland children was 80.

Exchange of Talents Between Hong Kong and Mainland

9. **MR NG LEUNG-SING** (in Chinese): *Madam President, it has been reported that in the light of the new situation arising from China's accession to the World Trade Organization, mainland financial institutions are planning to employ talents from Hong Kong and Macao so as to enhance their competitiveness. Regarding the exchange of talents between Hong Kong and the Mainland, will the Government inform this Council:*

- (a) *whether it plans to set up a Guangdong-Hong Kong human resources information exchange centre (exchange centre) to complement and promote the exchange of talents between the two places; if so, of the details; if not, the reasons for that;*

- (b) *as the Administration has indicated that the difficulty in verifying the background of the mainland organizations offering employment has to be resolved before the exchange centre can be set up, whether the Administration has considered other alternative solutions, such as reminding the users of the information released by the exchange centre to verify such information by themselves;*
- (c) *of the details of other difficulties involved in the setting up of the exchange centre; and*
- (d) *whether the Guangzhou Economic and Trade Office (ETO) of the Hong Kong Special Administrative Region (SAR) Government to be established this year will actively promote the exchange of talents between Guangdong Province and Hong Kong; if so, of the details; if not, the reasons for that ?*

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

- (a) and (b)

The Government does not have any plan to set up an exchange centre. The cross boundary job market is currently served by private employment agencies, which have provided a prompt, responsive and cost effective service to their clients. Recruitment talks and recruitment exercises are frequently organized on both sides of the boundary. A recent survey by the Census and Statistics Department revealed that over 190 000 Hong Kong residents worked in the Mainland in the 12 months preceding April 2001. All but 13.6% of them worked in Guangdong. It is clear from this figure that there is currently an active exchange of talents between the two places. There is no need for a separate publicly-funded human resources information exchange centre at this stage.

To assist those who are interested in taking up employment in the Mainland, the Labour Department plans to establish a special web page in its interactive Employment Service Website which will provide the following information:

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- (i) the contact telephone numbers and addresses of employment agencies registered in Hong Kong having business in mainland China and their fields of specialization. The Labour Department will conduct a survey on all the 1 300 registered employment agencies currently operating in Hong Kong to collect this information;
 - (ii) first hand experience and views on employment opportunities in the Mainland shared by the Human Resources Managers of the Hong Kong Institute of Human Resources Management who have prior experience working in the Mainland; and
 - (iii) information on the Mainland's employment-related regulations gathered by the Office of the SAR Government in Beijing, including the procedures for applying for employment permit and temporary residence and the taxation system.
- (c) Apart from the difficulty in verifying the background of mainland organizations offering employment and the genuineness of the job offers, the setting up of a human resources information exchange centre entails regular updating of information, including the rules and regulations of working in various provinces, cities and areas in the Mainland. In view of the variety of practices adopted by different provinces, cities and areas in the Mainland, to ensure that the information collected is up-to-date at all times will be a labour-intensive process.
- (d) The Government is preparing for the establishment of an ETO in Guangzhou. Tasked with fostering closer economic and trade links between the SAR and Guangdong Province, the ETO will seek to strengthen economic and trade liaison between the two places, enhance understanding between the two governments, provide better support to Hong Kong enterprises, encourage bilateral investment, and promote Hong Kong. If required, the ETO will assist the relevant government departments in taking forward initiatives on the exchange of human resources by, for instance, facilitating contact and information exchange under the auspices of promoting economic and trading ties. Furthermore, if any Hong Kong

companies or investors have any suggestions regarding the exchange of human resources, the ETO will also help to refer them to the relevant departments in both administrations for reference and follow-up action.

Provision of Education Opportunities to Persons Educated up to Secondary Three or Below

10. **MR WONG SING-CHI** (in Chinese): *Madam President, regarding the provision of education opportunities to persons educated up to Secondary Three or below, will the Government inform this Council of:*

- (a) *the respective numbers of young people aged between 15 and 25 who are not attending ordinary schools and have been educated up to Secondary Three, Secondary Two, Secondary One, and below;*
- (b) *the total number of places offered in the full-time courses organized by the Vocational Training Council (VTC) in the past three years for which those who have only completed Secondary Three may apply, and the percentage of this number in the total number of places offered in all full-time courses in the same period; and*
- (c) *the avenues for pursuing further education currently available to young persons who have not completed Secondary Three, the total number of places provided through such avenues each year, and whether the number of places is sufficient to meet the demand?*

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

- (a) We understand that by "young people who are not attending ordinary schools" as mentioned in (a) of the question, the Honourable WONG Sing-chi is referring to young people who are not studying full-time courses.

According to the statistics of the Census and Statistics Department, the number of young people aged between 15 and 25 who are with

Secondary Three, Secondary Two, Secondary One and below Secondary One educational attainment and are not studying full-time courses in the third quarter of 2001 are as follows:

<i>Educational attainment</i>	<i>Number of young people</i>
Below Secondary One	13 600
Secondary One	5 200
Secondary Two	9 900
Secondary Three	77 400

- (b) The total number of full-time places offered by the VTC in the past three years which are available to people with Secondary Three educational attainment, and the percentage of these places in the total number of full-time places of VTC in the same period, are shown below:

	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>
Number of places offered for people with Secondary Three educational attainment	3 200	3 700	3 700
Percentage in total number of full-time places	22.8%	23.6%	23.2%

- (c) The Government provides different avenues for young persons without Secondary Three qualifications to pursue further education, including:

(i) *Adult Education courses*

The Education Department (ED) provides evening learning opportunities for adults aged 15 or above by running formal adult education courses. These courses include the Adult Education Course (General Background) at the primary level, the Government Evening Secondary School Course at the secondary level and the English Course at primary to senior secondary levels. In the 2001-02 school year, 6 100 places

are offered in formal adult education courses for young persons with educational attainment below Secondary Three. The ED also subvents non-governmental organizations to run adult education courses, for example, application of IT and labour education. In the 2001-02 school year, these subvented programmes offer about 26 700 places.

(ii) *Project Springboard programmes*

Young persons aged 21 or above with educational attainment below Secondary Three could enrol on Project Springboard programmes. To arouse young persons' interests in learning and to develop their potential, Project Springboard programmes put more emphasis on the acquisition of practical skills, for example, application of IT, interpersonal and communication skills, business and management, and so on. Project Springboard programmes offer about 5 000 places every year.

(iii) *The Open University of Hong Kong (OUHK)*

The OUHK provides education opportunities for adults and the working population. The University adopts an open entry policy. No entry qualifications are required except for certain professional programmes. All persons who are aged 17 or above and would like to pursue further education could apply for the programmes without attending any examinations or selection interviews. Currently, the OUHK offers more than 100 programmes at the postgraduate, degree and sub-degree levels with a total enrolment of more than 26 000. The Li Ka Shing Institute of Professional and Continuing Education of OUHK also offers more than 400 sub-degree, diploma, certificate programmes and short courses for more than 15 000 students.

(iv) *Youth Pre-employment Training Programme (YPTP)*

Young people aged 15 to 19 who have left schools and want to join the labour market could participate in the YPTP for pre-

employment training. The training courses normally do not require any qualification requirements. They are designed to tackle the common problems faced by young job seekers in their transition from school to work. The training capacity for the YPTP in autumn 2001 was 12 000. The second phase of the programme will be launched in February 2002, offering about 6 000 training places. Subject to the demand of young people for the programme, the number of training places may be increased.

The above provision is sufficient to meet the demand of those who wish to pursue further education. Of course, we will review the demand from time to time and increase the number of places whenever necessary.

In addition, young people may choose to go back to daytime schools for formal schooling. The ED could provide the relevant information and advice and could help these young people to continue their studies in public sector schools, so long as they could demonstrate their ability and wish, and are willing to take up opportunities and challenges.

Unrepresented Litigants in Civil Cases

11. **MS AUDREY EU** (in Chinese): *Madam President, the Chief Justice of the Court of Final Appeal appointed a Working Party on Civil Justice Reform (Working Party) in February 2000 to review the civil rules and procedures of the High Court. As stated in the Working Party's Interim Report and Consultative Paper published in November 2001, 40% to 50% of High Court civil cases in 2000 involved at least one unrepresented litigant. In this connection, will the Government inform this Council whether:*

- (a) *it will study the reasons why litigants in some civil cases were unrepresented and how this might have affected their litigation;*
- (b) *it will consider taking measures to provide legal services to unrepresented litigants; if so, of the details; if not, the reasons for that; and*

- (c) *it will consider expanding the scope of the Supplementary Legal Aid Scheme (SLAS) and relaxing its eligibility criteria, so that more litigants in civil cases will have access to legal aid?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): Madam President, the Administration has noted the statistics relating to litigants in person as reported in the Interim Report and Consultative Paper on Civil Justice Reform. We have sought further information from the Secretariat of the Working Party relating to those litigants, including the reasons why they are unrepresented and the success rate of their litigation. We are advised that such information is not available from the survey conducted by the Judiciary or from the Judiciary's databases.

We note also from the Interim Report and Consultative Paper that the phenomenon of increasing number of litigants in person is not unique to Hong Kong. Many civil justice systems overseas are facing a similar situation. There may be many different reasons why a litigant is not legally represented. Here I quote some of the reasons suggested by the Australian Law Reform Commission when it referred to such litigants in the Australian federal system:

"Some litigants choose to represent themselves. Many cannot afford representation, do not qualify for legal aid or do not know they are eligible for legal aid, and are litigants in matters which do not admit contingency or speculative fee arrangements. They may believe they are capable of running the case without a lawyer, may distrust lawyers, or decide to continue unrepresented despite legal advice that they cannot win."

These same reasons could well be applicable to the Hong Kong setting.

Irrespective of the reasons leading to the increase, litigants in person are being fairly treated, though they do present challenges for Hong Kong's court system. Taking into account experiences of overseas jurisdictions, the Working Party has raised for discussion various measures to assist unrepresented litigants in navigating the civil justice system. These measures include encouraging third parties to provide unrepresented litigants with free legal advice or assistance both prior to, and at key points of litigation; getting the court to provide information on court proceedings and simplifying the rules, procedures

and court forms to give litigants a better chance of being able to conduct cases for themselves; and getting representation for the litigants. The way forward with some of these proposals will be tackled outside the context of the Working Party. The Judiciary has set up a separate working group to consider measures towards meeting the needs of the unrepresented litigants in the light of overseas experience.

Efforts of the Judiciary aside, on the part of the Administration, the Department of Justice is exploring a proposal to review the demand in the community for legal and related services. A possible objective of this review is to ascertain whether members of the community feel barred from access to lawyers or the Courts. A survey of this type might help in developing strategies to improving access to the Courts.

The legal profession also has a key role to play in assisting unrepresented litigants. In this regard, free legal services are available to members of the community from many organizations. These include the Duty Lawyer Service, which is managed and administered by the Law Society and Bar Association, and similar services provided by numerous non-governmental organizations. It may be that the services offered can be consolidated or strengthened generally, and could be made more useful to unrepresented litigants. For example, an improved system of case management and of referrals to those offering *pro bono* services could assist such litigants. We understand that informal discussions are taking place amongst the current providers of free legal services to ascertain areas in which improvements in services can be provided. A set of proposals will be sent to the Department of Justice, which will consider how it may assist.

Turning to legal aid services, these are already available in civil cases covering major areas of livelihood of the community at large. They include family and matrimonial disputes, personal injury cases, employment disputes, tenancy disputes, contractual disputes, immigration matters, professional negligence claims and, since July 2000, also coroner's inquests.

So far as the SLAS is concerned, this provides legal assistance to applicants whose financial resources exceed \$169,700 but are below \$471,600. The Scheme covers cases relating to personal injury and death, medical, dental and legal professional negligence exceeding \$60,000 and claims under the Employees' Compensation Ordinance. The Scheme is self-financing and is funded by legal aid contributions and damages or compensation recovered. As

from July 2000, the Administration has reduced the contribution rate for damages recovered from 15% to 12%. We will continue to assess how the reduction of the contribution rate will impact on the SLAS fund before we consider the feasibility of extending its coverage, or relaxing the eligibility criteria, so as to ensure the continued financial viability of the Scheme.

Youth Pre-employment Training Programme

12. **MR CHAN KWOK-KEUNG** (in Chinese): *Madam President, this year's Youth Pre-Employment Training Programme (YPTP) offers four categories of modular training courses. In this connection, will the Government inform this Council of:*

- (a) *the total number of places as well as the number of applications so far received for each category of courses, and provide the over-subscription rate and the reasons for over-subscription for each over-subscribed courses;*
- (b) *the number of applications to enrol for courses under the "job specific skills training" category, broken down by trade; and*
- (c) *the current average unit cost of each category of courses?*

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

- (a) and (c)

The YPTP for the current year is being implemented in two phases. The first phase, which accepted applications from 19 to 29 August 2001, was met with overwhelming response. On the expiry of the application period, the Labour Department received over 12 000 applications.

The enrolment situation is as follows:

	<i>Training Course</i>	<i>Enrolment (Persons)</i>	<i>Unit Cost (\$)</i>
Module A :	Leadership, self-discipline and team building	2 520	1,409
Module B :	Job search and interpersonal skills	12 000	1,400
Module C :	Computer application		
	Basic Course	2 203	1,364
	Intermediate Course	3 593	2,240
Module D:	Job-specific skills	6 095	3,772
	Total:	26 411	

Basically, the Programme provides sufficient training places for our trainees. The second phase of the current Programme will be launched in February 2002. Statistics on applications will be available at a later stage.

- (b) In the first phase of the current Programme, the enrolment situation of Module (D) courses on job-specific skills training are as follows:

	<i>Course type</i>	<i>Enrolment (Trainees)</i>
1.	IT Training	1 468
2.	Clerical Training	1 238
3.	Hospitality Industry Training	958
4.	Beauty Culture Training	623

	<i>Course type</i>	<i>Enrolment (Trainees)</i>
5.	Catering Industry Training	520
6.	Hairdressing Training	459
7.	Others (for example, Florist Workshop, Life-saving and Swimming Pool Management, Social Services Programme Assistant, Fitness Training Assistant)	411
8.	Customer Service and Salesmanship Training	222
9.	Technical Training	51
10.	Security Guard and Property Management Training	50
11.	Construction Training	41
12.	Entrepreneurship Training	27
13.	Textile and Clothing Industry Training	27
14.	Insurance Industry Training	0
	Total :	6 095

Employment, Marriage and Youth Problems in Tuen Mun, Yuen Long and Tin Shui Wai

13. **MR ALBERT HO** (in Chinese): *Madam President, with regard to the employment problem of the residents in Tuen Mun, Yuen Long and Tin Shui Wai, will the Government inform this Council of:*

- (a) *the respective unemployment and underemployment rates, the median income figures of the residents in Tuen Mun, Yuen Long and Tin Shui Wai for each of the last three quarters, and how these figures compare to those for the territory; and*
- (b) *the measures in place to alleviate the unemployment problems as well as enhance the employment competitiveness of the residents concerned, such as the introduction of incentive measures to boost investments, and hence the number of available jobs, within the districts and to upgrade the external transport facilities of the districts so as to shorten the commuting time of the residents?*

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

- (a) Based on the data collected in the General Household Survey conducted by the Census and Statistics Department, the seasonally adjusted unemployment rate for Hong Kong as a whole was 4.5%, 4.5% and 5.3% respectively in the first three quarters of 2001. The corresponding underemployment figures were 2.3%, 2.2% and 2.5%. As regards the median monthly employment earnings, it was \$11,000 in the first quarter of 2001 and \$10,000 in both the second and third quarters for the overall employed population of Hong Kong.

The sample size of the General Household Survey at district level is generally not large enough to enable the compilation of sufficiently precise statistics pertaining to individual districts. Hence, finer breakdowns on the unemployment and underemployment rates and the median monthly employment earnings for residents in Tuen Mun, Yuen Long and Tin Shui Wai districts are not available.

- (b) The Government has devised a range of measures to ease unemployment. These include job creation in areas where more social investment is required, strengthening employment services, enhancing vocational training and retraining, and combating illegal employment.

More specifically, the Employees Retraining Board runs a variety of training courses through six training bodies at 11 retraining centres in Tuen Mun, Yuen Long and Tin Shui Wai areas. To improve its provision of employment services to local residents, the Labour Department has reprovisioned its Tuen Mun Job Centre from Shan King Estate to the Tuen Mun Parklane Square in Tuen Mun town centre in July 2000, which is more centrally and conveniently located. The relevant District Offices under the Home Affairs Department have also launched job creation initiatives through various community involvement projects (such as support in community-building, enhancement of public enquiry services, compilation of building management database) as well as activities related to the Keep Hong Kong Clean campaign. Over 80 jobs have been created in Yuen Long and Tuen Mun districts. The Food and Environmental Hygiene Department has also created some 220 new cleansing jobs in these two districts to step up cleaning of the environment, such as removing illegal bills and posters, cleansing of hygiene blackspots, and so on.

Given that Hong Kong is a very compact place, we do not consider it desirable or practicable to introduce incentive measures to boost investments at the district level.

As for transport, more efficient transport links from these districts to the urban areas are being planned. Upon completion in 2003, the West Rail will bring local residents to West Kowloon within 30 minutes and to the extensive rail network in urban areas through interchange stations at Mei Foo and Nam Cheong. In addition, the Government is assessing the Kowloon-Canton Railway Corporation's proposal on the Kowloon Southern Link which will extend West Rail, via the Tsim Sha Tsui Extension, to interchange with both East Rail and the future Sha Tin to Central Link at Hung Hom. The completion of Kowloon Southern Link in the early part of the time window of 2008 to 2013 will further enhance residents' accessibility to urban Kowloon and the territory's overall railway network.

On road infrastructure, the proposed Route 10 that runs between Yuen Long Highway and North Lantau will include a 5.7 km new

road connection between Siu Lam and Ting Kau, and will reduce travelling time between the North West New Territories and the urban areas and the airport. Moreover, the new Shenzhen Western Corridor (SWC), which connects Shekou and Ngau Hom Shek in Yuen Long, will be connected to the existing Yuen Long Highway at Lam Tei through the future Deep Bay Link (DBL). When the SWC and DBL are completed by 2005-06, residents in the North West New Territories could travel between Hong Kong and the Mainland more conveniently.

Employment of Temporary Staff by Hospital Authority

14. **MR LEUNG FU-WAH** (in Chinese): *Madam President, regarding the employment of temporary staff by the Hospital Authority (HA), public-funded residential care institutions and rehabilitation centres, on terms which do not fall within the ambit of continuous employment under the Employment Ordinance (Cap. 57), will the Government inform this Council of:*

- (a) *the respective numbers of temporary staff currently employed by the above-mentioned institutions, together with a breakdown by post and year of first appointment;*
- (b) *the criteria these institutions have adopted in deciding whether to offer a continuous contract of employment to temporary staff; and*
- (c) *the number of temporary staff who were offered a continuous contract of employment in the past three years, together with a breakdown by post ?*

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

HA

- (a) As at end November 2001, the HA employed 67 temporary part-time staff on terms which do not fall within the meaning of

continuous employment under the Employment Ordinance (Cap. 57).

The breakdown by staff group and length of service is as follows:

<i>Staff Group</i>	<i>Number</i>	<i>Length of Service</i>
Doctors and dental officers	9	Three to 12 months
Nurses	3	Less than one month to six months
Allied health professionals	3	One to 12 months
Administrative staff	1	Five months
General Services Assistants and other supporting staff (such as workman, artisan)	51	Less than one month to 12 months

- (b) The HA would consider its service requirements (including the operational needs of the departments and the need to bring in external expertise for the provision of certain specialist services) and the availability of the staff concerned to take up continuous employment in deciding the duration of employment of temporary staff and whether such staff should be offered employment which falls within the meaning of continuous employment under the Employment Ordinance.
- (c) The requested information is not available since the HA's information system does not capture information on temporary staff who were subsequently offered a continuous contract of employment.

Public-funded Residential Care Institutions and Rehabilitation Centres

At present, there are over 650 rehabilitation service units which are operated by non-governmental organizations (NGOs) receiving government subvention, and an additional 14 units operated directly by the Social Welfare Department (SWD). As regards residential care homes for the elderly and residential care institutions under the Family and Child Welfare programme and the Youth and Correction programme, there are 275 subvented institutions operated by NGOs and 10 operated directly by the SWD. For those residential

care institutions and rehabilitation centres operated directly by the SWD, no staff are employed on terms which fall outside the meaning of continuous employment under the Employment Ordinance. Under the primary mode of subvention by the SWD, NGOs have the flexibility of devising their own staffing structure and remuneration package. While NGOs are required to meet the performance standards set in the relevant Funding and Service Agreements and comply with the Service Quality Standards, they are not required to report or obtain prior approval from the SWD on staffing matters. Under such circumstances, we do not have the information requested in the questions regarding subvented residential care institutions and rehabilitation centres run by NGOs.

Traffic Volume of Cross-harbour Road Tunnels

15. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, regarding the traffic volume of the three cross-harbour road tunnels, will the Government inform this Council of:*

- (a) *the design maximum daily capacity of each tunnel;*
- (b) *the average daily number of vehicles using each tunnel per month in the past three years;*
- (c) *the average daily number of vehicles using each tunnel in each of the six months before and after the most recent toll adjustments of each of the tunnels; and*
- (d) *the measures to be taken to even out the traffic volume of the three tunnels?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, the designed maximum daily capacities of the Cross Harbour Tunnel (CHT), Eastern Harbour Crossing (EHC) and Western Harbour Crossing (WHC) are 78 500, 78 500 and 118 000 vehicles respectively.

In the past three years, the average daily traffic volume of the CHT, the EHC and the WHC are 119 440, 71 780 and 40 550 vehicles respectively.

The toll levels of the CHT were last increased on 1 September 1999. Comparing the average daily traffic volume six months before and after the toll increase, we note that the throughput decreased from 118 820 to 116 110 vehicles per day. As for the EHC, the last toll adjustment took place on 1 January 1998 and the average traffic volume decreased from 84 050 to 75 120 vehicles a day. The last toll increase for the WHC was effected on 3 December 2000. The average daily traffic volume was reduced from 44 150 to 39 140 vehicles.

Given the strategic location of the CHT, it would always remain the most popular crossing and hence more likely to be congested. To address the issue, we have been working closely with the tunnel companies to identify and implement improvement measures to promote access and utilization of the other two harbour crossings. These include a wide range of measures as set out below.

We have been erecting additional and modified traffic signs and road markings to direct traffic to the tunnels. We would also consider adjustments to the traffic signals at critical road junctions to smoothen traffic flow in the vicinity of the tunnels. Local traffic improvement schemes have been introduced where appropriate to improve the traffic conditions of the feeder roads. For instance, bus-only lanes have been introduced on tunnel approaches to give priority to mass carriers in accessing the tunnels.

In addition, road improvement schemes such as road widening works and provision of direct road link between tunnel approaches and major road corridors would be considered to increase the capacity and accessibility of the approach roads to tunnels. In some cases, we would consider building new roads or grade-separated interchanges to separate local traffic from the main traffic approaching the tunnels and thereby help relieve traffic congestion.

We also encourage the tunnel companies to devise marketing strategy and promotional campaigns to boost patronage. We will continue to maintain close liaison with the tunnel operators to explore ways to ensure that all cross-harbour infrastructure is properly utilized.

Conditions Specified in Environmental Permits

16. **MR ABRAHAM SHEK:** *Madam President, developers for designated projects as listed in Schedule 2 of the Environmental Impact Assessment Ordinance (Cap. 499), unless exempted, must undergo the statutory environmental impact assessment (EIA) process and obtain environmental permits (EPs) before the relevant construction works may commence. In granting such an EP, the Director of Environmental Protection (the Director) may specify conditions, such as prescribing the construction methods and machinery to be used, so as to mitigate the adverse environmental impacts. Contractors often find the prescribed construction methods and machinery impractical, but have to oblige in order to avoid the penalty provision. In this connection, will the Government inform this Council of the measures it will take to address the predicament of the contractors?*

SECRETARY FOR THE ENVIRONMENT AND FOOD: Madam President, during the EIA process, the proponent of a designated project is required to avoid adverse environmental impacts and, where this is not possible, propose mitigation measures to reduce the impacts to an acceptable level. He is also required to investigate the feasibility and practicability of the mitigation measures that he proposes. In granting an EP for the project and considering the conditions that should be imposed on the permit, the Director will have regard to the mitigation measures proposed by the project proponent. If the EP holder finds it impracticable to comply with any conditions imposed by the Director on the permit, he may apply to the Director for a variation of the conditions under section 13 of the Environmental Impact Assessment Ordinance. If he is aggrieved by a decision of the Director to impose the conditions on the permit, or by the Director's decision on his application for a variation of the conditions, he may appeal to an Appeal Board set up under the Ordinance.

For the purpose of facilitating the EIA process, the Environmental Protection Department (EPD) has issued guidance notes to and organized seminars for interested parties including potential proponents of designated projects, environmental consultants and construction companies. The requirement that mitigation measures proposed in the EIA process should be practicable is always stressed. The EPD encourages dialogue and partnership with project proponents, consultants and construction companies so that potential problems such as the practicability of or potential difficulties in implementing

proposed mitigation measures can be identified and dealt with as early as possible.

Tea Leaves with Heavy Metal Content

17. **DR DAVID CHU** (in Chinese): *Madam President, it has been reported that in the middle of last year the authorities in Shanghai conducted laboratory tests on samples drawn from 53 tea leaves products distributed by 36 enterprises and found that 18 samples contained a lead content exceeding the national standard. As Hong Kong imports tea leaves from the Mainland, will the Government inform this Council whether the department(s) concerned regularly conducts laboratory sample tests on heavy metal content of tea leaves sold in Hong Kong; if so, of the number of samples tested last year and the test results; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Chinese): Madam President, in its food surveillance programme, the Food and Environmental Hygiene Department (FEHD) takes tea leaf samples at the importing, wholesaling and retailing stages for the purpose of testing their heavy metal levels. In 2000 and 2001, the Department had taken 42 tea leaf samples for testing. The test results of 35 samples were satisfactory. One sample taken from tea leaves imported from the Mainland in 2000 had a lead level exceeding the maximum allowable level stipulated in the Food Adulteration (Metallic Contamination) Regulations (Cap. 132 sub. leg.). Upon knowing the test results, the FEHD had taken immediate follow-up actions. These included notifying the mainland authorities, issuing a warning letter to the relevant trader, and strengthening surveillance of the relevant trader and similar products in the market. The test results of the remaining six samples that were taken near the end of 2001 are not yet available. The FEHD will continue to take tea leaf samples for testing to protect public health.

English Standard of University Students

18. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, regarding the English standard of university students, will the Government inform this Council:*

- (a) *of the total financial resources allocated for enhancing the English standard of university students in each of the past five years, broken down by items;*
- (b) *whether it knows the operational details of the English proficiency tests to be organized by various public-funded tertiary institutions for their graduating students, and whether an inter-institutional body will be formed to co-ordinate the relevant work (such as setting and marking the test papers); if so, when such body will be formed and the resources required each year; and*
- (c) *whether it plans to stipulate the attainment of a certain level in the above English proficiency test as an entry requirement for the relevant grades in the Civil Service?*

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

- (a) The University Grants Committee (UGC) allocates financial resources to UGC-funded institutions by way of a triennial block grant. Subject to their academic development proposals, the institutions are free to decide on how the block grant is to be used within the triennium to pursue their academic objectives, which include language enhancement.

Since 1991, the UGC has been allocating Language Enhancement Grants in the form of earmarked annual funding to the UGC-funded institutions, on top of their triennial block grant. Over the past five years (that is, from the 1997-98 to 2001-02 academic years), a total of \$437.5 million have been disbursed. A detailed breakdown of annual Language Enhancement Grants allocation by institutions is at Annex. The Grants are used by the institutions for a wide range of language enhancement programmes including language courses and workshops on language learning skills.

- (b) The UGC has been working closely with the Heads of Universities Committee to develop a scheme whereby students will be encouraged to take a common English test upon their graduation. Details on the content of the test, supporting mechanism, implementation timetable and resources required have yet to be agreed.

- (c) The current arrangement for civil service recruitment is that the Government would, having regard to the functional requirements of the vacancies, stipulate relevant academic qualifications and attainments at a certain level in specific subjects in public examinations as entry requirement for appointment to the vacancies. Subject to the operational requirements, the Departments or Grades conducting the recruitment may organize written examinations and interviews to test the language proficiency and other skills of applicants in order to select the most suitable candidates for appointments. In civil service recruitment, we attach great importance to the language proficiency of candidates. We will consider whether attainment of a certain level in the common English test should be stipulated as part of the entry requirement for civil service posts after its implementation details are finalized.

Annex

Language Enhancement Grants for UGC-funded Institutions
in 1997-98, 1998-99, 1999-2000, 2000-01 and 2001-02*

<i>Institution</i>	<i>Year</i>				
	<i>1997-98</i> <i>(\$ million)</i>	<i>1998-99</i> <i>(\$ million)</i>	<i>1999-2000</i> <i>(\$ million)</i>	<i>2000-01</i> <i>(\$ million)</i>	<i>2001-02</i> <i>(\$ million)</i>
CityU	17.0	17.0	17.0	17.0	17.0
HKBU	6.5	6.5	6.5	6.5	6.5
LU	3.5	3.5	3.5	3.5	3.5
CUHK	14.0	14.0	14.0	14.0	14.0
HKIEd	6.5	6.5	6.5	6.5	6.5
PolyU	17.0	17.0	17.0	17.0	17.0
HKUST	9.0	9.0	9.0	9.0	9.0
HKU	14.0	14.0	14.0	14.0	14.0
Total:	87.5	87.5	87.5	87.5	87.5

CityU : City University of Hong Kong
 HKBU : Hong Kong Baptist University
 LU : Lingnan University
 CUHK : The Chinese University of Hong Kong
 HKIEd : The Hong Kong Institute of Education
 PolyU : The Hong Kong Polytechnic University
 HKUST : The Hong Kong University of Science and Technology
 HKU : The University of Hong Kong

* Allocation determined on the basis of student number at degree and sub-degree levels.

Poor Design of Drying Racks of PRH Estates

19. **MR ALBERT CHAN** (in Chinese): *Madam President, the drying racks for several Harmony-type public rental housing (PRH) estates in Tin Shui Wai and Tung Chung have been installed outside the kitchen windows. As these racks are very close to the exhaust points of range hoods, the clothing hanging on the racks may be stained easily. Besides, residents have repeatedly reflected the defective design of the drying racks, such as the inappropriate height of kitchen windows, which makes it easy for them to lose balance when hanging out heavier clothing. In fact there have been accidents in which female residents fell from the buildings when hanging out clothing. Some residents have installed drying racks on the external walls of their living rooms or kitchens. However, the management companies of the housing estate have recently demanded the removal of these unauthorized drying racks, rendering it impossible for residents to dry their clothing. In this connection, will the Government inform this Council of:*

- (a) *the reasons for the Housing Department's (HD) installing drying racks outside the kitchen windows of PRH estates, and whether the HD has considered the danger posed to residents by the inappropriate height of kitchen windows; and*
- (b) *the HD's specific solutions to the problem of the poor design of drying racks; if so, of the details; if not, the reasons for that?*

SECRETARY FOR HOUSING (in Chinese): Madam President,

- (a) The location of drying racks at Harmony-type public housing estates is provided outside kitchen windows because their location at recessed areas of buildings with low pedestrian flow will minimize the risk of accidents caused by falling laundry objects from height. Installation of drying racks outside kitchen windows is a common design in residential buildings in Hong Kong.

The height of kitchen windows of Harmony-type flats complies with the Buildings Ordinance. It is safe for residents if they use the drying racks through the kitchen windows properly.

- (b) Under the existing design, no position other than the external walls outside the kitchen windows is suitable for the erection of drying racks, having regard to public safety. However, to avoid the staining of cloths on drying racks, tenants have been given instructions on proper ways to install exhaust fans and grease trays for collecting exhaust fan residue. An alternative is to use the drying rails provided in the bathrooms.

For new building blocks, the Housing Authority will relocate the position of the drying racks outside the bathroom walls which are further away from kitchen exhaust outlets.

Urban Renewal Authority Required to Operate on Commercial Principles

20. **MR FRED LI** (in Chinese): *Madam President, the Urban Renewal Authority Ordinance (Cap. 563) requires the Urban Renewal Authority (URA) to follow the Urban Renewal Strategy set out by the Secretary for Planning and Lands when preparing its corporate plan. The Planning Parameters and Financial Guidelines of the Strategy stipulate that the URA has to operate on commercial principles. However, it has been reported that most of the redevelopment projects in the first five-year development plan of the URA, especially the 25 uncompleted projects of the Land Development Corporation, are anticipated to incur financial losses. In this connection, will the Government inform this Council:*

- (a) *whether the aforesaid commercial principles require the URA to make profits from redevelopment projects; if so, in view of the projected financial loss of a number of redevelopment projects, how the URA can meet the requirement to operate on commercial principles; and*

- (b) *how the URA can achieve the aims of heritage preservation and retention of the historical characteristics of different districts set out in the Strategy on the premise of operating on commercial principles?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, the Annex on Planning Parameters and Financial Guidelines to the Urban Renewal Strategy states that the URA should operate according to commercial principles in implementing individual redevelopment projects. It states that the URA should seek the approval of the Financial Secretary before the commencement of a project that is not considered to be financially viable. This procedure aims to ensure that the URA has adequate financial resources for individual projects and that it does not take undue business risks.

The requirement for the URA to operate in accordance with commercial principles does not mean that the URA cannot undertake projects which are unlikely to be profitable. It means that the URA should exercise due care and diligence in the handling of its finances. It is not our intention that the URA should be profit-making, but it should aim to be self-financing in the long run.

The Urban Renewal Strategy states that the URA should preserve heritage buildings if such preservation forms part of its urban renewal projects. Operating under commercial principles, the URA can use the redevelopment part of a project to cross-subsidize the preservation part.

The Government is considering a proposal to introduce a transfer of development rights scheme for the preservation of historical buildings and heritage areas. If the scheme is implemented, the URA should be able to transfer unused development rights of its preservation projects to its other redevelopment projects which are of the same land use category in the area covered by the same or a contiguous Outline Zoning Plan.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bills: First Reading.

INTEREST ON ARREARS OF MAINTENANCE BILL 2001**REGISTRATION OF PERSONS (AMENDMENT) BILL 2001**

CLERK (in Cantonese): Interest on Arrears of Maintenance Bill 2001
Registration of Persons (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.

INTEREST ON ARREARS OF MAINTENANCE BILL 2001

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I move that the Interest on Arrears of Maintenance Bill 2001 be read the Second time. In recent years, some maintenance payers deliberately withhold payment until shortly before the court hearings scheduled for the summons issued against them but default again after paying for a few months. As a result, the maintenance payees concerned suffer financially, in addition to the inconvenience they encounter for having to take repeated legal actions.

The existing legislation does not provide for the Court to require maintenance payers to pay interest in addition to arrears of maintenance. The maintenance payees, as a result, are not compensated for the loss in interest on their savings or for the interest they pay to obtain loans. Maintenance payers,

on the other hand, may get the wrong message that whether or not to make punctual payments is not important. To address the above problem, we propose to amend the legislation such that maintenance payees may, in legal proceedings instituted to recover arrears, apply to the Court for payment of interest by the payers. The proposal is supported by the Hong Kong Bar Association, the Law Society of Hong Kong and also the Judiciary Administrator after consultation within the Judiciary.

The Bill amends four Ordinances that provide for maintenance payments. They are the Guardianship of Minors Ordinance, Separation and Maintenance Orders Ordinance, Matrimonial Causes Ordinance and Matrimonial Proceedings and Property Ordinance. The Bill proposes that the Court be empowered to order a maintenance payer to pay interest in addition to arrears in any proceedings instituted against him to recover the arrears. In order to strike a right balance between the interests of the maintenance payee and those of the payer, the Bill provides that the Court shall have discretion in determining the amount of interest after taking into account such factors as the maintenance payer's ability to pay and whether or not he has given the maintenance payee a reasonable excuse for his failure to pay punctually. The amount of interest shall not exceed the maximum amount calculated in accordance with the judgement rate, which is determined by the Chief Justice once every three months. A formula to calculate the maximum amount of interest is also provided in the Bill. The proposals in the Bill have no retrospective effect. The Court may exercise such a power only:

- (1) in proceedings instituted, on or after the commencement date of the new legislative provision, for recovering the maintenance arrears; and
- (2) in respect of maintenance arrears which accrue on or after the commencement date of the new legislative provision.

We believe that the liability to pay interest on arrears will result in more maintenance payers making full and punctual payments. This, in turn, will reduce the inconvenience and financial loss suffered by some of the maintenance payees.

With these remarks, Madam President, I commend this Bill to Members.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Interest on Arrears of Maintenance Bill 2001 be read the Second time.

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

REGISTRATION OF PERSONS (AMENDMENT) BILL 2001

SECRETARY FOR SECURITY (in Cantonese): Madam President, I move that the Registration of Persons (Amendment) Bill 2001 be read the Second time.

The Government plans to introduce multi-application smart identity (ID) cards by 2003. After a careful review, we consider it necessary to amend the existing Registration of Persons (ROP) legislation to tie in with the introduction of the new-generation ID cards. The Bill makes provisions for the issue and application of the new-generation ID cards, and it covers four major areas, including:

- (a) provisions requiring consequential amendments as a result of changes necessitated by the smart element of the new ID card and revised processes under the new ROP system;
- (b) provisions relating to the inclusion of non-immigration applications in the new ID card;
- (c) provisions relating to the protection of data privacy; and
- (d) provisions relating to the launching of an ID card replacement exercise.

The first type of amendments seeks to introduce smart ID cards with a built-in chip and specify new ROP procedures that can be implemented only after amendments have been made to the existing legislation. We propose specifying in the ROP legislation the smart element of the new ID card, that is, the chip is a component of the ID card and the data to be stored therein. We also propose making provisions that ROP procedures include taking the applicant's two thumbprints and replacing phototaking by scanning and image capturing. Besides, we propose specifying that it will be an offence to make unauthorized alterations to any information or data in the chip.

The second type of amendments facilitates and supports the inclusion of non-immigration applications in the new ID card. For instance, we propose including a new schedule in the Registration of Persons Ordinance, to clearly set out additional non-immigration information that can be included in the ID cards or stored in the chip. Where appropriate, the Government would also make appropriate amendments to the relevant legislation.

The third type of amendments is related to the protection of the privacy of personal data. The Government understands that Members and some members of the community are highly concerned about the privacy issue. Having referred to the views of Members and the Privacy Commissioner for Personal Data and the recommendations made in the first privacy evaluation report, we have worked out comprehensive measures to suitably enhance protection of the privacy of personal data. In respect of amending the legislation, we propose specifically restricting the purpose of data collected to that specified under the legislation; transferring the provision under Regulation 24 of the Registration of Persons Regulations related to prohibiting the registration officers from disclosing ROP particulars to the Registration of Persons Ordinance, to upgrade the statutory status of the provision and make the unauthorized access, use, storage and disclosure of ROP particulars an offence.

The fourth type of amendments is related to the ID replacement exercise. The Registration of Persons Ordinance provides that the Secretary for Security may direct, by order published in the Gazette, members of the public to come forward in accordance with a specified call-up programme to the designated issuing offices for replacement of their ID cards applied for or issued before a cut-off date. It is proposed that the cut-off date be set as a date to be specified by the Commissioner of Registration by notice in the Gazette.

One of the advantages of new smart ID cards is that the chip can also support various other purposes besides immigration-related purposes. Members of the public can have free choice and enjoy quality and efficient value-added services, much to their enhanced convenience. In fact, the public generally supports the whole programme. As the new ID cards would comprise such new elements as a chip, new procedures that cope with the new technologies (such as scanning and image storage) as well as new applications, we must propose amendments to the relevant legislation. We urge Members to support

this Bill so that the new ID card scheme and the future ID card replacement exercise can be carried out smoothly as scheduled.

Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Registration of Persons (Amendment) Bill 2001 be read the Second time.

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

MOTION

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Dutiable Commodities (Amendment) Regulation 2001.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I move that the motion under the Interpretation and General Clauses Ordinance, as printed on the Agenda, be passed. The motion amends section 3 and section 6 of the Dutiable Commodities (Amendment) Regulation 2001.

The Subcommittee set up by the Legislative Council has examined the Regulation carefully with in-depth discussions and provided us with valuable opinions. I would like to take this opportunity to thank the Honourable Kenneth TING, Chairman, and other members of the Subcommittee for their efforts. Having regard to Members' views, we propose to amend section 3 and section 6 of the Regulation.

Our policy objective is that all applications for dutiable commodity permits should ultimately be submitted using a recognized electronic service. However, under certain circumstances, for example, when the computer system breaks down for an extended period, or when the computer system cannot be enhanced

in advance before a new type of dutiable commodity is declared in order to maintain confidentiality, the Commissioner of Customs and Excise (the Commissioner) may exercise his power under the new Regulation 22(6) in section 3 to determine that applications may be submitted in paper form as an alternative.

We have accepted Members' suggestion and incorporated the condition of "where the Commissioner considers that it is not practicable for any one or more applications for a permit to be submitted using a recognized electronic service" into Regulation 22(6). This ensures that the power provided by new Regulation 22(6) will only be invoked by the Commissioner when it is necessary to do so.

On this premise, we have also made suitable amendments to Regulation 22(6) by specifying that the Commissioner may determine the submission of applications in paper form as an alternative or the sole means.

The amended Regulation 22(6)(a) empowers the Commissioner to determine that an application for a dutiable commodity permit may either be submitted in paper form or using a recognized electronic service. This will cater for exceptional circumstances where, for example, the computer system breaks down partially for an extended period.

The amended Regulation 22(6)(b) empowers the Commissioner to determine that the application or applications for certain dutiable commodity permits shall only be submitted in paper form. This will enable the Government to cater for exceptional circumstances where, for example, the computer system breaks down completely for an extended period. This will also allow the Government to declare a new type of dutiable commodity without having to enhance the computer system in advance, thus maintaining confidentiality.

To avoid delays in delivery of service, Members suggested that the determination made by the Commissioner under the new Regulation 22(6) (that is, to specify the submission of applications in paper form as an alternative or the sole means) should be implemented before the relevant notice is published in the Gazette. We accepted Members' suggestion and amended Regulation 22(7) by requiring that notice of any determination made under the new Regulation 22(6) shall be published in the Gazette within 14 days of the determination having been made. Since such a notice is merely administrative in nature, it is not necessary

to specify that it is not subsidiary legislation. Accordingly, the original Regulation 22(7) is deleted.

Section 6 of the Regulation is a transitional provision. Our policy objective is that after a reasonable period of transition, all applications for dutiable commodity permits should ultimately be submitted using a recognized electronic service. During the transitional period, applications submitted either in paper form or using a recognized electronic service will be accepted.

Our plan is that the transitional period should last for six months. Members suggested that the expiry date of the transitional period be specified clearly in the Regulation so as to give the industry a clear goal to prepare with good planning. We note that the industry has requested on their own initiative that six months after the launch of the service on 10 January 2002, all applications for dutiable commodity permits should be submitted using a recognized electronic service. In addition, Members advised that the amended new Regulation 106 could still provide adequate flexibility for the Commissioner to specify a later date as the expiry date of the transitional period after assessing the actual take-up rate of traders as well as the smooth running of the computer system. As such, we have accepted Members' suggestion and specified the expiry date of the transitional period in the Regulation.

The amended new Regulation 106(2)(a) specifies that the transitional period ends at midnight on 20 July 2002. The amended new Regulation 106(2)(b) further provides that the Commissioner may, by notice published in the Gazette before 20 July 2002, specify the end of the transitional period to be at midnight on a date later than 20 July 2002.

Thank you, Madam President.

The Secretary for Commerce and Industry moved the following motion:

"That the Dutiable Commodities (Amendment) Regulation 2001, published in the Gazette as Legal Notice No. 248 of 2001 and laid on the table of the Legislative Council on 28 November 2001, be amended –

- (a) in section 3 –
- (i) by renumbering new regulation 22(8) as new regulation 22(9);
 - (ii) by repealing new regulation 22(6) and (7) and substituting –

"(6) Where the Commissioner considers that it is not practicable for any one or more applications for a permit to be submitted using a recognized electronic service he may determine –

- (a) that an application for a permit may either be submitted in paper form or be in the form of an electronic record that is submitted using a recognized electronic service; or
- (b) that the application or applications shall be submitted in paper form and shall not be in the form of an electronic record that is submitted using a recognized electronic service,

and subregulation (3) shall have effect subject to the determination.

(7) Notice of any determination made under subregulation (6) shall be published in the Gazette within 14 days of the determination having been made.

(8) For the purposes of an application for a permit that is submitted in paper form pursuant to the determination made under subregulation (6), subregulations (4) and (5) apply subject to the determination.";

- (b) by repealing section 6 and substituting –

"6. Part added

The following is added –

"PART XI

MISCELLANEOUS

106. Transitional

(1) During the period specified in subregulation (2), an application for a permit may be made in the manner provided for by regulation 22 as it applied immediately before the commencement of section 3 of the Dutiable Commodities (Amendment) Regulation 2001 (L.N. 248 of 2001) and, for the purposes of any such application, regulation 22 as it so applied shall continue to have effect despite the repeal taking effect on that commencement.

(2) The period specified for the purposes of subregulation (1) is the period beginning with the commencement of section 3 of the Dutiable Commodities (Amendment) Regulation 2001 (L.N. 248 of 2001) and ending at midnight on –

(a) 20 July 2002; or

(b) such later date as may be specified by the Commissioner by notice published in the Gazette.

(3) A notice published under subregulation (2)(b) has effect only if published before 20 July 2002.

(4) A notice published under subregulation (2)(b) is subsidiary legislation."."

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

MR KENNETH TING (in Cantonese): Madam President, the Legislative Council has set up a Subcommittee to scrutinize the Dutiable Commodities (Amendment) Regulation 2001 and two related Commencement Notices. In my capacity as Chairman of the Subcommittee, I now report to this Council the Subcommittee's deliberations. As the Subcommittee has already submitted a written report to the House Committee, I will only highlight a few major points.

Firstly, the principal objective of the Amendment Regulation is to provide that applications for dutiable commodities permits (DCPs) and surrender of permits shall be in electronic form. Both the Subcommittee and the industry support this policy objective. As their concerns about the proposed launch of Electronic Data Interchange service for DCPs have been addressed by the Administration and Tradelink Electronic Commerce Limited, members of the industry welcome the early launch of the service.

Secondly, the Subcommittee and the industry also support the Administration's proposal to introduce a six-month transitional period to allow the industry to adapt to the change. During the transitional period, the Administration will accept both paper and electronic applications before subsequently making electronic application for DCPs compulsory. In order to give users a clear message, the Administration has accepted the Subcommittee's suggestion and undertaken to specify in the Regulation the end date of the transitional period.

As regards the arrangements for the Commissioner of Customs and Excise to revert to paper form under very exceptional circumstances, the Administration has accepted the Subcommittee's suggestion to make it clear in the Regulation that the Commissioner will only exercise this power where it is not practicable for an application to be submitted solely in electronic form. The Administration has also assured members of the Subcommittee that there is no question of the Commissioner abusing the power to revert to paper form for an indefinite period.

With these remarks, Madam President, I support the motion moved by the Secretary for Commerce and Industry.

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

(No Member responded)

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

(The Secretary for Commerce and Industry 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 Commerce and Industry 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 of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the Attachment of Income Order (Amendment) Rules 2001.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MISS MARGARET NG: Madam President, in my capacity as Chairman of the Subcommittee set up by the House Committee to study the Attachment of Income Order (Amendment) Rules 2001, I move the motion standing in my name on the Agenda.

The purpose of the motion is to extend the scrutiny period of the Attachment of Income Order (Amendment) Rules 2001.

The Subcommittee has held two meetings with the Administration. To enable the Subcommittee to report its deliberations to the House Committee on 11 January 2002, it is necessary to extend the scrutiny period of the Amendment Rules to the Council meeting on 16 January 2002.

With these remarks, I urge Members to support the motion.

Miss Margaret NG moved the following motion:

"That in relation to the Attachment of Income Order (Amendment) Rules 2001, published in the Gazette as Legal Notice No. 260 of 2001 and laid on the table of the Legislative Council on 12 December 2001, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 16 January 2002."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Miss Margaret NG be passed.

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

(No Member responded)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Margaret NG 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): 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 Honourable Members should be very familiar with the time limits, I will not repeat them here. I only wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue immediately.

First motion: Urban renewal projects.

URBAN RENEWAL PROJECTS

MR JAMES TO (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. Perhaps let me repeat the wording of the motion, and that is: That this Council strongly urges the authorities to honour and fulfil their pledges on urban renewal given to the Legislative Council and the residents; and to expeditiously announce the urban renewal projects.

Over the past eight years, I have moved six motions on the issue of urban renewal in the Legislative Council. Upon learning that I would move this

motion on urban renewal, many Honourable colleagues asked me why I should raise this issue again, now that the Urban Renewal Authority (URA) had already been established. Many Honourable colleagues at first really could not understand my rationale. However, I wish to draw Members' attention to one point, and that is, the Government should expeditiously announce the urban renewal projects. Why must the Government expeditiously make this announcement? This is because the Government has mentioned, as its new slogan, that urban renewal should be people-oriented. Besides, it is also specified in the Urban Renewal Strategy that the interests of the people must be placed before anything else. Nevertheless, the affected residents are very anxious because the Government so far has not announced the relevant urban renewal projects. Today, I received a large pile of debris and I have only brought one piece here to show it to Members. This is really collected from a building affected by the Tai Kok Tsui project. If Members are interested, after this meeting I may accompany them to pay a site visit there, where they can find plenty of large pieces of debris like this very easily. I should like to ask Members to think about this question: How can large pieces of debris like this drop on to the floor in corridors inside buildings? The answer is very simple. These buildings are all decades old. Due to the lack of repairs over the years, many buildings have become very dangerous and have leakage problems. These together with many other maintenance and repair problems have caught the affected flat owners in a dilemma. These buildings belong to redevelopment projects announced several years ago. But has any progress been made so far? This situation has also given rise to clashes and conflicts between flat owners and tenants in some cases. For instance, because tenants living in buildings affected by urban renewal projects may be allocated public housing or rehoused, the rents they pay may be higher than that paid by tenants living in buildings of the same district but are less likely to be redeveloped. So, it may perhaps be said that the rents they pay already contain a "value-added" element. These tenants have been paying excessively high rents for such a long time, and their anxiety just continues to grow as time drags on. They are afraid that they may not really be rehoused. Indeed, some of the elderly residents and kaifongs have passed away during this waiting period. We recently learnt that some of the elderly residents with whom we went to snake feasts last year have already passed away. Some unruly elements of society have also turned the present situation to their advantage. They would lure people to rent their flats by saying that tenants of such flats will have rehousing opportunities and many other benefits. In short, they would lure people, by hook or by crook, to rent their flats. But then, later

on they would force their tenants to move out under certain circumstances. Naturally, many problems have arisen as a result. If the Government's policy on urban renewal is really people-oriented, why does it not announce the urban renewal projects expeditiously?

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

Why is the motion targeted at the authorities rather than the Government or the URA? It is because we are talking about the entire urban renewal programme. We cannot rely on the Government or a certain government department alone to announce the urban renewal projects, launch the various projects and implement them expeditiously. Rather, the participation of the relevant Policy Bureaux and government departments will be required. Not only the Housing Department will be involved, even the Housing Authority and the Housing Society may be enlisted to assist in handling issues like rehousing and so on. The URA certainly has to work very fast, yet I feel that it has been dismissing employees at a really fast speed since it was established in May last year. On the contrary, urban renewal projects are progressing at a very slow pace. I just cannot understand why such things would happen. In order to expedite its work, the URA should recruit more staff rather than laying off employees as it has been doing now. Perhaps this has something to do with efficiency enhancement. There is yet another interesting point about my motion, which has caused some Members to ask me why my motion proposes to strongly urge the authorities to honour and fulfil their pledges as if the authorities always fail to keep their promises.

Let me remind Honourable Members that during the Question Time earlier on, the Honourable Frederick FUNG asked the Government about the seven undertakings it gave in the letter dated 8 March. Perhaps many Members will discuss these undertakings when they speak in this debate later today. Have the authorities fulfilled the pledges they made then? Actually, pledges were made not only on 8 March alone. In addition to the seven undertakings it gave on 8 March, the Government has made many other pledges during the time when the Urban Renewal Authority Bill was under scrutiny by the Council and at the meetings of the Finance Committee. There are still many other pledges which the Government said that it would honour and fulfil.

However, the present situation is that the URA has released plenty of news and information to reporters. The same issues were also raised during its dinner meetings with Members. Every time the URA would ask Members whether certain projects could be abandoned. At other times, it would say that although it did wish to offer the residents affected by urban renewal compensation equivalent to the cost of a seven-year-old replacement flat in the same area, it probably could not afford to do so as the market was so sluggish. When talking about rehousing arrangements, it would query whether the residents concerned should really be rehoused. Besides, it would also query the need for local rehousing or say that the affected residents just might not necessarily be rehoused in the nearby areas. As regards compensation, the URA has also suggested that the compensations might not necessarily be calculated in the way agreed. In short, the URA has made many hints and suggestions, all of which have caused grave anxieties among the kaifongs, particularly the elderly. After handling the matter for a few years, the Government suddenly says that it is not going to implement certain renewal projects. Many have turned all these rumours and "hints" to their advantage. On hearing such comments from the Government, some estate agents may buy in old buildings in advance, whereas the old building dealers may cheat the kaifongs by saying that the Government is not going to implement the urban renewal projects, as the money spent on building repairs will just go down the ditch and they will incur losses if they do not sell those old buildings out. In the end, many grave problems will be resulted.

Apart from that, the Government has also made us a pledge which is not included in its letter of 8 March. The Government told us that all the employees of the former Land Development Corporation would be transferred smoothly to the URA upon its establishment. As I can recall, the Government made this pledge because some Members representing the labour sector were very much concerned about this point at that time. One very interesting point is that the Government only said in its pledge that the employees would all be transferred to the URA, instead of advising the URA to refrain from refusing the transfer of any employees. The Government told us that no such things would happen because it had discussed the matter with the employees, and it also said it was sure that the pledge would certainly be fulfilled. Actually, the Government knew it very well that if it did not make this pledge, Members representing the labour sector would never vote for the passage of the Urban Renewal Authority Bill. Yes, it is true that the employees have all been transferred to the URA upon its establishment. However, they could only keep their job for three

months. If the Government had told the Members representing the labour sector that the employees could only keep their job for three months, do you think those Members would vote in favour of the Bill? Certainly, I just could say nothing if some Members were willing to be cheated by the Government. Otherwise, the Bill would never be passed. So, this is the pledge made by the Government at that time. Judging from the reply given by Secretary John TSANG earlier on, even though the employees could only keep their job for three months on transfer to the URA, the pledge that all employees would be transferred smoothly to the URA should be regarded as fulfilled. As regards the pledge that the cost of a seven-year-old replacement flat would be adopted as the basis for calculating compensation, it is also more favourable than the original compensation offer because even if it pays only \$1 more, it should still be considered as a more favourable offer. We must bear in mind that the URA has only said in its announcement that it would adopt this basis but made no mention of any terms more favourable than this basis.

I have discussed this matter with the senior officials of the URA. They told me that the URA would offer removal allowance to the affected residents, and that with this additional allowance, the offer should be more favourable than the cost of a seven-year-old replacement flat. It really shocked me that they could say things like that. I really wonder whether the Government will consider that their theory may as well be acceptable. A few days ago, I attended a residents' meeting held in the evening. Deputy Secretary Stephen FISHER was also present at the meeting and he sat just next to me. It seemed to me that Mr FISHER also agreed to this theory, because the practice in question would not violate the pledge in principle. I do not know whether things have changed by now, or things have changed because the Financial Secretary is faced with enormous pressure when evaluating Hong Kong's present financial position. Regardless of what problems the Government is faced with, it should give us an account of its problems honestly, rather than allowing the URA to release all those "news" and "information" and then acting as the good guy to tell people that no such things would happen.

I should like Members and the general public to use their own judgement and wisdom to consider the announcement made by the URA in November which reads: "We have discussed the draft five-year corporate plan in our meetings and will submit it to the Financial Secretary for approval upon discussion with the Government." But then, it is almost mid-January now, the discussion still drags on without any final decision.

When answering questions raised by Members earlier on, Secretary John TSANG said the Government has never secretly, informally discussed or indicated that certain things have to be stopped. If the Government has not exerted any pressure, why can the URA still not submit the drafts in January despite the pressure from the public and this Council? This is indeed very strange. According to my understanding, the Government is in fact the backstage manipulator. Even though it has made the relevant pledges in this Council in the past, the Government still considers the compensation too costly and too generous. Since the layoff incident last time has been pursued by Members, it just will not work if the new compensation package is to be announced by the Government. As such, the URA has to act as the "bad guy" and announce the new compensation package, thereby giving rise to the present stalemate.

I just hope the Government, the URA and the relevant government departments can understand that if the policy is really people-oriented, they should expeditiously announce the projects. At the residents' meeting I attended with a government official a few nights earlier, I heard a simple hint to the effect that there would be good news before the Chinese New Year. While the Financial Secretary was still saying several days ago that approval had not been granted to any projects, all of a sudden the "early launch" projects were approved today before this motion debate began. The reporter and the kaifongs all told me that it is better to receive approval for some projects than not receiving any approval at all. Nevertheless, as I can still remember, although several years ago the Government promised to implement 25 projects, so far only three of those projects have been approved. What is more, the Financial Secretary has taken almost two months to consider these three projects submitted by the Government before giving them approval. Why did we seek to amend the relevant legislation? Our purpose is to enable the URA to implement the various projects on its own initiative in accordance with prudent commercial principles. But then, the Government has added in the last paragraph in the last page of the Urban Renewal Strategy the requirement that the URA has to follow financial guidelines, but those guidelines cannot be disclosed to the public. I suspect, and I do have grounds to believe that the tricky point lies in the financial guidelines. Otherwise, the relevant projects do not have to apply for the Financial Secretary's approval according to the explanatory notes of the amended Urban Renewal Authority Ordinance. It is specified only in the financial guidelines that any projects that are prone to suffer losses will have to be submitted to the Financial Secretary for approval. Yet our original objective in

amending the Urban Renewal Authority Ordinance is to make it different from the Land Development Corporation Ordinance in that the URA is not required to submit each and every one of its projects to the Financial Secretary for approval. Although we do not want the Financial Secretary to weigh the projects of the URA, the present arrangement is actually no different from that in the past. The only difference is that the Government is doing the same thing secretly through the backdoor instead of exercising the power openly as in the past.

If the Government really puts the people first in implementing the urban renewal programme, I hope it will commence work expeditiously. If the five-year corporate plan and annual business plan submitted by the URA could be approved before the Chinese New Year, I will thank the Government on behalf of all the people of Hong Kong. I just hope the Government can tell us in its response to the motion today that it will give us a reply in respect of the five-year corporate plan before the Chinese New Year. I beg to move.

Mr James TO moved the following motion: (Translation)

"That this Council strongly urges the authorities to honour and fulfil their pledges on urban renewal given to the Legislative Council and the residents; and to expeditiously announce the urban renewal projects."

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

DEPUTY PRESIDENT (in Cantonese): Mr Frederick FUNG 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 Frederick FUNG to speak and move his amendment.

MR FREDERICK FUNG (in Cantonese): Madam Deputy, I believe the stance of my amendment on the compensation and rehousing packages for areas earmarked for redevelopment does not contradict that of the original motion. I believe they are consistent. The only difference, I believe, is that while the wording of the original motion may give the Government an opportunity to shirk

its responsibility, my amendment ensures that the Government cannot do so. Why? Just now the Honourable James TO mentioned the seven pledges made in the letter dated 8 March, which were also referred to during the Question Time earlier. However, what the Government talks about are just recommendations for consideration by the URA. In other words, the Government has fulfilled its pledges so long as the URA has considered its recommendations.

Certainly, the Government has made more pledges than just these seven; it has also made pledges in relation to land resumption at the meetings of the Finance Committee, albeit those are not acquisition pledges. Speaking of land resumption-related pledges, I believe in future the URA will at least implement some basic recommendations for affected owners with two or three flats in the light of such pledges. Nevertheless, I feel that the present arrangement has given the Government some room of manoeuvre. That is why I have to stress that the seven so-called recommendations made by the Government for the URA's consideration should be considered as a whole. They are the most essential and basic issues in respect of the URA. The public is most concerned about these seven recommendations and hope very much that they will be fully adopted by the URA as its policies. But then, if the Government's interpretation is that it will have fulfilled its so-called pledges so long as it has made recommendations for the URA's consideration, the Government will stand a very good chance of shirking its responsibility.

Earlier, I have particularly sent a paper to Members for their reference, which is the relevant meeting agenda of the Sham Shui Po District Council. On that occasion, Deputy Secretary Stephen FISHER was invited to attend the meeting. During the meeting, Mr FISHER said something which I should like to read out to Members. Mr FISHER said, "the URA is responsible for drafting a compensation package for flat acquisition purposes. The Government has pledged to advise the URA, upon its establishment, to consider the Government's recommendations when formulating acquisition policies later on." Obviously, the Government's pledge is that it will make recommendations to the URA.

Apart from the Government, the so-called authorities may possibly refer to the URA. Yet the most important point is that the URA has never made any pledges, nor has it made any pledges to the public or this Council regarding its acquisition offers to flat owners affected by the urban renewal programme.

Nevertheless, as far as the second possibility is concerned, can we request the URA to adopt the seven recommendations made by the Government? That way, the URA, which is an independent corporation, will independently consider whether or not it should adopt the Government's recommendations, without touching the question of the fulfilment or otherwise of pledges. What is more, I even feel that under such circumstances, regardless of whether the authorities refer to the Government or the URA, the seven recommendations (which may most probably become the URA's major compensation and rehousing packages) will still be turned down by the URA. This is exactly my worry. On the other hand, what if the authorities refer to both the Government and the URA? If the authorities refer to the Government, as I said at the beginning of my speech, the original pledge of the Government is evasive and irresponsible, which will be fulfilled so long as the Government has made recommendations. In this case, the URA will not have any role to play, and the motion would then read as: This Council urges the URA to adopt the seven recommendations made by the Government. Then, the URA will be free to choose whether or not to adopt the recommendations. That way, the Government will have no roles to play. It is possible that things will end up this way, and that is why I am concerned.

Actually, my amendment seeks to firmly hold the Government responsible. I wish to firmly hold the Government and the URA responsible with two words. The first word is "impel", which means the Government has to take actions to ensure that the URA will do certain things. What does the URA have to do? The URA has to "adopt" something. In other words, the Government has to make some recommendations for the URA's adoption. What do all these mean? There will not be any problem if the URA shares the view of the Government and is willing to adopt them. Yet another possibility is that the URA does not favour the recommendations made by the Government. In that case, the Government has to think of ways, by hook or by crook, to lobby or use whatever methods to make the managing board of the URA support the Government's recommendations.

However, there is yet a third possibility, which was also mentioned by Mr James TO earlier. It is possible that the resources provided by the Government to the URA are by no means adequate. For example, suppose the Government has to allocate \$250 billion to the URA within 20 years, or an annual average of \$10 billion-odd, but due to insufficient funds the Government can only allocate \$5 billion to the URA every year. Besides, the Housing Authority (HA) may perhaps be unwilling to allocate so many housing units to the URA for local

rehousing purposes. Under such circumstances, the Government will have to do something to make the URA adopt the Government's seven recommendations as its policies. The Government may perhaps have to provide loans to the URA or invest resources in it, allow the private sector to provide such resources or loans, or persuade the HA to provide the URA with enough housing units, and so on. So, these are the things the Government has to do. The Government must do something to make the URA adopt the government recommendations as its policies.

With regards to the third possibility, I do not know which of the following can best describe the present situation: The Government is willing but the URA is unwilling, both the Government and the URA are willing, or the Government is willing but the URA is unwilling in view of the insufficient resources it has. In any case, the thrust of my amendment is to urge "the Government to impel the URA to adopt the Government's pledges". I just hope the Government will strike up a kind of direct and action-based relationship with the URA.

Does the URA really accept the Government's recommendations under the present circumstances? With regard to the seven pledges mentioned during the Question Time earlier on, I believe at least one of them has not been adopted by the URA, and I did follow up the matter then. The first of the Government's recommendations is for the URA to make acquisition offers more favourable than the Government's land resumption offer (which is the cost of a seven-year-old flat). What resolution did the managing board of the URA reach on 23 November? It resolved to adopt the cost of a seven-year-old flat as the basis for calculating the allowance payable to owners of self-occupied flats. This is obviously a more favourable and better offer than the past compensation packages. Some people have told me, and even Mr FISHER also said so to me earlier on outside this Chamber, that the affected residents will be given allowances to help cover the fees charged by lawyers as well as other expenses. But the legal charges allowance or other kinds of removal allowances are not the acquisition offers and have nothing to do with the age of a building. They are some other things. They may be the additional allowances which the URA is willing to offer to the affected residents, but they are by no means related to the question as to whether or not the acquisition offers are more favourable than the cost of a seven-year-old flat. I am now talking about the acquisition offers, and I feel that this point has not been achieved.

As regards the second recommendation, on 1 June last year, Dr LAU wah-sum, Chairman of the URA, told *Ming Pao Daily* that after a 16-month drafting period a renewal project will be gazetted. The URA will then apply to the Executive Council for approval to implement the gazetted project in accordance with the Lands Resumption Ordinance, which is the imperial sword. The vetting and approval will take some 15 months, during which the URA will be negotiating the acquisition price with the affected flat owners. In other words, the URA will hold the imperial sword against your neck when it bargains with you. What kind of negotiation is this? Is it any different from terrorism or terrorist acts in any way? Would that be the recommendation made by the Government to the URA and expect the URA to accept? My concern is that once the URA is given the imperial sword, it will use it to undermine or even reject the seven recommendations made by the Government.

Madam Deputy, the Government and the affected residents have spent almost a year's time discussing the compensation and rehousing arrangements under the urban renewal programme. The discussions held during this period were by no means casual, as both parties exchanged views earnestly and sincerely. The Government, Mr FISHER, and his subordinates have paid many site visits to the areas concerned to hold meetings with kaifongs. I have been working in the community for 25 years, and people considered us a pressure group. I can tell Members that I have dealt with some 1 000 cases and no government officials have attended more kaifong meetings than I for any single case. The only exception is Mr FISHER. His performance this time has won not only my appreciation but also that of the residents concerned. However, I must tell Mr FISHER that if these government recommendations, which are the results of the painstaking discussions between the Government and kaifongs, should be rejected by the URA, the good work he did would become bad deeds. His good reputation would suffer and the appreciation he has won just could come to naught. I wonder whether MR FISHER can still recall his first visit to Sham Shui Po? At that time, he was surrounded by kaifongs who condemned him and would not let him go. Then, by the time he visited Sham Shui Po again before the voting time, although the temperature then was only 13 degree Celsius, over 200 people attended the meeting to vote in support of the Government and the packages put forward by the Government. What is more, kaifongs even greeted Mr FISHER with applause. From this we can see that Mr FISHER has indeed done a good job. However, the better the job Mr FISHER has done, the greater would be the chance for him to be cursed if the URA should refuse to

implement the recommendations in future. I just hope the Government will take note of this point.

Some kaifongs have told me that if the URA should implement the seven recommendations, they would make their best efforts to cope, while District Council members and the Hong Kong Association for Democracy and People's Livelihood (ADPL) would also mobilize kaifongs to expeditiously collect payments and resume their flats from tenants. However, if the URA should fail to fulfil some or all of the pledges, Members from the Sham Shui Po District, the Sham Shui Po District Council, as well as residents living in the redevelopment areas including the ADPL, would devote all their resources to rise in opposition. So long as one tenant or one flat owner should indicate a wish to wrestle with the Government, we will fight with the Government to the end. Certainly, we do not have any weapons and we will never resort to violence. Yet I do not think the URA will allow the projects to be delayed for too long. According to the information provided by the Government in the past, the URA has to pay \$3.3 billion in interest annually on average. I believe the Government does not wish to let things drag on like this, nor do kaifongs wish to see this happen. Nevertheless, if the Government should fail to fulfil its pledges, I hope the Government and the Secretary will not blame the kaifongs for taking certain radical actions, or blame the political parties and representative councils for taking strong actions. I can only tell the Secretary that if he cannot make the URA adopt the Government's recommendations as its policies, such actions will continue to be taken. Even if Mr FISHER should be transferred to another Policy Bureau, there would still be people protesting outside his office. I beg to move.

Mr Frederick FUNG moved the following amendment: (Translation)

"To delete "authorities to honour and fulfil their" after "That this Council strongly urges the" and substitute with "Government to impel the Urban Renewal Authority to adopt the Government's"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr James TO's motion, be passed.

DR RAYMOND HO (in Cantonese): Madam Deputy, according to the Urban Renewal Strategy submitted by the Planning and Lands Bureau in November 2001, there are at present about 9 300 private buildings in the Metro Area which are 30 years old and above. In 10 years' time, the number of buildings over 30 years of age will increase by 50%. The problems of ageing buildings and urban decay will not only affect the cityscape, but also endanger the public. In spite of the fact that this problem has existed for a long time, the Government has failed to tackle it positively. The URA was established in May 2001 to take charge of urban redevelopment. Regrettably, it has so far failed to achieve what it should have done. The slow progress in its work is not difficult to imagine. To ensure the urban renewal programme can progress as scheduled, I believe the Government must monitor the URA. At the same time, the URA should announce its renewal projects expeditiously and explain them to the public and the Government.

Until May 2001, the Land Development Corporation (LDC) was responsible for urban renewal programmes. At the end of 1997, 25 projects to redevelop old urban areas were unveiled by the LDC. However, the relevant works have still not commenced after a lapse of four years. As a result, a substantial amount of government resources have been wasted. Since Hong Kong's economic outlook is still not promising, the Government, as a responsible one, must put resources to good use. To avoid making the same mistakes, it should assist the URA to expedite the urban renewal process.

Actually, from the angle of land utilization, it is imperative for the Government and the URA to expedite the implementation of urban renewal. Hong Kong's economic restructuring dates back to a decade ago when the manufacturing industry was an underpinning of the economy. This explains why a large number of industrial buildings were built. Nowadays, Hong Kong economy depends largely on the service industries and commerce. In addition, many manufacturers have over the past decade chosen to relocate their factories to the Mainland. The demands for industrial buildings have therefore dropped substantially, and the vacancy rate has also risen correspondingly. Not only has this resulted in land wastage, the development of the real estate sector has been put under pressure as well. From the economic angle, expediting urban renewal can help ameliorate the hardship facing the real estate sector.

The construction industry has remained in the doldrums in recent years, with its unemployment rate ranking the first among all sectors. This is mainly because the Government has failed to embark on infrastructure projects early. Urban renewal can create employment opportunities in the construction industry. We must not take this lightly and this is also one of my reasons to urge the URA to expeditiously announce the urban renewal projects.

Being a sophisticated city, Hong Kong must retain the spirit and appearance unique to an advanced city. The urban decay problem facing us at the moment is precisely working against this. In order to improve the people's livelihood and the economy, and to maintain Hong Kong's international status, the URA must expedite the urban renewal process. At the same time, the Government should play the supervisory role to avoid wastage of resources and to ensure the implementation of the relevant urban renewal projects over the next two decades as scheduled.

Madam Deputy, I so submit.

DR YEUNG SUM (in Cantonese): Madam Deputy, we have been discussing this issue in this Chamber for quite some time. The great anxiety felt by some of the residents affected by urban renewal is therefore understandable.

The Government has always said that urban renewal plans will be announced expeditiously. The Deputy Secretary, Mr FISHER, has held a number of meetings with us too. A large number of residents, who are here on the public gallery today, have been very concerned about this. What does "expeditiously" really mean? The Government has still not received the five-year plan from the URA. What the Government has received is just the first draft. The final draft has yet to come. Why?

The five-year plan is very important in the sense that the 25 uncompleted projects of the Land Development Corporation (LDC) will be accorded priority. The Government supports this in principle. But why does it take so long for the five-year plan to be published? Is it because the URA has failed to work efficiently? Or is it due to insufficient funding from the Government? Is the Tsuen Wan redevelopment project being stalled by the compensation problem that has made it impossible for the plan to be submitted? Is the injection of

capital by the Government related to the failure of the authorities concerned to tackle the Tsuen Wan project? As the saying goes, even a clever housewife cannot cook a meal without rice. The Government definitely wants the URA to put the urban renewal projects into implementation; even Mr Frederick FUNG would like the Government to urge the URA to expedite the implementation of urban renewal projects. In addition to the efficiency of the URA, will a lack of government funding be the real reason?

Mr James TO has earlier made it very clear that we supported the idea of establishing the URA mainly because the Government had failed to carry out urban renewal through the LDC in accordance with commercial principles. The depressed property market has made it impossible for urban renewal to be carried out. Yet for the sake of public good, land utilization and improvement in the living of residents in old urban areas, we consider it very important for the URA to be established, except that it must not operate purely on commercial principles. Otherwise, it will make the same mistakes committed by the LDC.

I hope Secretary John TSANG can consider the matter from the angle of residents affected by urban renewal or visit them more frequently and think in their position. For instance, residents affected by the urban renewal projects announced by the Government have basically no knowledge of whether renovation should be carried out. Yet, the Government has indicated that certain dangerous buildings must be repaired. Furthermore, owners do not know whether it is advisable for them to rent out their flats, because if they rent out their flats, serious problems might arise between them and their tenants if the latter refuse to move out and use this as an excuse to extort compensation. At the same time, owners refusing to carry out repairs will possibly be pressurized by the Government. What should they do? Most of these owners are elderly people who are in urgent need of improvement to their living condition. For this reason, I hope the Secretary, as a new man in the office, can handle the matter in a brand new style and look at the matter from a people-oriented angle and think more from the position of the people.

I hope the URA can, from a people-oriented angle, address the problems left behind by the LDC with a firm and an active non-commercial approach.

I can still not understand why it takes so long for the URA to announce its five-year plan. I hope all parties can accept Mr James TO's proposal and have

the matter sorted out with the URA before the Chinese New Year. The relevant authorities referred to by me should include all the relevant parties, no matter who takes the lead. Our ultimate goal is to resolve and settle the matter and have the details of the 25 projects published before the Chinese New Year to enable the affected residents to make good preparations for their living.

We often say that we have to prepare for the future. Yet very often, the future of the affected residents lies in the hands of the authorities, which have failed to come up with a decision after such a long time. I do not know the reasons. Is it because of commercial considerations, the property market situation, or the efficiency problem? In short, the Government must honour its promise because it is duty-bound to do so. The URA has made the same promise to the residents of the old urban areas too.

Actually, not only these residents can benefit from redevelopment and rehabilitation programmes, upgrading of the living standard and improvement in the facilities. Land value will rise as well. The Government can also benefit from auctions of land in the vicinity in future. Therefore, we should see these benefits not only from the residents' angle.

Hong Kong is an international city. Redevelopment and rehabilitation programmes can turn old urban areas into new communities to lure more tourists.

I would like to appeal to Members who harbour the thinking that the residents of the old urban areas are all insatiably greedy. This is not the reality. They are only asking for their fair share.

When it comes to land utilization, the Government well understands that it is impossible to rely merely on the market to resolve the problems. This explains why it is trying to make use of the URA to achieve its goal.

Christmas has just passed and the Chinese New Year is drawing near. I hope the Administration, the relevant parties and the URA can sit down and sort out the matter to see if it is possible to announce the 25 projects during the Chinese New Year, accord priority to the uncompleted redevelopment projects previously announced by the LDC, and give the public an open explanation expeditiously. Thank you, Madam Deputy.

DR TANG SIU-TONG (in Cantonese): Madam Deputy, the establishment of the URA on 1 May 2001 symbolizes the marching forward of the urban renewal programme to a new milestone. Members of the community, particularly owners and residents in old urban areas, have pinned high hopes for the URA and hoped that the Government can speed up urban renewal and offer reasonable compensation to the affected residents. Actually, the speed of urban renewal and compensation and rehousing offered to affected residents have been matters of great concern to the public in general.

According to the Urban Renewal Strategy published by the Government, the URA is tasked to implement with 20 years an urban renewal programme consisting of 200 new projects and 25 uncompleted projects of the LDC. Nevertheless, the priority and timetable of implementation of the relevant projects have still not been made known to the public. Many residents of old urban areas naturally hope that compensation and rehousing can be offered to them expeditiously after waiting for such a long time since their living condition is worsening. It is perfectly understandable that both owners and residents are disappointed with the failure of the URA to announce the specific urban renewal projects even though they have waited for such a prolonged period. Furthermore, it is generally considered that the URA should accord priority to the 25 uncompleted projects left behind by the LDC. In this connection, government officials have on various occasions stated that it will recommend the URA give priority to these projects. However, the contrasting news and media reports on the pace of urban renewal have more often than not brought great puzzlement to the residents.

The Board of the URA has reportedly scrutinized its draft first five-year corporate plan and will discuss with the Government before submitting the plan, in which the 25 projects announced by the LDC in early 1998 are included, to the Financial Secretary for approval. In other words, the URA has agreed to launch in five years the projects left behind by the LDC. The Hong Kong Progressive Alliance (HKPA) very much hopes that the URA and the Government can complete the deliberation process expeditiously and make their deliberations known to the public so as to allay the worries of the affected residents. On the other hand, some people opine that it is not advisable for the URA to postpone its planned projects in the light of the current economic situation. At the same time, the Government should inject funding to enable the URA to launch its 20-year urban renewal programme. With respect to this matter, the Government responded that the URA would formulate its corporate

plan with a prudent approach, and the Government's long-term objective was to facilitate the urban renewal programme to operate on a self-financing basis in future. We understand that it is not easy for a balance to be struck between the cost effectiveness of urban renewal and the residents' needs. Nevertheless, we do not wish to see the Government "slow down its work" in this area, just as the Chief Executive pointed out in the 1998 policy address that "it is crucial that we make an early start in urban renewal". The Government must make financial commitment when necessary.

Besides the pace of urban renewal, compensation and rehousing are also issues of enormous concern to owners and residents. Last year, acting upon the advice of Honourable colleagues, the Government made a series of proposals to this Council in a letter dated 8 March 2001. There were a total of seven proposals, which include: the acquisition offer made by the URA should be more favourable than the Government's land resumption offer; the removal allowance for flat owners should not be less favourable than that offered to flat owners in the Tsuen Wan project; the number of flats provided for allocation under the flat-for-flat exchange scheme should be at least 1.2 times the number of participating owners, and so on. The Planning and Lands Bureau recently indicated that the URA was studying these proposals raised by the Government. I think the Government and the URA must understand that it is not easy for members of the community to reach consensus on land resumption, rehousing and compensation. They should therefore follow the consensus as far as possible to avoid disputes. We hope the URA can, in the light of the merits of individual cases, particularly cases relating to the 25 urban renewal projects of the LDC, exercise discretion to make acquisition offer more favourable than the Government's land assumption to the affected residents. At the present stage, unambiguous guidelines on compensation and ex-gratia payment should be issued.

The HKPA would like to add one final point that, in addition to endeavouring to put these proposals into implementation, it is also necessary for the "people-oriented" principle to be observed as far as possible when offering compensation and rehousing. For instance, before the commencement of an urban renewal project, the URA should work in close co-operation with social workers to find out whether the residents have other special needs so that proper assistance can be rendered as early as possible.

Madam Deputy, I so submit.

MR IP KWOK-HIM (in Cantonese): Madam Deputy, a year ago, the Government tried to "arouse the sympathy" of Members of this Council by giving us an account of the predicament of residents living in old urban areas and requested this Council to pass the Urban Renewal Authority Bill before the end of the Legislative Session to avoid delaying the overall progress of urban renewal. Nine months after the passage of the Bill, the Government tried to convince us with reason and apply to the Finance Committee for resumption compensation funding to enable the URA to be established in May 2001. Even though I have no idea of the voting intention of individual Members, I am quite certain that Members sitting in this Chamber at this moment share the common goal that urban renewal work should be commenced expeditiously to improve the living conditions of residents in old urban areas. Nevertheless, I am somewhat disappointed with the result even though the matter has dragged on for years. This is because the residents I have contacted are still extremely worried and at a loss as to what they should do. They have virtually no idea when the district in which they live will be redeveloped. Through this motion today, the Democratic Alliance for Betterment of Hong Kong (DAB) would like to urge the URA to expeditiously announce the timetable for individual redevelopment projects and stop the mental sufferings of the affected residents.

The Government always stresses the "people-oriented" spirit in urban renewal. While this expression may appear to be simple, the co-ordination of various parities is required before the "people-oriented" spirit can be realized. Otherwise, benevolent policies will eventually turn into maladministration. Perhaps let me quote an example to give Honourable Members a little enlightenment. According to the information I have acquired, many residents affected by the Tsuen Wan "Seven Streets" redevelopment project had been thinking day and night of leaving the run-down districts in which they were living. After being rehoused in public housing, however, some elderly people were unable to cope with the new living environment. Finally, they even gave up their public housing flats and moved back to the old buildings in the vicinity of "Seven Streets".

Although I do not know why the elderly people chose to give up their public housing units, I still do not consider urban renewal wrong. Yet the act of the elderly people has actually given us a direct message that they do not entirely agree to measure which is supposed to improve their living. The most difficult part of redevelopment work lies in how to really benefit the affected residents. Buildings are unlike instant noodles. Construction of buildings requires

advanced planning. It is therefore essential for the URA to expeditiously build more flats to rehouse elderly people in the vicinity of the areas where redevelopment projects are to be carried out. So doing, the timing of resumption and rehousing can be matched to obviate the need for the elderly to be relocated to an entirely strange place all of a sudden, thereby solving their problem of coping with a new living environment.

Madam Deputy, in the course of carrying out redevelopment, we must not forget the "human" factor. Neither should we forget the "non-human" factor. One major goal of the URA is to preserve and conserve buildings of historical, cultural and architectural interest. The Government has always stressed the importance of preserving monuments. According to one of its recent proposal, it is intended that private owners of statutory monuments be allowed to transfer unused floor area of statutory monuments to development sites in the same district so as to give them incentives to preserve the monuments. I greatly share this proposal.

It is evident from this proposal that the Government has spared no efforts in monument preservation. However, the Government has acted in a self-contradictory manner in handling a recent case in connection with three buildings located in the Tai Hom Village squatter area in Diamond Hill. Though extremely reluctant, I cannot help using the expression "split personality" to describe the Government of Special Administrative Region (SAR). In this case, the Government has, defying opposition from the Wong Tai Sin District Council and the Antiquities Advisory Board, insisted on grading the three buildings as Grade II or Grade III historical buildings for future demolition.

Perhaps let me provide Honourable colleagues with some supplementary information. The three buildings include a stone house built with granite by the late actor, Mr Roy CHIAO; the sole pre-war airplane depot for the Royal Air Force remained so far; and a military castle for defence purpose.

Although the existing legislation has not provided for the preservation of Grade II or Grade III historical buildings, I do not think that these three buildings can be demolished at will. Given the fact that the Government has been constantly thinking of building different types of museums, why does it not simply choose to display the original outlook of the monuments *in situ*? I hope the URA can put emphasis on monument preservation when carrying out redevelopment, or even include the monuments in its planning and preserved

them as tourist spots — the Deputy President will definitely love this idea — to let the people of Hong Kong and overseas tourists to see for themselves the historical facts of the territory. It is definitely not the wish of the DAB to see Hong Kong turning into a city with no root and history.

Lastly, I would like to reiterate the position of the DAB on the compensation and rehousing issues. The DAB demands that the Home Purchase Allowance be calculated on the basis of the prices of five-year-old buildings in the same district. However, the URA is still using the prices of seven-year-old buildings as the basis for its calculation. The DAB is strongly dissatisfied with this. Furthermore, the DAB would like to urge the URA once again to announce the timetable for the 225 redevelopment projects expeditiously to prevent the affected residents from not knowing what they should or should not do and living in deplorable living conditions.

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

MR FRED LI (in Cantonese): Madam Deputy, today, I would like to take this precious opportunity today to express the views that have always been buried deep in my heart. First of all, I have to declare that I am a non-executive director of the URA. Since 1 May 2001, all the meetings of the URA were conducted behind closed doors and the minutes of meetings were confidential. It is very difficult for me to stand it because many matters cannot be disclosed but the residents often force me to do so and the social workers also want me to tell them something. I would like to say something more here, but I must observe the rules, as I am a member of the URA. Evidently, the Government was wise.

However, I must point out the crux of the problem today. Sometimes, it is very painful for non-executive directors of the URA. I am not an executive director and the salaried senior executives perform the executive duties. The relationship between the URA and the Government is very complicated indeed. I am not sure if I can use the phrase "illicit relationship without a matchmaker" to describe it (*laughter*). When the Secretary answered Mr Frederick FUNG's oral question earlier today, he said that the URA should operate independently. Yet, the appointment of the chief executive of the URA has to be endorsed by the Chief Executive of the SAR. I do not know whether the Chief Executive had taken part in the interview of the chief executive, but the Chief Secretary for

Administration and the Financial Secretary should have taken part. We, directors, knew nothing about the appointment and we did not have the right to decide whom to short-list. The remuneration of the chief executive is also determined by the Government. Regarding the two executive directors, I just know from the remarks made by the Secretary earlier that one of them would assume office on 1 January while the other on 1 February. I know nothing about these matters because they were recruited by the Government. The Government actually decided to appoint, appointed and determined the remuneration of the top three executives of the URA. While we are talking about a review of the remuneration packages of public bodies, the Government determines the remuneration of the top three executives of the URA. We do not know what we should do and our discussion about a review is just empty talk.

Let me come back to the seven pledges that the residents are gravely concerned about. They wanted to know the progress of the 25 redevelopment projects left behind by the LDC, and the problem must be solved as soon as possible. Of course, I really wish that the problem could be solved, but "food supplies must be available before fighting". If the URA announces today that a project would be carried out somewhere, it must make compensations in cold cash or at least make an offer. If the residents agree to the proposal, they would like to be paid immediately. Where would the money come from? Luckily, non-executive directors do not have to pay out of our own pockets; otherwise, I really do not know what we can do.

At present, the URA has an enormous monthly deficit and its income fails to meet its expenditures. But it is still saying that it would conduct resumption and pay out compensations in hundreds of millions of dollars. Where would the money come from? It is really too expensive for it to borrow from banks at an interest rate of 2%. Actually, the URA must rely on the Government. Though Secretary John TSANG has given full support and Deputy Secretary Stephen FISHER has made his best efforts. This is the last day on which Mr FISHER holds the post, and I appreciate his performance very much. As he is going to have another posting, I wish the Secretary would fulfil the pledges and responsibilities of Mr FISHER and ask the Financial Secretary to release the financial resources — if the Government imposes restrictions on the URA in consideration of its deficit, it would be impossible for the URA to take a seven-year-old replacement flat as the basis of compensation, needless to say a flat of six years of age. Although the Government has said that a seven-year-old replacement flat would be taken as the basis of compensation, what has it done?

Do the directors have to make more compensations out of our own pockets? The URA cannot do anything. Therefore, only the Government can impose restrictions on the URA and exercise the greatest influence on the directions of the URA. I hope that the Government would not merely talk about the independence of the URA and let the URA handle everything on its own. Even if we are present at the meetings of the URA, what can we say?

Why has the five-year plan of the URA not yet been published yet? The project in the Tsuen Wan District is a big problem. The project in Tsuen Wan still has a loss of over \$2 billion and we do not know what can be done. I think that the URA does not have any idea to solve the problem despite repeated calculations. I do not know much because I have just joined the board of directors for a few months. The Tsuen Wan project is a "hot potato" left behind from the time when the Honourable Abraham SHEK was a member, and I am not sure about the present state of the project.

As regards financial arrangement, I have gone through all the provisions of the Urban Renewal Authority Ordinance related to the resources of the URA, I believe Mr James TO has also made great efforts to scrutinize these provisions. I have not taken part in the deliberations, but I find that the provisions specify that the URA should try its best to conduct prudent financial management. However, there is no mention of its operation to commercial principles or the self-financing principle, which is very important. The Ordinance has not mentioned this but it has required the URA to follow a financial guideline issued by the Government. This point has some profound implications. The Ordinance has not specified the contents of the financial guideline and even the final report submitted after the consultation on the Urban Renewal Strategy has not mentioned operation on commercial principles. It has only repeated section 10(4) that I have just mentioned, that is, the URA should try its best to conduct prudent financial management. It has not mentioned the commercial principles but some confidential Financial Guidelines, specifying that the "URA should operate according to commercial principles in implementing projects and seek approval of the Financial Secretary if a proposed project is not financially viable." It is stated very explicitly that the URA does not enjoy financial autonomy, and every item has to be approved by the Financial Secretary and every act is restricted. But all these requirements were added subsequently. Now, the URA has to operate according to commercial principles and it has to consider whether each project would incur losses. All of the 25 projects left behind by the LDC would incur losses. Madam Deputy, I can say that, unless

the property market suddenly becomes buoyant, how much should the prices of the flats to be resumed by the URA rise three years later before the costs could be recovered?

Having spoken for so long, I just wish to say that the Government should not be self-contradictory because it is contradictory to uphold the people-oriented principle and operate according to commercial principles at the same time. The Government should give the people-oriented principle top priority instead of always emphasizing money and talking about being self-sufficient and long-term planning. If the Government must do so, would it please teach us how to become self-sufficient? I so submit.

MR ABRAHAM SHEK (in Cantonese): Madam Deputy, I did not intend to speak originally, but having heard the Honourable Fred LI say so much, I now wish to tell him something.

I have worked in urban renewal for 13 years, and I can testify that the LDC has never left behind any "hot potatoes". Instead, it has done a very good job of urban renewal for Hong Kong. In the past 13 years, it spent only \$30 million of the Government's money. Just take a walk in the streets, and you will see how many buildings the LDC has redeveloped. There are other directors of the LDC among us here in this Chamber today. Why do we still have to deal with the redevelopment project for Tsuen Wan even now? That is because the Housing Authority has so far failed to do what it undertook to do nine years ago, and the Managing Board of the LDC at that time was chaired by Dr LAU Wah-sum. We thought at that time that since we had made a profit of several billion dollars, we should not just deposit it into the bank as savings, but should plough it back to the community and benefit the residents of Tsuen Wan and Kennedy Town instead. In these districts, there might be as many as 29 households on each floor, with a total of some 80 residents. But today, they are living in flats with independent toilets and kitchens. All this is not any "hot potato", but a major contribution to society, a contribution that exists before our very eyes.

The work of urban renewal is not a simple matter of demolition and construction. Urban renewal is about people, about people's livelihood. That is why those engaged in urban renewal must have a heart of love and hold themselves accountable to the people. When it comes to the people-oriented

approach, it is in fact no new invention. It was actually the principle upheld persistently by the LDC in the past 13 years — the people-oriented approach.

In these last 13 years, in the course of the LDC's work, did anything similar to the Wah Kai Industrial Centre incident occur? Was anyone ever forced to take to the streets, thus leading to a confrontation? Was there ever any case of inadequate compensation? Sorry, the answer to all these questions is "no". Therefore, I can say that the fruit of our work has been confirmed in the history of Hong Kong. I very much hope that when the URA handles redevelopment projects in the future, it can follow the example of the LDC and similarly pursue the people-oriented approach. The compensation it offers should comply with the law, good sense and fairness. There is now an ordinance conferring on it the power to resume land, and it is thus legal to offer compensation calculated the prices of seven-year-old building. But is it in compliance with good sense and fairness? I have said many times here that this is against both good sense and fairness because it is stipulated clearly that in case of land resumption under this ordinance, seven years should be used as the basis of compensation, and for this reason, the acquisition offer should be higher than the land resumption offer. Therefore, Mr Fred LI, please note that the basis of compensation should be five years instead of seven years. Only this can be described as in compliance with good sense, fairness and the law — in brief, the "three acts of compliance". In the case of poor families, they should be treated well, and they should be exempted from the requirement of using buildings of seven years of age as the basis for calculation of compensation. Neither should they be required to have lived in an old district for seven years before they can be eligible for housing allocation. The LDC was not bound by such a provision in the past, and all residents, provided that their residence in the buildings concerned was lawful, would be allocated housing. This is what is meant by the people-oriented spirit.

The URA has been operating for nine months, but what has it done so far? Just the dismissal of some employees. Deputy Secretary Stephen FISHER once promised that there would be no dismissal of staff, but he has failed to keep his very promise. This is dereliction of duty. Besides, Secretary Gordon SIU promised that he would propose a better price. But from the relevant reply given by the Government earlier today, we know that though the compensation basis of seven years has been mentioned, it may not necessarily be adhered to due to the very poor market situation. Therefore, we can see that the Government is adopting the land resumption price, not the acquisition price. I

hope that the URA can really adhere to the people-oriented spirit in the future and do a good job of urban renewal for Hong Kong. Thank you, Madam Deputy.

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

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, the Liberal Party has consistently supported taking effective legal and administrative measures to expedite urban renewal, improve the cityscape and increase the economic efficiency of land.

Concerning urban renewal, the Government has made a lot of pledges in this Council. Some of these pledges have been fulfilled; for instance, the people-oriented approach has been specified in the Urban Renewal Strategy but some very important pledges still remain post-dated cheques. For example, the URA has been established for more than half a year but it has still not officially announced the schedule of redevelopment projects, despite the fact that many residents in dilapidated urban areas have already waited for a long time. Now that the arguments in this Council over the standards of compensation have come to an end, the URA should announce the priorities future redevelopment projects and launch them as soon as possible.

Concerning compensation and rehousing, as specified in the Urban Renewal Strategy, the principles of the urban renewal policy is that owners affected by redevelopment would certainly be given fair and reasonable compensation and the affected tenants would be properly rehoused. These can be described as the most significant pledges made by the Government to the residents in dilapidated urban areas. But the URA must also consider two other factors. In terms of time, redevelopment projects should not be delayed indefinitely and an implementation schedule should be announced at least to let the residents feel at ease. In terms of location, it would undoubtedly be difficult to rehouse all affected residents in the original areas but given the people-oriented principle of urban renewal, circumstances permitting, the Administration should try its best to arrange for the residents in the original areas, especially old people who have lived in the dilapidated urban areas for years, to move to neighbouring areas, so that they would be able to live in familiar communities. Recently, the URA has negotiated with the Housing Authority

over the purchase of vacant Home Ownership Scheme (HOS) flats. This would help absorb the surplus HOS flats and offer the residents alternative rehousing in the urban area, thus killing two birds with one stone.

As regards financial arrangement, as the URA is not operating according to commercial principles, the capital for urban renewal would inevitably have to be injected by the Government and borrowed from banks. The Government has promised to consider taking various financial and non-financial measures to assist the URA, such as premium exemption, relaxing the plot ratio restriction of some projects, and so on. Since the specific capital injection has yet to be announced, it is difficult to comment on such. Nevertheless, the Liberal Party thinks that, since urban renewal is based upon public interest and the needs of the community, the Government should make relatively large commitments at the early stage of redevelopment. Undoubtedly, relaxing the plot ratio restriction can enhance the financial viability of the redevelopment projects to a certain extent, but it is only a preferential measure which should be no substitute for capital injection. Urban renewal should also provide the residents with more space for living, more community facilities and wider streets. The above factors of consideration will affect the areas of the buildings after redevelopment. However, as the Government has a considerable deficit, it may not be able to make such an enormous capital injection, thus, the URA should proactively invite private companies to take part in the redevelopment to expedite the pace of renewal.

In the process of urban renewal, the Government should endeavour to preserve the features, history and culture of communities, and it is also very important to protect the environment. So doing would not only preserve valuable buildings but also promote the tourism industry in Hong Kong and attract tourists from other parts of the world. In the past, when buildings in the dilapidated urban areas were demolished to make way for redevelopment, relatively little attention was paid to the preservation of monuments and heritage. No doubt, the Urban Renewal Strategy has stated that one of the major objectives of urban renewal is "preservation and restoration of buildings, sites and structures of historical, cultural or architectural interest". Yet, we can see from the recent case of the redevelopment of the Nga Tsin Wai Village that it is not easy to fulfil the pledge to preserve old buildings and protect the environment. The Government has recently announced the measure of relaxing the plot ratio in order to attract developers to preserve monuments. This serves as worthy reference.

The preservation of monuments and heritage is also very helpful to the development of the tourism industry. Various countries in the world develop the tourism industry by constructing large tourism facilities and paying particular attention to the preservation and restoration of monuments. As Hong Kong is keen on vigorously developing the tourism industry, it should endeavour to preserve the monuments and develop more tourist spots, to give play to the tourism industry's function of generating foreign exchange earnings.

Regarding the wordings in the amendment, the Liberal Party thinks that the original motion has already covered the meaning of the amendment and the scope of the amendment is conversely too narrow. Actually, the relevant government departments and the URA are duty-bound to handle urban renewal well. Based on the above, the Liberal Party supports the original motion. Thank you, Madam Deputy.

MR LEUNG YIU-CHUNG (in Cantonese): Madam Deputy, if Honourable colleagues have not forgotten, at the meeting of the Financial Committee of this Council on 8 March last year, the Government expressed its wish to expeditiously implement the new land resumption compensation proposal and establish the URA. However, the proposed compensation package gave rise to arguments over a replacement flat of seven years of age or five years, and a controversy arose subsequently. As a result, government officials kept visiting districts to persuade residents to accept a lower standard of compensation, so as to expeditiously set up the URA. The media commented that officials had made reasonable arguments to move the residents and lobby them, and used public opinion to force this Council to succumb. In my view, the Government fought a nice battle and many people described that as the "Stephen FISHER phenomenon", in other words, he had fought a nice battle.

It is a pity that time proves everything. In less than a year, the Government ate its own words, and after it has crossed the sea, the so-called "Stephen FISHER phenomenon" has now become a show that cheated the residents. Less than one year after the establishment of the URA, the Government has gone back on the pledges it made to Members and residents, even the pledges it made to the staff of the former Land Development Corporation (LDC).

Since its establishment in May 2001, the URA has laid off 24 employees in less than four months. It has gone back on the pledges made by the Government, when the Urban Renewal Authority Bill was under scrutiny, that it would not lay off employees and there would be a smooth transition of the employees to the URA.

The Government has cheated the employees, and to seek the support of this Council and the residents for the passage of the new criterion for resumption compensation, it has told us that the resumption compensation would be more favourable than the price of a replacement flat of seven years of age and a removal allowance would also be given. It would even give special consideration to the 25 uncompleted projects of the LDC. However, the proposal for resumption and tenant compensation published by the URA in November 2001 has only stated the price of a seven-year-old replacement flat and an additional removal and replacement allowance. Thus, the conditions are obviously less favourable than those pledged by the Government.

The Government has also cheated the social worker groups. The Government pledged to form social worker teams in the nine redevelopment areas to serve as an important bridge between the URA and the residents and to provide the residents with assistance and services. Unfortunately, the URA finally decided to substantially reduce the resources for social worker teams. Each year, it would only allocate \$1.2 million for the employment of one to two social workers on top of the URA staff, to form two so-called social worker teams to assist in solving the problems of the residents. It is fairly different from the original intention and the funding allocated have substantially decreased compared to the annual allocation of \$5 million for the LDC before.

The Government has not fulfilled its pledges and cheated the employees, this Council and the residents. There can be no denying of this for there is concrete evidence. However, government officials have emphasized time and again that it only pledged to propose to the URA that it should fulfil the pledges made by the Government to the public, and that Government has done what is necessary and the URA as an independent body is not duty-bound to always act as it is told. It is only wishful thinking on the part of the Legislative Council and residents that the Government's remarks implied that the URA would certainly fulfil the Government's pledges. If Honourable colleagues and the residents trust the Government and what it said, they have been rather "daft".

Yet, even if some colleagues and residents should admit that they have wrongly trusted the Government and voted wrongly, the problems still exist though what has been done cannot be undone. If the Government insists on continuing to do so, though it is right that it would save \$100,000 to \$200,000 in compensation for each household, I am afraid the Government might have to pay a higher price in the future.

Firstly, the Government has gone back on its pledges and it has again upset the unsatisfactory relationship between the executive authorities and the legislature. Thus, the legislature may not trust any pledges made by the executive authorities in future. Once the parties do not have mutual trust again and trample on mutual trust, I believe the Government may have to bear more costs and pay a higher price in the implementation of policies. This the Government must note.

The Government may think that it has done what it should and made the relevant proposals to the URA. It is sophistry to say that the URA as an independent body might not always act as it is told. During a debate in this Council, the Government can keep saying so to defend itself but I think that the residents are unable to differentiate clearly, hence, they do not know that there is a big difference between the Government and the URA. The public would think that the Government appoints most of the members of the URA and they are basically agents of the Government. Therefore, if one remarks that the URA may not always act as it is told and operates independently, the residents would not accept this remark. Therefore, if the public does not trust the Government, more serious consequences will arise.

Madam Deputy, I am not saying that the Government cannot do anything now. We think that it is not at all reasonable for the Government to directly intervene in the operation of the URA since it is after all an independent public body. However, the Government can exercise very enormous influences. For instance, the Government did influence the operation of other independent authorities such as the Housing Authority. The Government should no longer use independent operation as a shield and reject our requests. There are also four government officials in the URA, so if the proposals of the URA are not in line with the Government's pledges, they should raise opposition and express the Government's views. But so far, I am not sure if the four government officials have done so. I hope that the Government would give us an account of this.

Madam Deputy, I so submit.

MR NG LEUNG-SING (in Cantonese): Madam Deputy, there have been plenty of arguments over the urban renewal compensation in the community and this Council. The paper submitted by the Government on 30 March 2001 to the Finance Committee (FC) for voting has specifically set out the compensation and allowance package, including revising the basis for calculating the home purchase allowance (HPA) and changing a replacement flat of around 10 years of age to a replacement flat of seven years. At that meeting, the Secretary for Planning and Lands reiterated that the method of calculating HPA on the basis of a replacement flat of seven years of age would not be changed. I also voted to support the endorsement of the paper on that day. This paper endorsed by way of the statutory procedures of the FC is the basis on which we discuss the position of the Government in respect of urban renewal compensation. Besides, the Government wrote to the Panel on Planning, Lands and Works of this Council on 8 March 2001, indicating that it would recommend to the future Urban Renewal Authority (URA) that its acquisition offer should be more favourable than the resumption compensation offer of the Government, and to give special consideration to the 25 uncompleted Land Development Corporation (LDC) projects. In my view, this would expedite urban renewal work.

In November 2001, the URA adopted the first five-year plan and the three redevelopment projects in the first year. Under this plan, affected owners would be given compensation calculated on the basis of a replacement flat of seven years of age, and they would also be given removal and rehousing allowances. When the URA takes forward the redevelopment projects, I hope that it would fully consider and endeavour to embody the spirit of the Government in proposing resumption compensation, so that the relevant projects would be carried out smoothly and speedily.

Madam Deputy, urban renewal is an arduous task, and the experience of the LDC in the past is sufficient proof of this. On the one hand, the redevelopment of dilapidated urban areas by the URA should aim at such social results as expeditious redevelopment, making reasonable compensations and rehousing the affected residents, creating a better environment, and preserving the cultural features of such areas. On the other hand, it must effectively utilize financial resources with a view to achieving fiscal balance in the long term endeavour to reduce reliance on public money for urban renewal. In other words, from the financial perspective, urban renewal should achieve the objective of sustainable development. Even when there was economic prosperity and a buoyant property market, it was not easy to achieve these

objectives. Needless to say when there is an economic downturn and a property market slump. In the past, private property developers were not much interested in urban renewal and they are still not very interested today. This clearly shows the public resources that the Government should inject into urban renewal. Therefore, urban renewal, as a large project to improve the living environment of the residents in dilapidated urban areas, entails the co-ordination and support by various parties, including suitable understanding and concessions. Ultimately, the residents in dilapidated urban areas would be benefitted and the overall environment of Hong Kong improved. When discussing compensation, we should not forget that the properties resumed in the urban renewal process are generally over 30 years of age. In general, the age of buildings is not the only or decisive factor for valuation, since such other factors as maintenance and repairs, management, orientation and height of a building can make quite obvious differences in the valuation of buildings of the same age.

Lastly, I think that urban renewal is related to the interests of the residents in dilapidated urban areas. Under the premise of reasonable utilization of resources, the Administration should fully cater for their needs and respect and fully consider the views of various parties, certainly including this Council. The community would then reach a consensus and redevelopment can be expedited and carried out smoothly. Another important point is that it should be realized that the URA is an independent statutory body, and now that this Council has passed the legislation on its functions and structural organization, its principles of operation as an independent statutory body and the executive decisions on redevelopment made by its board of directors must therefore also be respected. The purpose and working objectives of the URA would only be fulfilled this way. If we ask the Government to intervene in the work of the URA by giving executive instructions, we might as well ask government departments to directly perform the functions of the URA, and in that event it would be meaningless to have set up the URA in the first place.

Madam Deputy, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, first of all, I would like to make it clear that I was a member of the Working Group on Urban Renewal Authority and I have also taken part in scrutinizing the entire bill. Therefore, I have a good understanding of the whole process. What the URA has done over the past six months is really disappointing. I remember

particularly that we raised many issues on behalf of relevant residents and the employees of the Land Development Corporation (LDC) in the course of scrutiny and told the Government repeatedly that all employee interests must be protected. I also remember I passed the bill to the staff of the LDC, including its senior staff, and they all agreed after going through it that this conclusion could possibly be reached. Putting our trust in the Government, we thus failed to, in the course of scrutiny, demand that these requests be incorporated as part of the wordings in the amendment. However, as we were told by the Honourable CHAN Kwok-keung earlier, this was not the case. We soon received messages delivered by the staff of the LDC through the Internet that they had been dismissed and, in the course of dismissal, no discussion was held between the management and the staff, contrary to what Members of the labour sector have always emphasized. This is grossly disappointing.

I would also like to point out that, in the course of scrutiny, many groups expressed concern about the future development of the URA after the disappearance of the LDC and that of the bill.

In spite of the fact that the Bills Committee had time and again solicited views from many groups and organizations, our matters of concern and the Government's pledges have apparently undergone great changes after a matter of six months or so. These changes have also caused grave worries among the residents. Madam Deputy, I have been in frequent contact with some friends of mine who are concerned about urban renewal in the past six months. Their concern is actually about the pledges made by the Government. However, the messages delivered by the Government so far have been far from clear. For instance, before the motion debate started today, Mr Frederick FUNG mentioned during the Question Time the seven undertakings previously made by the URA. When I referred to the seven undertakings, I decided that I had to press the button immediately to indicate my intention to raise a question. Unfortunately, I was unable to raise my question today because of the shortage of time. I would like to point out, for instance, the third and fifth undertakings mentioned in the third part of the reply. However, it is evident that the reply given to us today varies greatly from what we were given to understand previously.

Frankly speaking, the third undertaking is about the uncompleted 25 projects of the LDC. It was recommended that the acquisition offers of the URA should take account of the compensation the residents deserve for having waited for the URA's action and be rendered in better terms. Although this

recommendation was used by the Government at that time to lobby the Hong Kong Federation of Trade Unions (FTU) and the Democratic Alliance for Betterment of Hong Kong (DAB), both parties had the feeling that it was impossible for the undertakings to be written into law. Therefore, we strongly insisted on upholding what we thought. Actually, we did not mean to compromise when we came to vote on using five-year-old flats or seven-year-old flats as the basis for calculation. It was just because there were two major schools of thinking among residents at that time. Some residents living in extremely old buildings preferred a quicker solution and accepted the adoption of a seven-year-old flat as the basis for calculating compensation in the hope that better terms might be offered. Some living in buildings of better condition insisted on using a five-year-old flat as the basis for calculation. It had always been our wish that a balance can be struck throughout the dispute and we finally decided to cast an objection vote. We did so because we felt that we were obliged to cast a vote of no confidence against these undertakings. We were actually worried that, given the Government's decision to carry out urban renewal through a public body, something like what is happening today might appear since the public body might perform half-heartedly or fail to honour its "people-oriented" undertaking. As a result, we decided to cast an objection vote.

Notwithstanding the fact that we cast an objection vote and that the predictions we made concerning what might happen today have unfortunately come true, it does not mean that we accept the Government's about-turn today. I would like to emphasize that all has become crystal clear. The reply given by the Government today has not mentioned the preferential treatment mentioned by it previously. Members must be aware that the LDC's announcement of the 25 redevelopment projects has tortured the residents affected by the projects, including tenants and owners, for more than four years as they have been greatly perplexed as to whether they should rent, buy, repair their flats or otherwise. This is indeed evident to all. Even the Government and its representatives were able to see such problems at that time. Therefore, the demands made by the residents were extremely fair. The amount of compensation they requested was just the same as that offered under other redevelopment projects in other districts. I consider their demands extremely fair because they did not ask for additional compensation for the four years' waiting time.

Nevertheless, what we have been told today is a different story. The URA is apparently trying to offer some insignificant benefits to make up for calculation on five-year-old flats or seven-year-old flats. We will definitely

reject if the URA really does this in future. Furthermore, this is unfair to the Deputy Secretary, Mr Stephen FISHER, because it was him who made the seven undertakings. Frankly speaking, the credibility of the Government will be subject to great challenges if it decides to make an about-turn at this moment.

I would now like to turn to another issue. When the flat-for-flat exchange proposal was raised, the Government replied quickly that there would be no problem for the problem could be instantly resolved upon the availability of land. Now the Government has indicated that reconsideration is necessary. Actually, we have been told by Secretary John TSANG today that consideration will be necessary. This is contrary to my previous thinking that everything had been sorted out since we did even discuss with the Government where land could be found when the bill was drafted. I can tell Members that the number of examples I can cite is just too many. Therefore, I have only cited a few controversial ones. I only hope that the Government can take the requests of the residents seriously.

Madam Deputy, I hope the Government can stop making such remarks as the URA should be given more powers to enable it to make all decisions and stop using this as an excuse to shirk its responsibilities lightly and not to fulfil its previous undertakings, that is, the undertakings of requiring the URA to implement government policies. I can definitely not accept the reply given by Secretary John TSANG today during the Question Time today. I really hope the Secretary can talk to the Deputy Secretary, Mr FISHER, to get a better picture of what really happened throughout the debate at that time. The Government will become a laughing stock if it insists on sticking to its present approach of handling the matter.

Madam Deputy, I support the original motion and the amendment.
Thank you.

MR LEE CHEUK-YAN (in Cantonese): Madam Deputy, the debate today reminds me of our discussions with the Government on the URA. Secretary John TSANG, I rarely fail to "stand firm", but because of the URA, I did once fail to "stand firm". Throughout the discussions, I opposed the adoption of "seven years" as the basis of calculation and requested to adopt "five years" instead. But I did not hold fast to my position at the vote. In the words of the Honourable LEUNG Yiu-chung, those who believed the words of the Government were "daft", and I was precisely one of these "daft" people.

I thought at that time that since the Government had made a pledge, it would somehow keep its words (and I really thought that this was a promise of the Government), though Deputy Secretary Stephen FISHER did hasten to add that he had to clarify that the promise meant the Government would only make recommendations to the URA. The URA eventually became an independent statutory body. However, as we all know, our government is an executive-led administration. If it is really serious in implementing the recommendations made by it, it can certainly do so, for it has as many as four votes in the URA Managing Board. Therefore, it can be said that the Government actually controls the development of the URA. Given that the Government controls the URA finances, there is no question of it not getting anything done. Therefore, after an analysis, I came to the conclusion that if the Government really wished to do so, it could certainly succeed. I still think so today; if the Government wishes to do it, it will certainly succeed.

I can remember very clearly that Deputy Secretary FISHER once said this to me about the issue of compensation calculated on the basis of "seven years": "In brief, you get such a promise; in other words, the land resumption compensation offered by the URA will be higher than that offered by the Government." He also said that it would be better than "seven years", that there would be "much, much better" terms for the 25 projects, and I took this to mean calculations based on "five years". I am sure my memory is correct, because it could not be "six and a half years". Since he said "better than seven years", it should be "six years", and when he said "much, much better", it should be five years. This was all but obvious.

In this way, I was persuaded by the apparent sincerity and sweet talk of Deputy Secretary FISHER. At that time, I thought that the Government could do it, and I still think that it is able to fulfil its pledge. The only question is whether the Government is prepared to provide financial support. How can it possibly not succeed? If the URA has the money, how can it fail? I rather think that the problem now actually is whether the Government is prepared to provide funding to the URA. If the Government is willing to do so, why is the URA still required to play the villain? I can remember clearly that another matter was also raised at that time. I said to Deputy Secretary FISHER, "You have the Imperial Sword, and this is very important, because with it, you can 'kill' them all without negotiating with them, and you need not do that either. Just 'kill' them all, and you can achieve your objective." He replied, "the Government simply cannot resort to the Imperial Sword so often. Since there

are still several months, I hope we can all discuss the matter. If the discussions bear fruit, the terms will certainly be 'better than seven years'." However, after reading the paper circulated to me by Mr Frederick FUNG, I discovered that instead of adhering to the past understanding, Dr LAU Wah-sum said that they could "kill", "kill" them all by using the Imperial Sword of the Land Resumption Ordinance. But I can remember having heard the Government say that it simply could not resort to the Imperial Sword so often, that there must be discussions, and that if some were still left, they would be dealt with when the need arose. I remember that the Government expressed the wish to settle most cases through negotiations, with terms far better than "seven years".

Have things changed by now? Frankly speaking, if yes, problems will emerge in the course of land resumption in the future, for to deal with all cases with the Imperial Sword will lead to clashes and confrontations. I really hope that things can turn out the way Deputy Secretary FISHER wanted them to be — with no conflicts in society but price negotiations for each case. The situation at that time was tense; the use of the Imperial Sword would mean no possibility of price negotiations, and it was thought that there was still room (several months) for such negotiations. So, the first pledge was that better terms of land resumption — better than "seven years" — would be offered to facilitate price negotiations. But very disappointingly, it has now turned out that "seven years" is to be adopted as the basis of calculation, and nothing more is said about better terms.

I hope that Secretary John TSANG can later on tell us clearly whether he has backed down on this pledge. I could hear clearly how he muttered in answering questions during the Question Time, just saying that there would be more flexible arrangements. I do not understand what this means. Please state clearly what is meant by flexibility? Does this mean something "better than seven years"? His written reply fails to say that the URA will offer something "better than seven years", and it is just mentioned in the three proposals that the acquisition terms for the 25 uncompleted projects are still under consideration, not yet finalized. So, he has failed even to say "much, much better". As I pointed out at the beginning of my speech, I believed that the Government could do it, and I still believe that it can succeed. The only question is whether it is prepared to do it. If yes, I am sure there will be no problem with the URA. Therefore, I hope Secretary TSANG can say clearly whether they are just like a loudspeaker of some kind. If yes, will he tell the URA that the proposal was just a casual proposal made without any serious

thoughts, and that when it comes to money, he will simply not discuss the matter? Or, will he tell the URA that if it is willing to do so, the Government will support it financially? This is actually the most practical approach. If he refuses to say there will be financial support, the URA will know that he is just paying lip-service. Well, even in that case, I still hope that the Government can tell us clearly whether it is just trying to relay the proposal in a perfunctory manner — in a way like what Mr Frederick FUNG said in the District Council about the Government trying to discharge its responsibility by perfunctory referral. I do not wish to see this. I hope that the Government can tell the URA clearly that besides making recommendations, the Government will provide the resources required by making provisions, so that it can calculate compensations by adopting "seven years", "six years" or even better terms, so that it can thus perform its role satisfactorily from now on. I think only this is a more impartial approach.

Honestly speaking, the Government has cheated me once, and it cannot possibly do so again, especially because I have always tried to "stand firm" as much as possible. I hope the Government can offer a better explanation this time, or there will really be no "further deal" in the future. Thank you, Madam Deputy.

MR LAW CHI-KWONG (in Cantonese): Madam Deputy, I just wish to focus on one point, so as to fully reflect my status as the representative of the Social Welfare Functional Constituency. In the Urban Renewal Strategy, the Government stated that the URA should set up an urban renewal social service team in each of the nine target areas to provide residents affected URA redevelopment projects with assistance and advice. Such a team should preferably be in place before the first redevelopment project commences in a target area. In his reply to the Legislative Council on 19 May 2000, the former Secretary for Planning and Lands said that the existing two social service teams played a very important role, in that they had enabled urban redevelopment to progress more smoothly and at the same time served as a bridge between the Land Development Corporation and the affected residents.

Moreover, in July 2001, the then Managing Director of the URA, Mr Canice MAK, openly undertaken to provide additional independent social service teams after subsidies for the two social service teams currently serving Kowloon and Hong Kong ceased. Over the past few months, the URA has put forth

many views in this connection. At first, the URA proposed to deploy its internal staff to take up these jobs without recruiting social workers to form social service teams and later, it proposed to set up social service teams of a small scale only. All this has fully reflected the failure of the authorities to adhere to the stance and fulfil the tasks undertaken by the Government in this regard as I mentioned above.

Now, let me make a long speech short. I just hope to remind the Government that it has made undertakings and therefore, it has the duty to ensure that the URA can achieve the objectives set then. These are my views on this issue. Thank you, Madam Deputy.

MR JASPER TSANG (in Cantonese): Madam Deputy, in March last year, when the Finance Committee of this Council voted on and passed the land resumption compensation standards to be adopted by the URA, Members belonging to the DAB all cast a negative vote. But at the same time we also appreciated why some colleagues in this Council had still voted for the compensation standards formally put forward by the Government despite their discontent. I think they need not feel that they had been very "daft". As far as the establishment of the URA was concerned, Legislative Council Members had since the very beginning have to face two conflicts. The first one was the time constraint. We knew that the residents of run-down districts waiting for redevelopment were all anxious to see the early establishment of what they had been told a highly efficient URA. But they also hoped that they could be offered reasonable compensation. How could we fight for reasonable compensation and rehousing for these residents? Legislative Council Members could not themselves put forward and endorse any scheme on this; the best we could do was to stop the Government from passing what we considered as an unreasonable scheme. But if we did so, we would in effect be delaying the establishment of the URA and forcing residents and kaifongs to continue to suffer the appalling and worsening conditions now. This in itself was a conflict. If we quickly accepted the scheme of the Government, we were worried that residents would not be offered reasonable compensation in the course of redevelopment. But if we kept on negotiating, or even raised objection, the progress of redevelopment would be held back. This was the first conflict we had to face.

The second conflict was that we realized at the very beginning that if we were to establish an efficient URA which could start working quickly, we would

have to give it the power to resume land effectively. We also knew that the URA was meant to be an autonomous body, and so, the Government could not possibly intervene too much, at least as far as people could see. In other words, we knew that once the URA came into being and started to operate, we would be unable to control it in its offer of compensation and rehousing unless we resorted to such political means as petitions and demonstrations. But we were also worried that since the Government intended to give such immense powers to the URA, if we did not negotiate adequately with the Government before the establishment of the URA and secure an undertaking, there might not be any protection afterwards. This was also a conflict.

The Honourable NG Leung-sing said that since the URA was an autonomous body, we should not seek to influence its operation under the Urban Renewal Authority Ordinance. We had realized for a long time that this is a fact, which was why we kept on negotiating with the Government. I told the kaifongs of run-down districts very clearly that the compensation scheme and rehousing issue under discussion could not be incorporated into the ordinance, because the Urban Renewal Authority Ordinance was not related to the amount of compensation. But I also told them that we must discuss the compensation scheme with the Government, because once the URA came into being, everything would be finalized and there would be no further room for negotiation. That was the situation at that time. But in the end, as Members have heard a moment ago, Deputy Secretary Stephen FISHER did a very nice job and took full advantage of the two conflicts. As the matter drew to the last stage, some kaifongs of the districts even reversed their position and criticized the DAB, telling us "not to stand in their way", not to insist on a compensation scheme based on the prices of five-year-old buildings for them, and saying, "Let it be seven years then, if they want it that way". They also said that if we continued to oppose the scheme of the Government, the URA would not be established in the end, to the suffering of everybody. Some kaifongs once said, "Jasper TSANG, you must not reverse your position. Do not say now that you support a five-year compensation scheme but accept a seven-year one in the end." But at the last stage, these kaifongs changed their mind and criticized us, telling us "not to stand in their way", but to accept what was being offered. That was the situation at that time.

Therefore, on the one hand, there was the time constraint; and yet on the other, there was of course the very capable Deputy Secretary Stephen FISHER who managed to make the Finance Committee endorse the land resumption compensation standards of the URA, with even the voting support of Members

like Mr LEE Cheuk-yan. Deputy Secretary Stephen FISHER did give Legislative Council Members many categorical messages at that time. Mr LEE Cheuk-yan has talked about all this, and Members will certainly appreciate my not repeating them. Members can also understand and appreciate why Secretary Gordon SIU, when delivering his formal speech, could not repeat what Deputy Secretary Stephen FISHER told us outside the meeting — all those words that managed to convince the residents and Members. We can well understand why. The official position of the Government was: "All is understood." We did understand. That was the situation.

I think there were two possible explanations for Deputy Secretary Stephen FISHER's wonderful performance. One possible explanation was that he was really a shrewd politician who knew exactly how to push through the government scheme by manipulating the thoughts of old district residents and the two conflicts faced by us. But there was one more possible explanation: Having met with the residents in the districts and listened carefully to their views, he was genuinely brought over to their side. In other words, he really thought that he must fight for the early establishment of the URA to launch redevelopment, and that there must be a really reasonable compensation scheme, one which should be more reasonable than that offered by the Government.

Madam Deputy, I hope that the latter was the case in reality.

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

MR CHAN KAM-LAM (in Cantonese): Madam Deputy, let me first of all make a declaration of interest. I am a member of the Managing Board of the URA. But I shall be speaking in my capacity as a Legislative Council Member today.

Urban renewal is an enormous and extremely difficult task, because the problems of run-down districts in the urban areas are very complicated. The establishment of the URA is meant precisely to implement and launch this very difficult but people-oriented task aiming to work for the overall interests of the community. Whenever we discuss urban renewal, my concern about the poor living conditions in run-down districts will inevitably be aroused. I frequently visit the kaifongs living in run-down districts to gain an understanding of their problems. When we enter old buildings in run-down districts with an age of

more than 40 years, we will notice many problems. One example, as quoted by Mr James TO, is the spalling concrete from external walls, a problem which is extremely serious. Internally, there are the problems of cracked reinforcements, seepage of water, messy wire connections, low safety standards, illegal structures, crowded living conditions, cubicles and caged homes, and so on. Whenever we approach the kaifongs, they will express the hope of seeing the early implementation of redevelopment in their districts.

Last year, when we were scrutinizing the Urban Renewal Authority Bill, we frequently visited the residents in run-down districts to hear their views. Besides the request for reasonable compensation and rehousing, as pointed out by the Honourable Jasper TSANG just now, another viewpoint, one that we heard even more, was the hope that the urban renewal programme could be launched as quickly as possible. That was why when we were arguing whether compensations should be calculated on the basis of the prices of five-year-old buildings or seven-year-old ones, many residents actually told us not to argue any more, so that the Urban Renewal Authority Ordinance could be passed quickly, and the URA set up as early as possible, to launch the work of redevelopment.

Following the establishment of the URA on 1 May last year, it hastened to set up a number of subcommittees. As we all know, redevelopment involves many different areas, and we all hope that all kinds of work and all projects can be launched as soon as possible. But I must point out that because redevelopment as a whole involves matters that are extremely complex, even I myself, as a member of the URA, has found it hard to increase the pace despite my wish. We of course have frequently heard people complaining that the URA has come into being for half a year, but it has not achieved anything so far. In fact, we in the URA have been asking ourselves the very same question. We often ask ourselves why our progress of work has been so slow. But I can tell Members that if one inspects the records of meetings of the URA's various committees, one will see that our frequency of meetings is actually very high. On matters like compensation and design, we have been holding meetings on a very frequent basis. That is why when it comes to criticisms about the URA's slow progress of work, I would think that such unfair criticisms probably stem from a lack of understanding of our work.

In fact, as far as I am aware, people have very great expectations for urban renewal, and so do the various sectors of the community. But then, the URA itself is subject to many constraints. What are these constraints? For instance,

we are under policy constraints, in the sense that we must adhere to the Government's long-term strategy of urban renewal — protecting the old culture while trying to renovate dilapidated buildings or improving unsatisfactory living conditions as quickly as possible. Financially, we also face huge difficulties.

Admittedly, at this stage, we are not yet as successful as the Land Development Corporation in the past, but that is due to the fact that much of our work has not been launched. We have not yet made any income from any significant project that can enable us to amass the huge capitals required for further redevelopment. And, we are now faced with an even greater financial problem. Besides, we also encounter many difficulties in getting resources for rehousing and compensation. Therefore, the URA has started to explore different possibilities and examine how best to get more resources, so that when we do launch our work, the affected residents in redevelopment areas can receive reasonable rehousing and compensation.

Another important constraint is timing. I am sure that this is beyond the control of all. As we all know, the property market is now very sluggish, and it is thus impossible for us to demolish some buildings very quickly, and then either sell the site to a property developer for huge amounts of cash or redevelop it for profits. As far as I know, nine out of 10 of our projects will incur losses. That being the case, the Government will have to pay a high price for urban renewal, which means society as a whole will also have to pay a high price. Therefore, I hope that when the URA announces any project approved of by the Government, the various sectors of society can render their support. Thank you, Madam Deputy.

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

(No Member responded)

DEPUTY PRESIDENT (in Cantonese): Mr James TO, you may now speak on the amendment of Mr Frederick FUNG. You have up to five minutes.

MR JAMES TO (in Cantonese): Madam Deputy, at this stage, I shall speak only on the amendment. Actually, my greatest hope is to convince Mr Frederick FUNG. I think after listening to my main speech and other colleagues'

interpretation of the matter, he should best withdraw his amendment, so as to make our voices unanimous.

Why do I say so? Different people will of course have different opinions, but after reading the amendment, we will see that Mr FUNG has proposed to insert the words "Government to impel the Urban Renewal Authority to adopt the Government's". This gives people an impression that the URA is a villain who needs to be supervised by the Government, in very much the same way as parents supervise their children. In other words, this means that since the Government has made an undertaking, it must supervise the URA properly. But after listening to Mr Fred LI's comments, we will see that the relationship between the two is not that simple. Do not ever think that if A can urge B to do something, then the job can be done.

In fact, after considering various possibilities, I deliberately added the words of "urges the authorities to honour and fulfil their pledges" to my motion. The word "fulfil" is very important. Well, of course, if Mr Frederick FUNG thinks that as long as the Government has made recommendations to the URA, it should be deemed to have fulfilled its pledges, then obviously his interpretation is a departure from the consensus of Members of this Council. This is purely the interpretation of Mr Frederick FUNG, and I am sure that no other Member will think that way. Members all think that to fulfil its pledges, the Government has to provide funding. If it does not do so, how can it fulfil its pledges? Besides, the fulfilment of pledges should cover the seven items and lots of other pledges.

This explains why I hope to widen the scope of the motion. The reason is that this can make the Government take up some separate responsibilities besides the seven items. Moreover, these pledges will involve land grants and funding provisions. Just now, some colleagues proposed the approach of "a flat for a flat", and in fact, many kaifongs have mentioned the possibility of buying large numbers of HOS flats from the Housing Authority (HA) for the purpose of exchange. But, as I learn tentatively from sources, the HA is not very keen on the idea, which is why the proposal is still under consideration. Well then, who can exert influence? Naturally the Government again. Though the size of the URA Managing Board is small, its members are all people of influence, so if there is a push from the Government, the HA or the Housing Society and many other organizations will be urged to give help. Therefore, if the scope of

motion can be widened, the Government will be prevented from shirking some important responsibilities.

Besides, the preparations of those 25 important projects have been going on for some two years, and in these two to three years, there has not been much work to do. So, the preparatory work should have been completed by now; it can be said that there have been many rounds of checking; in brief, all is set now. That is why the need for preparatory work cannot be used as an excuse for not submitting the relevant five-year plan to the Government. Honestly, Members have come to the consensus that the problem is obviously one of money. If that is really the case, then it will be the responsibility of the Government. If the Government is requested to fulfil its pledges, it should know what to do.

Lastly, I wish to talk about history. Many affected residents are getting increasingly impatient, and some Members are already beginning to consider moving a motion of condemnation. I am sure that I am not the only who have this idea; many Members here today may also wish to move such a motion. However, some may doubt whether it is going overboard to do so now, as the URA has come into being for just a few months. Actually, if Members look at what happened in the past, they will agree that it is certainly not going overboard to do so. I can confess to Members that I really wish to add words of condemnation to the motion, and I guess even a motion with such words will stand a very good chance of endorsement. Why? Well, some Members supported the idea of using the prices of seven-year-old buildings as the basis of calculating compensation because they thought that this can speed up the progress — even Mr LEE Cheuk-yan thought so. Unfortunately, this has not brought about faster progress. The Legislative Council was virtually "fooled".

THE PRESIDENT resumed the Chair.

Therefore, I am sure that if I move a motion of condemnation today, it will probably be passed. The Government must realize that if it does not settle this matter within a month or two, some colleagues in this Council may move a motion of strong condemnation instead of just making a "request".

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, there have been some concerns that the Urban Renewal Authority (URA) is not willing to adopt and implement the Government's undertakings on urban renewal. Today, Honourable Members also expressed their concern. I welcome this timely debate to set the record straight.

During public debates inside and outside this Council on the proposed *ex gratia* compensation package, a number of proposals were put to us by Honourable Members and residents in older urban areas. Following serious consideration by the Administration, we found that we were able to accept some of the proposals.

We agreed at that time to make certain recommendations to the URA when it was formally established. On 8 March 2001, we wrote to the Clerk to the Legislative Council Panel on Planning, Lands and Works informing Honourable Members of the recommendations we would make to the URA when it was established.

On 3 April 2001, we sent a full set of the papers on the Government's recommendations and other background materials to the then Chairman of the Land Development Corporation (LDC), who is now the Chairman of the URA. The URA was established on 1 May 2001.

I trust I do not have to repeat the seven undertakings, as Honourable Members would be very familiar with them. Those who have forgotten about them may refer to the Honourable Frederick FUNG's column in the newspaper in which he constantly reminds everyone what the seven undertakings are.

I wish to reiterate that the URA is an independent statutory body and its policies should be determined by the URA Board. I trust Honourable Members have thoroughly investigated into the duties, functions and mechanism for checks and balances of the URA on passing the principal ordinance regarding the URA. I understand the URA is now in the process of determining its framework of policies, including the acquisition policy for affected owners and rehousing arrangements for tenants. The URA has made decisions regarding some of the seven recommendations, such as using a seven years' old flat as the basis for calculating the Home Purchase Allowance payable to owners of domestic properties and offering an incentive to owners to cover removal costs and expenses related to the purchase of a replacement flat, and including all the 25

uncompleted projects of the LDC in the first draft five-year corporate plan. The URA is still considering the remaining recommendations.

We consider that the seven recommendations are reasonable and practicable. Let me repeat this: The URA has not set any policies which contradict any of the seven recommendations. Like Members and residents in older urban areas, we see urban renewal as a priority. The senior management of the URA have also just been appointed. The URA should be given a free hand to get on with its work to promote urban renewal. I trust the URA will try its best to accomplish the objectives laid down by the Government. We will continue to monitor developments closely.

We received an application from the URA to implement a few "early launch" projects at the end of November last year. After consideration and processing, we forwarded the application to the Financial Secretary's Office. The Financial Secretary has promptly approved these projects. Hence, the URA can begin implementation of these projects immediately. That approval was, however, not made due to today's debate. At the same time, the URA is preparing its first five-year corporate plan and annual business plan which have to be submitted to the Financial Secretary for his approval. I wish to assure Members that the Government will provide all necessary assistance to the URA in its work and will process the draft corporate plan and business plan expeditiously for satisfactory progress in urban renewal. I hope Members will provide the appropriate assistance and work together to achieve that goal.

Lastly, I wish to thank Mr Stephen FISHER, who has contributed immensely to the establishment of the URA. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr James TO'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 Frederick FUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Frederick FUNG 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:

Miss Margaret NG, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr WONG Yung-kan, Miss LI Fung-ying, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the amendment.

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

Geographical Constituencies and Election Committee:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr Frederick FUNG, Ms Audrey EU, Dr David CHU, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted for the amendment.

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-chi and Mr NG Leung-sing 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, 22 were present, seven were in favour of the amendment and 15 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 27 were present, 15 were in favour of the amendment and 11 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): Mr James TO, you may now reply and you have three minutes 10 seconds.

MR JAMES TO (in Cantonese): Madam President and Honourable colleagues, I do not know whether or not you are aware that the Secretary has only made a very short reply, which mentions nothing about money. He only said that we should share common goals, work together, press onward together, and so on. I do not know what he is trying to pull for this is definitely not about sharing common goals, but rather whether sufficient funds are available. Frankly speaking, if there are no sufficient funds, then what is the point of this discussion? Moreover, what Members said earlier has pinpointed the problem. Mr LEE Cheuk-yan has given us a very clear account of the relevant history, and we had really discussed those issues then. For example, the Deputy Secretary, Mr Stephen FISHER said the terms offered would be better than seven years and the 25 projects would be offered terms "much, much better" than other projects. Some people reckon that "much, much better than" seven years would be six years or five years, and it would be satisfactory whether it is set at five, six or seven years, but the present situation is an entirely different story.

Members can take a look again at the acquisition policy of the Urban Renewal Authority (URA) and find that this is true. It was mentioned in the policy that after considering all the views, it had decided to "adopt the resumption compensation arrangement endorsed by the Government in March this year, that is, to calculate the amount of allowance on the basis of the value of seven years' old buildings". The meaning of this statement is very clear. It shows that the URA has adopted the resumption compensation policy of the Government. The URA has actually said that, and here is a copy of its press release and that is its official position. I, therefore, feel that if the Government is still arguing over the wordings on whether it should first honour or fulfil its undertakings, then I really do not know what further controversies will arise with regard to the seven undertakings. However, I know that if even such issues can lead to disputes, there will be a lot of conflicts in the future.

Moreover, the relevant residents have been waiting very anxiously. The Secretary indicated earlier that scrutiny would immediately begin once a plan is submitted, but he has not even provided us with a preliminary schedule and I really do not know what to do. I can only tell Members that this is really a very big piece of concrete and not a small piece and many such debris can be found in several target redevelopment sites. If the Secretary were willing to go and spend every night in units awaiting redevelopment in the target areas until he could scrutinize the relevant plans or until they were approved by the Financial Secretary, or if the Chief Executive were also willing to stay in those units for a night or two, then I would be sincerely convinced.

The Secretary said we should continue to wait, but he has not given us any timetable. I hope the Secretary will understand that if he is actually adopting a people-oriented approach, then he should announce that residents living in the worst conditions should be placed in the first group for rehousing. Buildings in the worst conditions should be redeveloped first because they have actually created very great problems. I hope that after today's debate, we can learn some good news in a month or two. I also hope that the staff of the URA can soon submit a proposal within these few days so that the Government can approve it expeditiously. If the good news can be announced within two to three months, then at least we can be prepared and will know what to do.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr James TO, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: The Convention on the Rights of the Child.

THE CONVENTION ON THE RIGHTS OF THE CHILD

MISS CYD HO (in Cantonese): Madam President, I move that the motion as printed on the Agenda, be passed. Madam President, the formulation of the Convention on the Rights of the Child (the Convention) started in 1978 and was proposed to the United Nations by Poland. Given that children were incapable of protecting themselves during the Second World War, and even not in times of war, children are incapable of exercising their rights independently, many countries agreed that other than the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, a convention should be made especially for children.

The Convention, drafted on the basis of the Declaration of the Rights of the Child, was endorsed by the United Nations in 1989. So far, 192 countries are signatories to the Convention, which sees participation from the largest number of countries among the six human rights conventions.

Although Hong Kong is very lucky, for we are spared from war, famine and epidemics that directly threaten the survival of children, the growth of children in Hong Kong is not as smooth as desired. Apart from the education system that gives them plenty of homework and pressure, which amounts to a systematic abuse of children, our children also face such problems as improper care, abuse, sexual abuse, discrimination and poverty. Their right to protection is indeed unsatisfactory in Hong Kong. Children's right to development is also restricted by the social tradition built around patriarchal domination. The atmosphere in most families is not conducive to nurturing children into independent persons capable of making decisions on their own and who dare to speak and express their views. A lot more still has to be done in respect of the development of children.

Today, as we discuss this issue here, I very much hope that given this opportunity, the Legislative Council can look into how far Hong Kong has done for the well-being of children and how far Hong Kong has discharged its responsibilities with reference to different policy areas in a comprehensive manner. More importantly, it is indeed my wish to identify the inadequacies and bring them to the attention of the executive and the legislature, so that the existing adequacies can be expeditiously addressed through the support of legislation and public expenditure.

I have to thank colleagues who will later speak on the policy areas about which they are specifically concerned, so that I can focus my speech on child abuse and public spending.

The United Nations Committee on the Rights of the Child published in 1996 concluding observations on the report submitted by Hong Kong in respect of children's rights. Paragraph 27 stated that "The Committee wishes to acknowledge the important efforts taken to deal with the question of child abuse. Notwithstanding this, the Committee is of the view that the prevention of this violation of children's rights requires further attitudinal changes in society, not only as regards the non-acceptance of corporal punishment and physical and psychological abuse but also greater respect for the inherent dignity of the child."

Nevertheless, Madam President, since the publication of the concluding observations in 1996, the number of child abuse cases has in fact increased steadily over the past few years. There were 381 cases in 1997, 409 cases in 1998, 575 cases in 1999, 500 cases in 2000, and 295 cases in the first half of the

year until 30 June 2001. The number of cases being processed also increased from 833 in 1997 to 1 249 in 2001. The percentage of sexual abuse cases has consistently accounted for 30% to 40% of the total number of cases.

Meanwhile, I must draw Members' attention to the fact that these figures only cover cases so serious that the police was alerted and intervention by social workers of the Social Welfare Department (SWD) was required. In fact, there are numerous cases in which corporal punishment is considered the order of the day, and most of the adults just do not understand that some physical punishments which they consider to be mild may actually injure children psychologically. The situation that I have just referred to cannot in the least be reflected in the above figures and yet, it is taking place every day. The present situation is even worse than that in 1996 when the United Nations Committee on the Rights of the Child published its concluding observations.

What have the authorities done over the past few years? All that we have seen is nothing more than simple piecemeal publicity in the electronic media, calling on the public to report acts of child abuse. Nothing has been done to make people understand that child abuse, corporal punishment, and so on, will injure children both psychologically and physically. We lack a comprehensive strategic action plan to reverse the social norm that "beating up children means educating them". Even in respect of remedial measures, our effort is also inadequate indeed. Around this time of last year, we constantly questioned why the Committee on Child Abuse under the SWD had not met for 19 months to discuss ways to prevent the problem of child abuse from deteriorating. At long last, the new Director of Social Welfare, Mrs Carrie LAM, took follow-up actions very quickly and undertook to review the code of practice for handling complaints of child abuse and for following up such cases. Results of the review are, however, long overdue. Such work progress is indeed disappointing.

In fact, children consistently being neglected or even abused are vulnerable to behavioural deviations when they grow up. Even to a lesser extent, they definitely will not grow up as happy citizens. When they become parents, these problems will recycle and continue, and will become more and more prevalent.

Therefore, we should indeed endeavour to take measures in the areas of prevention and development expeditiously, and this is essential. As a first step, we should formulate a policy on children.

Madam President, we do have a policy on the elderly, the youth and women, but a policy on children below the age of 12 is indeed lacking. What I mean is not simply the prevention of child abuse, but a comprehensive and overall policy objective. We must have a basic objective along which the initiatives of different policy departments are co-ordinated. There should also be a central mechanism for assessing whether children's interest is the first and foremost consideration in the making of children-related legislation and in public spending.

We must endeavour to conduct studies and researches. It is because if we fail to grasp the actual circumstances and the current statistics to serve as a reliable basis for policy formulation, we cannot possibly draw up effective measures. But much to our regret, the efforts made in respect of studies on children do leave a lot to be desired. In relation to last year's Budget, we asked a question about the extent of consultancy and research studies commissioned by different policy departments. It was found that of the \$8.72 million expenditure on researches and consultancy of the Health and Welfare Bureau, only one study was related to children. Of the \$1.72 million consultancy fees directly incurred by the Home Affairs Bureau, 50% or \$620,000 was related to youth but nothing was about children under the age of 12. If we include the other relevant organizations under the Home Affairs Bureau, such as the Hong Kong Arts Development Council, Leisure and Cultural Services Department, Equal Opportunity Commission (EOC) and Information Services Department, the only study related to children was commissioned by the EOC, which made a provision of about \$100,000 to the Hong Kong Council of Early Childhood Education and Services for assessing the effectiveness of the training module for children focusing on equal opportunities. But this amount of provision accounts for a mere 0.5% of the overall provision of some \$20 million for the Home Affairs Bureau and its relevant departments for studies and consultancy purposes. Similarly, of the Education and Manpower Bureau's spending of over \$27 million on research studies, only \$1.4 million was spent on children-related policy studies. Such allocation of resources reflected that we have not attached importance to the policy on children. Such being the case, how can we draw up effective measures to protect children and facilitate the development of children?

Madam President, as we can see from what the Government has done, it only sought to solve the problem in a "quick-fix" way, and as a result, more and more remedial work has to be done. So, I urge the Government to set aside adequate resources for conducting relevant studies in next year's Budget. Only in this way can there be a credible basis for policy formulation.

In the government machinery, child services are basically remedial. But in fact, the Government should, through the provision of funding, subsidize more organizations which are concerned about the interest of children to enable them to carry out diversify work and to allow them the resources to rally support from professionals and volunteers in the community, with a view to furthering the protection and development of children through these voluntary organizations. Unfortunately, apart from a small number of organizations with a longer history, few of the other organizations that are specifically concerned about the well-being of children can successfully seek government funding. For instance, the End Child Sexual Abuse Foundation, which specifically targets at child sexual abuse, is not provided with any government funding. Fortunately, the Foundation is able to raise funds itself and spent \$600,000 to \$700,000 on a study of sexual abuse. Regrettably, not all organizations are able to raise funds. Take the Against Child Abuse Limited as an example. Some of its proactive development programmes, such as paying visits to newborn babies, were almost forced to come to a halt due to discontinued government funding. Today, it is again reported that a baby being left at home alone died of suffocation. If regular visits to this family were arranged after the birth of the baby, and if early intervention or mediation by social workers was available to address the communication problems between the two generations, I believe this tragedy could have been avoided.

Madam President, that is all for my speech now. I will later give a concluding speech in response to the speeches made by other Members.

Miss Cyd HO moved the following motion: (Translation)

"That this Council urges the Government to expeditiously harmonize legislation and policies with the Convention on the Rights of the Child so as to discharge the international obligations of Hong Kong as a territory to which the Convention applies."

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

MR ALBERT HO (in Cantonese): Madam President, children are the future and the hope of society. They are young and immature physically and psychologically, and should therefore be provided with special care and protection, including appropriate protection through administrative measures and the law. In this connection, the Convention on the Rights of the Child stipulates that all actions concerning children should put the best interests of children in prime consideration. The Government must ensure that organizations which take care of and protect children meet specific standards, in particular, those on safety, health and effective supervision. Children deprived of their liberty according to the law should also be treated humanely and respected as human beings.

Members may recall a case that happened in the former Pui Yin Juvenile Home on 15 April 1997, when a 14-year-old boy hung himself to death as a result of being subjected to segregation. The Coroner's Court brought in a verdict of suicide and made four recommendations pinpointing circumstances that may induce children to commit suicide in children's homes and requested the SWD to enforce them in the management of children's homes. The Coroner also pointed out the discrepancies in the evidence given by those people who were responsible for the management of these children's homes, and some of the evidence was even inconsistent with the records of these children's homes. Therefore, that the deceased ended up committing suicide may to some extent be attributable to the circumstances mentioned. In this connection, there is cause for the Government to be concerned about the operation and supervision of children's homes in general. The Hong Kong Human Rights Monitor was concerned about the seriousness of this incident and visited eight children's homes managed by the SWD to gain an understanding of the situation. I also took part in some of these activities. According to the general observations made during these visits, the mode of operation of individual children's home emphasized excessively on discipline, in particular indoor discipline activities, many of which are prolonged and boring, thus hampering the healthy growth of children. For example, in some of the homes, teachers are not even allowed to take the children of these homes out to the garden to acquire knowledge about plants.

The Democratic Party hopes that the SWD can shift its emphasis from discipline training to diversified indoor and outdoor activities in its management of children's homes. Apart from fostering a sense of responsibility, co-operation and team spirit in these children, it should also cultivate in them love and care and provide additional appropriate educational facilities so that they can play a more positive role when they re-enter society. I believe that only in this way is the welfare of the children truly taken care of. These visits also made me realize that under the visits programme carried out by Justices of the Peace, the attention received by children's homes is in fact very limited. The Democratic Party hopes that the SWD can expand these visits programme to enable more members of the public — and hopefully that will include Members of the Legislative Council — to visit these institutions at any time to understand the life in these children's homes and make suggestions.

Madam President, a case of segregation also occurred in the O Pui Shan Boys' Home in Cheung Sha Wan in 1999. This kind of so-called "segregation" is commonly known as "ding chong" (to nail in the nick). In this case, this punishment of segregation was meted out to a 14-year-old boy, who was locked up in a room of an area of just several dozen sq ft, and the period of confinement was as long as one month. At that time, this institution said that because of disciplinary problems, the boy had to be segregated. Later, this boy tried to escape from the cell and was charged with escaping from supervision illegally by the Boys' Home. I would like to declare my interest as the defence lawyer representing the boy in the Magistracy at that time. Eventually, the Magistrate ruled that this type of confinement was illegal because it contravened the Reformatory Schools Ordinance, the Hong Kong Bill of Rights Ordinance and the Convention on the Rights of the Child. I understand that, subsequently, the Secretary for Justice, having considered the case in a very proper light, decided against lodging an appeal. The SWD, in replying to our question seeking a written reply, said that in the light of the 47 occasions on which inmates were segregated in the same Home and eight occasions of segregation in the Begonia Road Juvenile Home in 1999, it would conduct a comprehensive review. However, up to now I have not been informed of the result of the review. I wonder if the Secretary could provide some information to us today?

Concerning the scope of application of the Convention on the Rights of the Child, at present a reservation is made against Article 37(c) and therefore the Article is not applicable to Hong Kong. This Article requires that every child deprived of liberty shall be separated from adults unless it is considered in the

child's best interest not to do so. The subsidiary legislation under the Immigration Ordinance relating to the treatment of children and juveniles requires those under 18 to be detained separately from adults, and according to the Annual Review 2000 of the Correctional Services Department, young inmates are segregated from adult inmates, and young prisoners aged 14 to 17 are, as far as practicable, accommodated separately from their counterparts aged 18 to 21 at night locations in prisons and homes under the jurisdiction of the Correctional Services Department. Therefore, they are segregated only some of the time and not all the time.

The Hong Kong Government, when submitting its progress report to the United Nations Committee on the Rights of the Child in May 1997, said that since prisons in Hong Kong were crowded, the reservation had to be retained. The Government is now planning to construct a new prison with a view to improving the situation. I hope that the Government can clearly understand the importance of segregating children and adults in detention, as this will also be beneficial to the detained children. The Democratic Party hopes that this measure can be implemented as soon as possible, and that at the same time, the reservation can be withdrawn.

With these remarks, I support the motion.

MR HOWARD YOUNG (in Cantonese): Madam President, I believe none of us will object to the provision of more care and protection for children. In Hong Kong where the Convention on the Rights of the Child applies, we are duty-bound to ensure that children's interests are protected.

The Convention on the Rights of the Child covers an extensive range of children's rights, and in Hong Kong, we do have many laws and policies providing protection for children. Today, I will discuss the implementation of the Convention in Hong Kong and see what areas warrant review. Under the Convention on the Rights of the Child, the rights of children can broadly be divided into four areas, namely, the right to live, the right to protection, the right to development, and the right to participate. Certainly, all children should enjoy equal rights irrespective of their race and colour, and should not be subject to discrimination.

The Liberal Party considers that the medical protection and basic education provided by the Government of the Hong Kong Special Administrative Region for children are adequate. We have many paediatrics clinics, maternal and child health centres, and so on, providing a diversity of medical and health care services for children. Most importantly, these services are basically free of charge. Also, all eligible children are provided with nine years of free education. So, we think that the protection of children's rights to live and development in Hong Kong is basically fine.

That said, is there room for improvement? On the realization of children's right to protection, the Liberal Party is of the view that there is still room for improvement. In recent years, every morning when we read the newspaper, we often find news about children being abused or sexually abused, which is so heartrending and saddening. According to the Against Child Abuse, the number of cases seeking assistance for sexually-abused children has been on the rise in recent years. The Liberal Party considers that the authorities should expeditiously introduce legislation to step up protection for children in this regard.

I am glad that the Government, after reconsideration for over two years, will combine the Prevention of Child Pornography Bill and the Crimes (Amendment) Bill 1999 as the Prevention of Child Pornography Bill, which will be tabled before the Legislative Council for scrutiny later this month. I hope that the scrutiny of this Bill can proceed more smoothly, so as to immediately stop children from being used as sex tools. Meanwhile, the Government can also enhance publicity and training to increase public awareness of the problem, so as to prevent such problem from occurring at an early stage.

On the protection of children's right to participate, the Liberal Party considers that as society advances, we should no longer stand still and rest on our laurels. In formulating the relevant legislation and policies, we should not be overly theoretical and hence become unrealistic. An example is that the Government has recently expressed its wish to amend the law to the effect that parents would be restricted from obtaining information about their children's privacy that their children provided to social workers or teachers. This has met strong objection from the social work sector, the education sector and even parents. Social workers and teachers are worried that once the law is amended to this effect, they would be caught between parents and children. On the part of parents, they are also worried that it would be more difficult to supervise and

teach their children. From this, we can see that the problem is not as simple as a black and white one. When an idea is to be turned into actual law, extra caution must be exercised.

Madam President, as time changes, social mindset and concepts change as well. The Liberal Party considers that the Government should adapt to the changes of the time and progressively give effect to the provisions of the Convention on the Rights of the Child in the light of the actual circumstances. Yet, the Liberal Party also thinks that in view of a serious budget deficit, government departments must act cautiously when effecting policy changes, and priorities should be set in respect of policy implementation to ensure that public money is put to good use. With these remarks, Madam President, I support the motion.

MR ANDREW CHENG (in Cantonese): Madam President, our children represent the future of our community. We should make every effort to protect them and keep them from physical or mental harm and to enable them to grow in an ideal environment. I trust this is our common objective and our common wish.

To that end, we wish that the Government of the Hong Kong Special Administrative Region (SAR) will do its best to implement the Convention on the Rights of the Child to protect and foster our next generation. We would particularly like the SAR Government to review the relevant laws and measures currently in force in Hong Kong to make them fully compatible with the requirements of the Convention and to enable the Convention to become fully applicable to Hong Kong, doing away with all the existing reservations. In this new era of the 21st century, when a modernized international metropolis like Hong Kong claims that the Convention is applicable to it but in fact there are some reservations, I believe its international image and reputation will be adversely affected in some measure.

Among the reservations, I am particularly concerned about the fact that Article 32(2)(b) of the Convention is not applicable to Hong Kong. The Article requires that State parties shall make legislation to provide for appropriate regulation of the hours and conditions of employment of children. The aim of

the Article is to ensure children enjoy the right to protection against economic exploitation or engagement in work that hinders or adversely affects their education or work that jeopardizes their health, body, mind, morals or their social development.

Under Convention 138 made by the International Labour Organization, each member shall specify a minimum age for admission to employment or work and in any case that age shall not be less than 15 years. Despite the provision, members may make national laws or regulations that permit the employment or work of persons of 13 to 15 years of age, or persons having reached 15 years of age who have not yet completed compulsory schooling, to engage in light work which is not likely to be harmful to their health or development and not such as to prejudice their education and under other protected conditions. The legislative requirements must include provisions that the work would not prejudice their attendance at school and provisions that specify other relevant work conditions.

Madam President, for young people between 16 and 18, Convention 138 states that national laws or regulations may authorize employment or work as from the age of 16 years on the condition that the health, safety and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity. The minimum age of admission to any type of employment or work which is likely to jeopardize the health, safety or morals of young persons shall not be less than 18 years. Moreover, national laws or regulations shall prescribe that registers be kept by the employer of persons whom he employs or who work for him and who are less than 18 years of age.

As far as the above legislative requirements are concerned, most of the current Hong Kong laws are indeed compatible with them. These laws include the Employment of Children Regulations and the Employment of Young Persons (Industry) Regulations under the Employment Ordinance, the Employment of Young Persons and Children at Sea Ordinance and the Occupational Safety and Health Ordinance currently in force. Under these laws and regulations, the employment of children under the age of 13 years is prohibited, the employment of children under 15 in industrial undertakings is prohibited, the employment of young persons under 16 in dangerous trades is prohibited, and children who have attained the ages of 13 or 14 may be employed in non-industrial institutions but if they have not completed Form III of secondary education, they must receive

full-day school education and they must work under working conditions designed to protect them, and young persons between the age of 15 and 18 working in industrial institutions must be restricted in terms of working hours and conditions.

However, in the employment of young persons in dangerous trades, the Government needs to amend the law to raise the age limit from 16 to 18, and it should enact laws to require employers to keep registers of the personal data of employees under the age of 18, containing their names and dates of birth, in consistency with the spirit of international conventions.

In this connection, the Democratic Party hopes that the Government can expeditiously complete the consultation with the Labour Advisory Board and amend the relevant laws so that they comply with international labour standards. It should also expeditiously review laws in Hong Kong to see if they are compatible with international instruments on the work of children in order to make our laws comply with the requirements of the Convention on the Rights of the Child. It should submit a report to the Central Government to withdraw the relevant reservations in the Convention as they apply to Hong Kong.

Madam President, in addition to working hours and conditions, Convention 182 of the International Labour Standards also requires that State parties should protect children from employment in the worst forms of child labour as defined by the Convention. Such labour includes all forms of slavery, the sale and trafficking of children, forced or compulsory recruitment of children for use in armed conflict, the use of children for prostitution and for the production of pornography or pornographic performances, the use of children for the trafficking of drugs and work which is likely to harm the health, safety and morals of children. We must make expeditious efforts in these areas to protect our children from harm.

The SAR Government will soon complete the drafting of the Prevention of Child Pornography Bill to provide better protection to our children from being used in pornographic activities, including the making of pornography or taking part in pornographic performances. The Democratic Party supports the objectives of the Bill in principle and hope the Government can submit the relevant Bill with the relevant provisions to protect our children.

Moreover, the Democratic Party hopes the community may work together to produce more works in children cartoons and literature that are conducive to their physical and mental development so that they may grow up in a healthy and happy environment. When the Government and everyone in the community are determined to work towards protecting our next generation, I trust Hong Kong will have a promising next generation.

With these remarks, I support the motion.

MISS MARGARET NG: Madam President, at the last meeting of this Council, I asked the Administration a question concerning the right of Mainland-born children of Hong Kong residents to go to school while they are here, awaiting the decision of the Court or the Director of Immigration about their status. The right of education of these children is a right protected under the United Nations Convention on the Rights of the Child. Article 28 refers to the right of education, and Article 2 provides that "state parties shall respect and ensure the rights set forth in the present Convention to each child with their jurisdiction without discrimination of any kind, irrespective of the child's or his or her parent's or legal guardian's race, colour, sex, language, political or other opinion, national, ethnic or social origin, property, disability, birth or other status." In other words, the Government of the Hong Kong Special Administrative Region (SAR) must respect the right to education of any child who is found within Hong Kong. He does not have to be a permanent resident before he can assert his right to go to school. Had the SAR Government harmonized legislation and policies with the Convention, such an issue would never have arisen, and more than a hundred children would have been saved the pain, and possibly the damage, of being deprived of education and guidance at a formative stage of their lives.

In answer to a follow-up question about why these children are still in Hong Kong, the Secretary for Security said that some of them were under removal orders, but the orders could not be executed yet, because no arrangements had yet been made for these children to be taken care of in the Mainland, and immigration officers could not just thrust them upon the authorities across the border. I was astonished and greatly relieved. I should here declare that I represent some adopted children in the right of the abode case. Not so long ago, in this same Chamber, I had asked the Deputy Secretary in relation to the adopted children, at least not to forceably remove those of them

who were adopted as abandoned babies, and so have no parent apart from their adopted parents to care for them. And to my great shock and dismay, he firmly refused. His answer was that the Administration has to act in accordance with the decision of the Court of Final Appeal. He spoke as if the Court ruling required everyone who has no right of abode to be removed regardless of considerations. This is not at all true. The Director of Immigration has full discretionary power under the law to permit a person to stay in Hong Kong even if he has no right of abode.

Article 5 of the Convention requires state parties to respect the responsibilities, right and duties of parents towards the child. Under the laws of Hong Kong, it is the adopted parent who has these responsibilities, rights and duties. Article 18 makes clear that parents have the primary responsibility for the upbringing and development of the child, and the child's best interests must be the basic concern. This means that the Government must lay down policies and introduce legislation where appropriate to enable adopted parents to do so, irrespective of whether the child was adopted in Hong Kong, overseas or in the Mainland.

Again, if the Government had harmonized legislation and policies with the Convention, it would have been clear to the Deputy Secretary that "In all actions concerning children the best interests of the child shall be a primary consideration" — that is from Article 3 of the Convention. He is not entitled to use oppressive treatment on the children as a means to "send a message" about how tough the Government means to be.

Of course, this may well be the reason why the Government has not taken the step to harmonize: because it wants to be free to do as it pleases, without the restriction of law or policy. Officials will take refuge behind the stance that the Convention cannot be cited in a Court of law as giving a person a legal right. This, in turn, will allow officials to use judgments of the Court as an excuse for not paying any regard to the rights of the child under the Convention.

But, Madam President, the Government will be merely fooling itself if it thinks that it is free to disregard these rights, because there can be no dispute that treaties are signed to be kept, and each state party is bound by legal obligation to observe the provisions of the Convention. Failure to harmonize legislation and policies with the Convention does not mean that the Government can freely contravene or ignore the Convention rights. That would be a breach of

international obligations. What it does do is that it makes it much more difficult for individuals to enforce the rights. To be given rights but not the means to enforce them creates huge injustice and discontent. To prolong this state of affairs is not only unfair to the children, but undermines the SAR Government's credibility in the community of nations.

Madam President, the Government has often referred, without explanation, to reservations entered by the United Kingdom and by China in extending the Convention to Hong Kong. These reservations affect mainly the immigration status of the children, and have nothing to do with the rights that I have mentioned to which the children are entitled regardless of status, as Article 2 clearly provides.

The last report that the British Administration presented to the Committee on the Rights of the Child in Hong Kong was in October 1996. In response, the Committee expressed a concern about the situation of what was then referred to as "illegal immigrant children from China", caused by families split between Hong Kong and the Mainland. It also expressed the view that in the light of the best interests of the child, action should be taken "on an urgent basis" to reduce the waiting period for family reunification, including raising the quota and "other measures".

Since then, the Basic Law has come into effect, and the status of these children should have been recognized as permanent residents. Even the claim of children who fall outside Article 24 of the Basic Law as interpreted by the Standing Committee should have become stronger than before 1997. Yet up till today, the problem of split families remains as serious as ever. This calls into question whether Hong Kong is meeting its obligations under the Convention.

Thank you, Madam President.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, the United Nations Convention on the Rights of the Child has guaranteed the right of the child to education, and it shall not be affected by the child's race, colour, sex, language, religion, political or other inclinations, nationality, ethnic or social origin, property, disability, birth or other status. In short, children are children. These are the rights only they can enjoy but not others, nor should there be any discrimination.

Before the reunification, Hong Kong had abided by the United Nations Convention on the Rights of the Child. At that time, large groups of Vietnamese refugees came to Hong Kong illegally. The Hong Kong Government set up refugee camps and provided refugee children with education in the camps until they left Hong Kong.

However, after the reunification, the Government of the Hong Kong Special Administrative Region (SAR) has backpedalled on children's human right to education. The SAR Government has trampled on children's rights with the greatest atrocities, evident in the recent incident of no schooling for non-permit children. In order to force such children involved in lawsuits to leave Hong Kong, the Security Bureau and the Immigration Department have refused to allow them to attend schools and study. Even the Coadjutor Bishop, Mr Joseph ZEN, who volunteered to accept these pitiable children out of religious affection was also forbidden. Moreover, the Government threatened the schools and principals concerned by saying that they would violate the law, striving to spare none of the non permit children by treating them as enemies. Not to speak of the fact that these children are our compatriots and future citizens of Hong Kong. They are also humans even if they are illegal immigrants pending repatriation. They should also be entitled to the human right to study in schools, at least like those Vietnamese refugee children.

According to the information of the Security Bureau, since March 2000, nearly all such children who are involved in lawsuits and staying in Hong Kong have been rejected schooling by the Government, and the number stands at 195. Madam President, it is year 2002 now. Even though individual schools force the Government to change the policy in violation of human rights by resorting to civil disobedience and allow these children to attend schools progressively, the Government has already wasted one year and nine months of these poor children's time. Time is money. The time of studying is more precious than gold. Besides, the days of schooling for children cannot possibly be compensated. The Security Bureau has evidently made a wrong decision which has violated human rights and trodden on children's right to study. So, it should be condemned by local and international communities. If we could turn the clock back to the time when the Secretary for Security was still studying in school, her mistake should have warranted one big demerit.

Madam President, on the surface, Hong Kong has implemented the policy of nine-year free education and all people enjoy the right to education.

However, the Government has recently launched the elite direct subsidy schools scheme. They can not only collect a maximum annual school fee of more than \$68,000, but are also eligible for assistance from public funds. This new policy of elite direct subsidy schools has immediately caused some elite schools to change their mode of operation. In the past, admission to elite schools favoured by parents mainly depended on the abilities of the students. But now, money is an additional consideration other than abilities. Although these elite direct subsidy schools will provide grants to help impoverished students, parents will back off early when they see that the school fees will cost them \$4,000 to \$5,000 per month. Popularization of education should enable each student to enjoy equal rights to choose. However, it now turns out that every one is equal, but the wealthy students are more equal than their poor counterparts because they stand a better chance of choosing elite direct subsidy schools.

Recently, Mr TUNG Chee-hwa remarked that direct subsidy schools were meant to foster elites, and it made me feel very dissatisfied. The education and elites of Hong Kong have all along taken a person's abilities into account, irrespective of his background and class. In the past, education was a tool for facilitating class mobility. Many of us also grew up in poverty and we have improved our living and opportunities through education. A good school is the foundation of our development and success, and it has also fostered numerous elites in Hong Kong. Why has the road of fostering elites become narrower as we go after the reunification? Why should the selection of elites be based on money? This type of elite direct subsidy schools has in fact violated children's rights to attend and select schools on an equal basis. On the day this type of elite direct subsidy schools is expanding, it is also the time when the rights of Hong Kong children retrogress. So, how can the community take this matter lightly?

Madam President, not only impoverished children have lost the right to choose, but also some of the South Asian children in Hong Kong. They came from such places as India, Pakistan and Nepal, and they are the ethnic minorities in Hong Kong. Since their family conditions are generally poor and their religions, languages and customs are not the mainstreams of Hong Kong, thus looking for schools is particularly difficult and sometimes they are subject to serious discrimination.

A recent survey indicated that as many as 15% of these children had spent one year looking for school places, but to no avail. The discrimination might

not be intentional, but it is an indisputable fact that the learning opportunities and rights of South Asian children are overlooked, and this should be remedied immediately.

With these remarks, Madam President, I support Miss Cyd HO's motion.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the United Nations Convention on the Rights of the Child was extended to Hong Kong in 1994. As a result of this, many problems relating to children have since caught the attention of the local community. Instances of children left unattended at home leading to injuries or deaths from falling from height, child abuse, sexual abuse, suicide cases in which parents killed themselves together with their children, and so on are emphatically covered by the media. Despite all these, children in Hong Kong face many other difficulties as well. Protection of our children by society, respect for the mental health and feelings of our children and protection of the basic rights of our children are all important issues, which we will be discussing today.

A moment ago, many colleagues mentioned the case in which around 200 children with no certificates of entitlement (non-permit children) are forbidden to attend school while awaiting the results of an appeal regarding their right of abode (ROA). This shows how the Hong Kong Government treats the children. Therefore, we cannot help casting doubts on the attitude of the Government.

The Government pointed out that if the children were allowed to attend school in Hong Kong, it would indirectly confirm their ROA. But this view is not tenable. Indeed, some Members think that these children should enjoy the basic right to attend school while pursuing their appeal. Article 28 of the Convention on the Rights of the Child clearly provides for the right of the child to education, which is an issue completely separate from ROA. Therefore, the Government should not use that shaky ground as a pretext to bar the children from attending school. The children are poor souls, most of them being orphans with pathetic backgrounds. Luckily, they were adopted by some Hong Kong people. They landed on Hong Kong soil through various means. Owing to a problem in the system, they have been victimized. To double their predicament, the Government is now depriving them of their right to education while they are awaiting the result of appeal. They are now rejected by the system. Is the Government being anti-humanitarian? I think the Government should really reflect on itself.

The above case reflects a lack of respect from the Government for children's rights. This is what is wrong with the Government. We must understand that children are too young to know what rights they can enjoy and how they may strive to protect their rights. Thus, they need protection more than any other social groups in the community.

Obviously, the Government has ignored the fundamental issue. Despite the extension of the Convention on the Rights of the Child to Hong Kong since many years ago, the Government has all along refused to enact laws in Hong Kong and failed to conduct a review on local laws to see if any part of them is inconsistent with the Convention. It has not formulated any set of policies about our children. We have never heard of any plans to set up a separate mechanism to monitor children's rights to ensure the rights are not violated. Nor can we detect any intention of the Government to create a post such as a commissioner for children's rights.

We have been asking this question repeatedly: While the Government has set up the Elderly Commission, the Women's Commission and the Commission on Youth, why has it not set up a separate commission on children? Are the elderly and women more important than the children? I think the Government lacks vision. It can only see issues right in front of it but not the fact that people start their lives as children, future masters of society. If they have problems now, the community may be plagued with problems in future. It seems however that the Government just winks at the problems.

Mr TUNG Chee-hwa, the Chief Executive, often says he is very much concerned about our next generation. He also agrees children are masters of the community in future. Regrettably, the Government does not even have a set of policies on children. How then can the rights of the children be protected? How can we give the next generation a brave new tomorrow? How can we bring hope to the community (especially the Hong Kong community)?

The Government has achieved nothing in protecting the rights of the children. Worse still, it even acts against the principles in the protection of the children's rights in the implementation of its policies.

For instance, while Hong Kong is faced with its greatest problem, which is economic restructuring, including the disparity between the rich and the poor, the Government has not taken any appropriate measures to solve the problem.

Instead, it has come up with all sorts of means to cut Comprehensive Social Security Assistance payment for the unemployed. It staunchly refuses to lay down a minimum wage, denying low-income families any protection. The Government has not cared to find out what children's lives are like in these poor families.

Last year, a survey carried out by a non-government organization revealed that 350 000 children were living below the poverty line. Assuming we have a total of 1.6 million children under the age of 15, this means that about one fifth of our children are living below the poverty line.

Earlier on, Mr TUNG admitted that unemployment would worsen with an uncertain future in the economy. This implies that the disparity between the rich and the poor will grow. Now, what the people hope to see is not how Mr TUNG shakes hands with people in front of the camera as he announced his campaign for a second term, but some practical and effective measures he would suggest to solve the problems confronting us.

At this point, I hope Mr TUNG can listen to a true story, albeit a sad one. There is this lady I know, who is a single-parent mother. She has two daughters. She does cleaning work for a public housing estate every day and earns about \$3,000 a month. As she has to take up cleaning work for many buildings, and she cannot find anyone to look after her two daughters, aged eight and 10, she has to bring them to the place where she works. Since there is so much to do, her two daughters also help their mother out in clearing the rubbish. Can Members imagine the devastation of our next generation in this way? Indeed, during the fifties or sixties, the Hong Kong community and difficult family backgrounds ruined many children. Today, we are inflicting the devastation on our children again through treating them badly. I want to ask: When will the Government be awakened, when will unfortunate children be properly taken care of, and when will provisions in the Convention on the Rights of the Child be implemented?

Madam President, I very much hope the Government can deal with the problem with care and implement the Convention provisions. I particularly wish the Government could set up a children's commission to protect their rights.

Madam President, I so submit.

MR WONG SING-CHI (in Cantonese): Madam President, in this discussion of issues relating to children, I will have to start with my son again in my introductory remarks.

When my son was in Primary Three, he told me that he had formed a children legislative council in school comprising three members. Of these three members, my son was the President and the other two were Deputy Presidents. He told me how they would like the class monitor to be elected, how classroom order could be kept and how homework could be handed in more efficiently. But regrettably, given that this children legislative council was not returned by direct election and as all the three members were handpicked by my son, it finally disappeared into obscurity.

Madam President, under Article 12 of the Convention on the Rights of the Child, importance should be attached to the views of children. From my son's experience, I see that many children in fact very much wish to speak their minds. As they see adults expressing so many views, they also wish to express theirs. Therefore, we should attach importance to the opportunity for and right of children to express their views.

It is stated in the Convention that the Government should ensure that children have the right to express views freely in all matters affecting them, and the views of children shall be given due weight in accordance with their age and maturity. The voice of children should also be listened to in respect of arrangements for judicial and administrative proceedings.

The Convention also proposes that the Government should make the principles and provisions of the Convention on the Rights of the Child widely known to adults and children alike by active publicity efforts. In the meantime, State Parties shall establish a Committee on the Rights of the Child to ensure that the Convention is duly implemented.

Has the Government of the Hong Kong Special Administrative Region (SAR) made sufficient publicity efforts? Has it taken steps to make children aware of the rights to which they are entitled? Has it made enough channels available for children to express their views? Has the Government listened to the children on issues that have a direct bearing on their interests? Has the Government treated children as independent entities capable of forming their own views and independent thinking and given due weight to their views?

The Government may answer in the affirmative, citing the examples that a children choir had expressed its views when the National People's Congress was asked to interpret the Basic Law, that at a rally to vow support for Mr TUNG Chee-hwa, there were children rising to speak in support of the re-election of Mr TUNG, that Mr TUNG had stroked children's heads and asked them about their living during his visits to districts, and so on. But in my view, all these are just examples of children being made use of to achieve certain purposes, not examples of children's rights being respected.

In fact, if Members take a closer look at this, they will see that the Government has never had any policy or system in place to ensure that children's rights are realized. Children have always been considered as part of families. In the policy on children welfare and services adopted by the Government since 1990, it is pointed out that in pursuing the policy to protect the physical, emotional and social development of children, it is most important to provide support to strengthen families so as to ensure that they can provide a suitable environment for children to live in contentment. However, children have never been given the opportunity to express views on policies directly relating to their interests. Children are subordinate to their parents; they are not independent entities.

At the end of 1996, the United Nations Committee on the Rights of the Child pointed out that insufficient measures had been taken by Hong Kong to ensure the effective implementation of the Convention. Particularly, Hong Kong failed to fully take into account children's interests and allow sufficient opportunity for the expression of views by children. The Committee proposed that the Hong Kong Government should set up an independent committee for the protection of children's rights. Regrettably, five years have lapsed, and the situation in Hong Kong remains unchanged.

The Convention on the Rights of the Child was extended to Hong Kong in 1994, but most of the citizens are still unaware of the existence of this Convention. The Home Affairs Bureau, which is responsible for the implementation of the Convention, seldom carries out publicity on the Convention and seldom follows up whether the Convention is duly implemented or conducts investigation for this purpose. The Government's approach runs counter to the spirit of the Convention. In Hong Kong, the Convention on the Rights of the Child is merely a decorative vase in a political sense.

The Democratic Party appreciates that children need the care and guidance of parents during their tender years. But every child is an independent entity. They have their dignity, their own thinking, viewpoints and perspectives. Hong Kong, being an advanced economy, should at the same time respect the right of children to participation and expression, while having regard to the physical well-being of children.

The Democratic Party considers that the Government should expeditiously establish an independent Committee on the Rights of the Child to specifically monitor the implementation of policies on children's rights, and to receive, investigate and follow up complaints. It should also be tasked to enhance public and school education, with a view to bettering children's understanding of their own rights and enhancing their ability to protect themselves.

Meanwhile, we think that a children assembly which allows participation and expression of views from children should be established. Members of this assembly would be returned by election hopefully, rather than by appointment. This assembly, which should comprise representatives from the relevant departments, schools, non-governmental organizations, parents and children, would hold open discussions and make recommendations on children policies and issues, curriculum instructions, community development, and so on, with a view to promoting the interests and rights of children. The spirit of this children assembly is mainly to provide opportunities of participation for children and to change the established concept of children being subordinates to adults. Children's voice should be incorporated in all matters having a direct bearing on children in order to give play to the spirit of the Convention.

The Government has consistently stressed the importance of creativity. This cannot be achieved simply by chanting slogans. Instead, it should provide room and opportunity for this pursuit. If the Government can respect the right of children to the expression of views and provide them with greater room, I believe our next generation will definitely have better opportunities of development.

The establishment of a Committee on the Rights of the Child and the children assembly can help the Government formulate a more comprehensive range of children policies and legislation, so as to protect the rights to which children are entitled. Taiwan enacted legislation on children welfare as early as in 1973 and made corresponding amendments to the law in line with the

implementation of the Convention on the Rights of the Child, in order to ensure that children's interests are fully taken care of. While the SAR Government has always stressed the direction of developing Hong Kong into a metropolis in Asia, we are lagging far behind others on these basic policy issues.

As society changes continuously, the model of family changes as well. The number of single-parent families will increase accordingly. The social changes faced by children will have an even greater impact on them. We believe the Government must formulate a comprehensive set of laws to ensure that children's rights are fully protected.

With these remarks, I support the motion.

MS AUDREY EU: Madam President, I am grateful to the Honourable Cyd HO for giving us an opportunity to speak on the rights of the child.

Speaking as a mother of three young children, matters relating to children are always a subject dear to my heart.

First, I would like to say that the word "right" should be understood in the widest sense of the word, in particular, Article 3 of the Convention on the Rights of the Child provides that in all actions concerning children, the best interests of the child shall be a primary consideration. In short, "right" should not be understood in the same way as the "right" of an adult, but as what should be best in the interests of a child's development. Such interests are often better provided for in policies than by legislation. The recent so-called "Happy New Year" incident and its subsequent developments indicate once again that we do have a youth problem on our hands. It is time the Government should consider strengthening the role of our existing advisory bodies on youths and establishing a comprehensive youth policy.

Turning to children's rights in the more traditional sense, the Government has taken some steps to bring our legislation more in line with our international obligations. For example, the recent proposal to increase the minimum age of criminal responsibility from seven to 10 is one of the welcome moves, though personally, I would prefer it to be raised to 14. In addition, the new bill relating to child pornography and sex tourism will also help to protect children against sexual exploitation.

However, there is still a lot that this Government can do, not just in protecting the individual right of each child, but also in ensuring equal right, or more appropriately, right to equal opportunities. Non-discrimination is the prominent theme as set out in Article 2 of the Convention, right after Article 1 which defines a child. It provides that we should respect and ensure such rights irrespective of race, colour, sex, language, religion, ethnic or social origin, disability and so on. Having heard the Honourable CHEUNG Man-kwong, I would like to say that I disagree with his views on the Direct Subsidy Scheme schools. In order to improve the quality of education and, in particular, to reduce the teacher-student ratio in class, some schools do have to increase fees. However, it would also be the aim of these schools to provide financial aid and to admit children based on merit, but blind to their financial or social status.

I do, however, agree with Mr CHEUNG Man-kwong that children from the Mainland and of other ethnic minorities such as Indians, Pakistanis and Nepalese, are often discriminated against. Last year, a survey by the Yang Memorial Social Services found that 40% of students from the South Asian ethnic minorities have difficulty finding suitable places in government-subsidized schools. The same percentage of children said that they have experienced study and communication difficulties with local classmates.

Many of these children do not read or speak Chinese. Schools are usually reluctant to admit them as they need extra effort in looking after their needs. Teachers are generally less willing to teach these children. The Education Department had introduced a new support grant for schools with intake of minority children. Nonetheless, it is still not sufficient and some sort of integration or orientation programmes should be provided for them.

The vulnerable situation of school children from the Mainland and the ethnical minorities is largely the result of lack of public awareness towards their needs and rights. Anti-discrimination education and human rights education are both necessary and urgent, especially in schools.

In 1996, a report from the United Nations Committee on the Rights of the Child criticized the lack of emphasis on human rights education in schools in Hong Kong. It is required under Article 29 of the Convention. Education of children should be directed to the development in respect of human rights and fundamental freedoms, and of principles enshrined in the Charter of the United

Nations. Despite this, situation has not improved and civic education remains a peripheral element in our schools.

The successful application of the Convention depends on recognition and acceptance of the social values incorporated in the Convention. I call upon the Government to show greater commitment in fulfilling its obligation in human rights education, particularly in recognizing discrimination as a serious social issue and undertaking the necessary legislation to outlaw such discrimination.

Madam President, tomorrow, the Court of Final Appeal will deliver its judgment on another landmark right of abode case. While many people believe that these children should be repatriated as soon as possible, there are others, such as Prof LIU Pak-wai of The Chinese University of Hong Kong, who believe that it is better for these children to be incorporated into and educated in Hong Kong as soon as possible. If not, they will have to move to Hong Kong at a later stage of their development and may well add to our social burden in a knowledge-based economy. Family life is the fundamental cornerstone of a child's development.

Article 10 of the Convention provides that application of the children to enter or leave a state for the purpose of family reunification should be dealt in a humane and expeditious manner. The sad fact in Hong Kong is that the children of Hong Kong parents born in the Mainland are forced to live apart, whereas children born anywhere else in the world are not subject to the same fate.

No matter what happens tomorrow, I urge our Administration to act with restraint and compassion.

MR FREDERICK FUNG (in Cantonese): Madam President, apart from protecting the rights of the child, most importantly, the United Nations Convention on the Rights of the Child hopes to give children a reasonable and healthy environment for development in society, and allow them to grow and bring their talents into full play.

At today's meeting, I believe many colleagues will discuss children's rights from different perspectives. I will try to elaborate on the two subjects

that I am good at, that is, the impact of impoverishment and housing on the development of the child.

Children are the future pillars of our society. Psychologists have pointed out that child development in early years will have far-reaching effects on the rest of their life. Therefore, if the family and society fail to provide an ideal environment for children to grow in a healthy manner, it will affect their whole life. Yet in this affluent Hong Kong, we can still find many children living in poor and terrible conditions. This is really worrying.

According to the definition drawn by the Convention on the Rights of the Child, a child means every human being below the age of 18 years. In Hong Kong, the number of children under 15 alone has already exceeded 1.1 million. In a survey conducted earlier, it was found that nearly 250 000 children under 15 years of age are living in poverty, accounting for 20% of the population of the same age group. And many of them grow up in families receiving Comprehensive Social Security Assistance (CSSA) or with a monthly family income lower than \$2,500. Therefore, the situation is extremely serious and it reflects that child development is, to a certain extent, being subject to undesirable and unhealthy threats.

The way of life for children of low-income families is different from those of general families. A survey on impoverished children conducted by the Society for Community Organization and the University of Hong Kong last year found that since low-income families had to save on expenses, most of the children interviewed seldom went out for play. They even did not have the opportunities to participate in activities organized by community centres because they could not afford the fees. Compared to ordinary children, impoverished children have lost the opportunity to cultivate their interest and developed their potential on the one hand, they may also lose the opportunity to participate in normal social functions at their leisure time on the other. Besides, since the material life of impoverished children is very poor compared to the richer peers around them, living in abject poverty can easily hurt their pride. Psychologist Erik ERIKSON has pointed out that acceptance by peers during adolescence is very important to personal growth. If an individual fails to gain acceptance by his peers, he will develop an eccentric and indifferent personality very easily. As such, children living in poverty will have difficulties in making their peers accept them or integrating into society in future, ultimately affecting the well-being of children and the community of Hong Kong negatively.

Insofar as housing is concerned, children spend most of the time at home. As for low-income families, they can only choose to live in old buildings in the private sector if they do not have the protection of public housing. I wish to ask the Secretary through the President this question: Does he know that some families are living in self-contained units or even rooms of wooden partitions where the environment is very terrible, the room for activities is insufficient, the ventilation is poor, supporting facilities are inadequate and the environmental hygiene is horrible? This will hamper the healthy development of children.

For example, I have visited some families living in rooms of wooden partitions in Sham Shui Po. In a room with an area of 60 sq ft to 80 sq ft lives a couple and two children, there is only one bed other than a three-feet-by-three-feet area close to the door. The bed is not only a place to sleep, but also a place to do homework, take meals and play. Four people sleep together in just one bed. In such an environment, how can children concentrate on their studies? How can they have enough space to rest? How can they cultivate their interest beyond their poor living conditions? How can they grow up in a healthy environment? In addition, in such an overcrowded condition, conflicts between family members will increase. If there are frequent quarrels in a family, it will bring about negative impact on children's development. A poorly ventilated unit will also increase children's chance of contracting diseases. Children are living in such an environment, so has the Secretary considered ways to help them improve their lot by accommodating them in an environment suitable for dwelling by four people, so that children can be allowed to grow up in a reasonable and healthy environment?

I have some suggestions in respect of the above questions. To tackle the problem of impoverishment of children, we have to understand the characteristics of existing impoverished children first of all. Many foreign countries have studied the problem of impoverishment in a systematic manner. Let me take Canada as an example. They have not only kept records on the number of impoverished children, but also kept clear figures concerning these children on such information as their age distribution, and how many of them have come from single-parent or two-parent families. Hong Kong can hardly catch up with them in this regard. I wonder if the Secretary has considered conducting studies in this respect. I hope the Government can copy the practice of foreign countries in this respect by doing more researches to resolve the problem at root, and set up a task group to address the crux of the problem concerning impoverished children.

Moreover, currently, impoverished children mainly depend on the support of CSSA financially. Let us put aside the question of whether CSSA is sufficient to maintain the healthy development of children for the time being. However, many low-income families have not applied for CSSA for various reasons, so children of these families have lost the support. Hence, it is necessary for the Government to co-ordinate with various departments to render children assistance other than CSSA. For example, to increase the rate of allowance to impoverished students and expand their resources, so that children can be allowed to participate in extra curricular activities free of charge, and so on.

In respect of housing, if families have to wait for another couple of years before they can be rehoused in public housing, children's development will be affected substantially. Therefore, the Government can consider establishing a mechanism a la the priority allocation of housing to the elderly, so that families with impoverished children living in overcrowding conditions can be given priority on the Waiting List for public housing. This will enable them to be rehoused in public housing earlier.

Madam President, in fact, many low-income families in Hong Kong are not able to provide a good environment for children to develop in a healthy manner. I opine that there is an actual necessity for the Government to intervene and co-ordinate with different departments, so that all children can grow in a healthy manner.

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

MISS CHOY SO-YUK (in Cantonese): Madam President, the United Nations made the Convention on the Rights of the Child (the Convention) in 1990. This Convention is based on a simple concept, that is, every child under 18 is an independent entity and he is not subordinate to his parents. Nor is he private property of the Government. He has his own thoughts and feelings as well as rights and obligations to observe.

The Democratic Alliance for Betterment of Hong Kong (DAB) fully supports the underlying spirit of the Convention and also agrees that the Government has the obligation to establish a set of human rights rules for the child. On the whole, we think that the existing legislation, practices and

policies of Hong Kong are basically in harmony with the provisions of the Convention as applied to Hong Kong. Therefore, on the whole, the implementation of the Convention can be said to be satisfactory in Hong Kong.

In fact, at the time when the United Nations Committee on the Rights of the Child was studying the report submitted by the Hong Kong Government, it indicated that it was satisfied with, welcomed and even commended various child protection policies of the Hong Kong Government. Of course, this does not mean that the situation is already perfect and there is no need for further reviews. After all, there is always room for improvement, especially when the policy area is so extensive and the target so important. We should not treat the matter lightly and must strive to ensure that the relevant policy is aimed at protecting the greatest interests of the child and guaranteeing that his rights to survival, protection and development will not be exploited.

Madam President, since Hong Kong is a modern cosmopolis, the children of Hong Kong are definitely luckier than those who constantly live under the deathly shadows of war, poverty and hunger. However, the children of Hong Kong are facing other threats. According to figures provided by the Social Welfare Department, the number of child abuse cases has been increasing substantially from 381 in 1997 to 575 in 1999. Though it dropped slightly to 500 in 2000, it went up again to 295 during the first half of 2001, and almost 30% of these are sexual abuse cases. Furthermore, the morbid development of civilization and abnormal expansion of the shady dealings of modern people have made more and more pornography dealers to add children characters in pornographic materials as an attraction. This will have a serious negative impact on the future mental development of the child in question. The Government should be obligated to deal with this matter. The DAB also supports that the existing penalty should be enhanced and the legislation be even amended if necessary to protect children under 18 from the threat of different kinds of abuse and from being used by illegal elements as milch cows.

In fact, the Government had consulted the public on the Prevention of Child Pornography Bill in November last year and submitted the Bill to this Council for scrutiny. In principle, the DAB supports the proposals on creating offences of making, producing, publishing, importing, exporting, distributing, advertising and possessing child pornography; and to group child pornographic depiction into two categories on the basis of age, to focus at crimes of varying degrees. In order to afford the child further protection, the DAB thinks that

there is a need to extend the definition of pornography to include any materials related to indecency and violence. As regards the many technical issues involved in the Bill, such as how the age of the child can be determined solely on the basis of pornographic photographs and whether or not the penalties are appropriate, are all controversial issues. The DAB thinks that they must be dealt with caution.

As an international convention, we certainly hope that the Convention on the Rights of the Child is universally applicable. However, in implementing the Convention, quite a number of countries do retain reservations on individual provisions in the light of their own circumstances. In fact, of the 190-odd signatories, nearly 80 countries have saving provisions on the Convention. Since the restrictions on abortion are more relaxed in certain advanced European countries, and are thus in conflict with the provisions of the Convention on the child's rights to survival, such provisions are regarded as saving provisions. Compared to those countries, the saving provisions of Hong Kong are obviously less serious in nature.

One of such reservations is the Hong Kong Government has not laid down any restrictions in accordance with the Convention on the number of working hours for young persons who have reached the age of 15 and whose workplace are non-industrial premises. If such saving provisions are abolished, it will appear that the job opportunities of young persons will be affected indirectly. However, in reality, not many business organizations will employ young persons who are between the age of 15 to 18. We anticipate that even if the relevant provisions of the Convention are implemented, there will not be great impact on the labour market. Therefore, the DAB maintains a liberal attitude towards this issue.

Some Members of this Council pointed out that according to the provisions of the Convention, even those children who do not have the right of abode in Hong Kong according the Basic Law should have the right to study and live in Hong Kong. The DAB has reservations about this. However, no matter what happens, this will not affect the implementation of the existing legislation in relation to the provisions of the Convention.

Madam President, when children are growing up, they are much more vulnerable than adults and will also easily get hurt, so their interests should really be protected through the implementation of the Convention on the Rights of the Child. At present, the Convention is the most widely recognized convention in

the world and it also has legislative effect. Therefore, it can also best protect the rights of the child. The DAB hopes that the Government can seriously fulfil Hong Kong's international obligation as a signatory to the Convention.

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

MISS LI FUNG-YING (in Cantonese): Madam President, it can be said that we have a plethora of things to tackle in our debate on children's rights today. Nine days shortly after we have stepped into 2002, several news stories in connection with children came to light in society one after another. On the night of the New Year's Eve, a "Rashomon affair" took place between the police and a youngster. Following that was the death of a pupil who fell from a building by accident, suspected to be carrying an overweight schoolbag. Recently, the news relating to the demand for enactment of legislation to protect children's privacy have aroused a lot of arguments. These incidents involved a series of policies ranging from child education, health, family, and so on. It is conceivable that any discussion on children's rights will open a Pandora's box of questions.

The Convention on the Rights of the Child seeks to protect the rights of people under the age of 18. Therefore, I would use another international convention applicable to Hong Kong — the International Labour Conventions to discuss the problem of child protection. According to the stipulation of Article 3.1 of the International Labour Conventions concerning the minimum age for admission to employment, persons under the age of 18 shall not work in circumstances which jeopardize the health, safety and morals of young persons. Although Article 3.3 of the Conventions has provided flexibility by specifying that young persons aged over 16 can also work in a high-risk working environment as long as their health, safety and morals are fully protected. However, regrettably, Hong Kong has failed to comply with such simple requirements as set out in the Conventions. The Employment of Children Regulations only forbids children below 15 years of age to work in non-industrial undertakings, whereas children aged between 13 and 14 years can be employed by non-industrial organizations.

The so-called non-industrial organizations refer to such service trades as restaurants, catering establishments, karaokes, and so on. For a 13-odd-year-old drop-out working in those undertakings after completing junior secondary education, I personally also consider them as working in high-risk businesses.

It is because there are hot soup, boiling oil, different types of peelers and knives in the kitchens of the food establishments. In addition, there are many dubious characters in eateries and traps for the youth abound.

According to the information provided by the Census and Statistics Department on the age-specific unemployment rate of Hong Kong, the rate of unemployed persons among the 15 to 19 age group has reached 25.3% up to the third quarter of last year. The unemployment rate of this age group ranks top of the overall age-specific unemployment rate. Now, there are just too few jobs to go around in the community. Given the loose regulation of legislation, it is imaginable that some high-risk trades offering comparatively higher pay in society will attract many young persons to join the trades, thereby gravely jeopardizing them.

We also hope that young persons can receive good education and start working in society after they have become more mature. However, youngsters have to step into society where there are all sorts of temptations at a very early stage for various unfortunate reasons of their own. The most pitiable thing is that many young persons who are still studying have to use their spare time to do summer jobs during the summer vacation. These young persons are totally green and have no idea about the potential dangers in various trades. Some of them chose to work in a higher-risk trade in order to earn a higher pay. The result was that an accident would cause them to feel sorry for the rest of their life, or even lose their precious lives; some chose to work in entertainment premises and go astray as a result of making friends with vice elements.

I admit that the Government has not refrained from making an effort on the work of youth protection. For example, the "Youth Pre-employment Training Programme" (YPTP) launched at the end of 1999 was in some measure helpful to dropped-out youngsters aged between 15 and 19, and it also received a lot of positive comments from society. However, the problems in respect of the care for children and the protection for youngsters must also be addressed positively by the community at all times because they are the future hope and pillars of society. As for those youngsters who have stepped into society after finishing junior secondary education, the Government should provide them with more support, such as by expanding the YPTP or protection in other service areas, particularly enhancing the protection accorded by the Employment Ordinance. This will prevent them from feeling hesitant and helpless at the starting point of their life, and from becoming a group of helpless people in society before spreading their wings.

Today, Miss Cyd HO has proposed to urge the Government to expeditiously harmonize legislation and policies with the Convention on the Rights of the Child at the earliest possible time. I opine that the relevant motion should not be confined only to the provisions as set out in the Convention on the Rights of the Child. Other Conventions applicable to Hong Kong, seeking to protect young persons in Hong Kong, should also be adopted. Here, I call upon the Government to amend the labour legislation and improve all supporting measures as soon as possible, so that the inexperienced youths can have a little more protection through their journey in life which is filled with traps and temptations.

Thank you, Madam President. I so submit.

MR HENRY WU (in Cantonese): Madam President, the debate today urges the Government to harmonize legislation and policies with the Convention on the Rights of the Child. I support the broad principle, particularly the urge on the Government to allocate more resources to social work organizations. However, in Cyd HO's letter to Members regarding the debate, it is said "a patriarchal society regards children as accessories of the family and thus hinders the development of independent thinking of our children." I have reservations about this point of view. Though recent population census data show that in Hong Kong the number of females is greater than that of the males, there may be less voice speaking for the men. I need to stand up and say a fair word for Hong Kong fathers.

The Hong Kong community has developed today to a stage where men and women are equal. There are no obvious characteristics of a patriarchal society. More and more families are reducing the number of children in each. Children are often treated well, not just as accessories of the family. In today's open society, I think factors affecting the independent thinking of our children are many, and a sound education system plays a very important role. I do not therefore endorse the radical view of Miss Cyd HO about a "patriarchal society". I would rather adopt a more positive view.

Madam President, the Boys' and Girls' Clubs Association of Hong Kong (BGCA) advocates a "child-oriented" policy. As the executive chairman of the BGCA, I naturally and with good reason will strive for the due rights our children. The BGCA has been serving Hong Kong for 65 years and has been concerned about developments in respect of children's rights. Last March, it

held a Forum on Children's Development and invited experts and children from all across the community to exchange ideas about the growth environment of local children. From the conclusions drawn by the Forum, I found that if we adults spent more time listening to what our children had to say, Hong Kong might develop into a "child-friendly" city.

I made it a point to attend the Forum so that I could personally listen to the ideas of children about building Hong Kong into a "child-friendly" city. A comment that impressed me greatly came from a youngster who said, "The Government has set up a number of facilities but it must cater to our needs. For example, in many parks or sitting out areas, flush toilets and sinks do not fit us. They are too high for us." My immediate response was: "He was right. The Government can do better, given the many facilities for children in our parks." If we take a close look at things around us, we would easily find we often neglect the needs of our next generation.

Another child told me about a visit he made to a park with this comment: "It was a park alright, but why were there no swings?" I could not tell why either.

An older child said, "The Convention on the Rights of the Child is not being respected. There is no specified department to respond to our comments. Even if we have opinions to voice, they often go unattended to. We might be treated as joking or as being childish. If so, we would be very disappointed!" He even said, "I think a Child Committee should be set up to respond to children's comments."

Madam President, I very much agree with these comments made on the day of the Forum. Indeed, people (including children) know their practical needs. Very often, adults would think they understand their next generation, but, in fact, as times change, children form some views of their own which we may not completely follow or understand. This can be likened to our own experience or feelings when we thought our parents did not understand us. Therefore, to implement the Convention on the Rights of the Child, it is of paramount importance that children's voices are heard and their views respected.

It is also very important to enhance mutual understanding between parents and their children. As I said at the Forum, parents' attitudes are often found to alternate between two extremes: strict and caring. Just think about this. As a daily example, we may often see parents urging their children to finish their food

quickly, saying: "Hurry up!". But soon, they may ask their children to be careful, saying: "If you eat so quickly, you may be choked!". Parents may also rush their children through their homework, saying: "Be quick! You are being too slow!", but they may also say: "Work slowly with care. Do not make any mistakes!". So, this shows that it is because parents care that they are very strict to their children. The message I would like to get across is that most people only read the negative reports on how strict parents are in raising their children. They care from the bottom of their hearts, but they are often not clearly understood. Thus, I hope social service agencies that care about the development of our children can help parents and their children achieve mutual understanding, especially those parents who for one reason or another cannot communicate well enough with their children so that unnecessary family problems may be minimized. Of course, the Government has to act accordingly by allocating resources.

Madam President, there are indeed many social service groups in Hong Kong which are very much concerned about the needs of children as they grow and develop. These groups work very hard to create new services in response to children's needs. For example, the Children's Hotline operated by the counselling centre of the BGCA aims at counselling children and youngsters between three and 18 years of age. A hotline is set aside for emotional support. The two services started in 1989 and 1991 respectively. At first, they dealt annually with 50 cases and 972 calls for help but in last year they dealt with 209 cases and 6 179 calls for help. Work has been increasing and so manpower and facilities have to increase drastically to cope. Nevertheless, the BGCA has been raising the funds required on its own since the very beginning. The Government has not injected any financial assistance. Therefore, I hope the Government can allocate resources in this regard for those needy social service groups so that they may cater to the needs of the children and the young people by providing timely services. I hope the Government can allocate resources and implement policies in support to promote and develop these services.

Madam President, I so submit.

MR ABRAHAM SHEK: Madam President, the Convention on the Rights of the Child was adopted on 20 November 1989 and entered into force subsequently. The Convention is the principal children's treaty encompassing a full range of civil, political, economic, social and cultural rights. It aims at protecting

children from discrimination, neglect and abuse. With strong support from members of the United Nations, the Convention has been implemented smoothly so far. As Hong Kong is one of the signatories, it is obliged to submit its first report on the rights of the child to the United Nations through China.

Generally speaking, the Government of the Hong Kong Special Administrative Region has undertaken the Convention with appropriate legislative, administrative, social and educational measures to protect the rights of the child. Indeed, Hong Kong is one of the signatories which uses its best efforts to promote and protect children's rights. Most children in Hong Kong grow up in a family environment, in an atmosphere of happiness, love and understanding. Neither contradictions nor grey areas were found between the Hong Kong legislation and the Convention. However, there is still a need to improve our current legislation and policies on protection of children's rights. In the present moment, it is important to co-ordinate legislation and policies with the Convention so as to fully discharge the international obligations of Hong Kong.

Madam President, we should take an objective view to oversee the implementation of the Convention on the Rights of the Child in Hong Kong. This Council and the Government have made efforts to promote and protect children's rights. For instance, local institutions, services and facilities responsible for the care or protection of children are conformed with the provisions of the Convention. The Government has arranged programmes and provided guidance to schools and social welfare organizations for advocacy and greater awareness of the rights of the child. In my view, alleviating children's pressures, especially those that are likely to be encountered in their growing stages and generated from traditions and cultural values, is the most important problem that we should tackle. However, legislation is not always an effective way to alleviate such pressures. The more stringent our legislation, the lesser room to lessen these pressures. In this economic hard time, parents' pressure from financial burden and children's pressure from studies are both increasing. Children will more easily become the victims of neglect, exploitation, abuse and other social problems. Child abuse cases reveal that parents often regard their children as their own possessions. News about parents committing suicide with their children and child abuse are frequently heard. In view of this, the Government should heavily advocate the rights of the child by civic education, in addition to improving the legislation.

Without doubt, the Government should have the obligation to implement the Convention on the Rights of the Child. Nowadays, only the professionals such as social workers, teachers, doctors and police officers who have received proper training in handling child cases are familiar with children's rights. However, this is not good enough. In my view, all members of the community, especially parents, should also recognize their obligation to implement the Convention by caring their children morally and spiritually. I am painful to see that although our current living standards are far better than a few decades ago, the problem of juvenile delinquency has become more serious. I believe that moral education is an effective solution to the problem of juvenile delinquency. The Government should reinforce civic education, encourage families to provide spiritual care rather than materialistic substitutes to their children.

Moreover, the environment for children's growth is important to the development of their personality. This is recognized in the Convention. It is fortunate that the majority of the children in Hong Kong are being brought up in a modern and affluent society. Unlike those children from the third-world countries, they do not need to face different aspects of pressures such as wars, poverty, malnutrition and illiteracy. However, the children of Hong Kong are not happy about their livelihood. For instance, under the current education system, they have to confront examination pressures since kindergarten years. Furthermore, parents' high expectations on their children, insufficient places in matriculated schools and universities intensify the competition and examination pressures. All these are harmful to the physical and mental health, as well as the development of children. To safeguard our children, I believe that the educational reforms and the setting up of an effective mechanism to evaluate students' academic performance are necessary.

In accordance with the provisions of the Convention on the Rights of the Child, the Government has industriously worked for the best interests of children, particularly in the areas of children's rights, health, welfare and education. In my view, the controversial case of allowing those 100 mainland children, who are either illegal immigrants or overstayers, to receive education in Hong Kong is a special case. In compliance with the Convention on the Rights of the Child, the Government should not deprive these children of the right to education. I understand that these children have not yet obtained the right of abode, thereby providing education to them would break the immigration law. After all, laws are made for men and not men are made for laws. However, the legal cases regarding the right of abode of these children are still ongoing. In this regard, I

urge the Government to fully comply with Article 41 of the Convention on the Rights of the Child in handling this issue so as to reinforce the protection of children's rights.

Thank you, Madam President.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I shall talk about two issues in respect of today's motion debate; firstly, the existing protection for children in workplace, and secondly, the problem of impoverishment of children.

The Honourable LI Fung-ying has also mentioned the first problem earlier, so I shall not discuss it further in detail. I would just talk about some of the contents. Regulation 8 of the Employment of Young Persons (Industry) Regulations currently provides that the number of working hours for young persons aged 15 to 18 working in any industrial undertaking is subject to statutory protection. It includes the total hours worked shall neither exceed eight in any day nor exceed 48 in any week; the work shall neither begin earlier than 7 am nor end later than 7 pm; and not less than half an hour for a meal or rest shall be permitted after working for five hours. The Regulation seeks to protect young persons aged 15 to 18 working in those industrial undertakings. However, in non-industrial undertakings, children working in such industry as the retail and service trades will not be afforded any protection. I recall that when we reviewed the relevant legislation several years ago, some Members had raised this question. However, it appeared that the Government had no intention to make any changes in this connection.

I fully agree with the remarks made by Miss LI Fung-ying earlier. Since the existing economic condition is poor, more children have to work. The age for employment of children has been dropping and children are often working in service trades. Currently, roughly 54 300 children aged between 15 and 19 are working, and I believe many of them are working in non-industrial undertakings. We can tell from the existing composition of Hong Kong's economic structure that we basically have no industry. Since they do not enjoy any protection, it is possible for any inhumane conditions to exist. Under the circumstances, should the Government not consider only protecting young persons working in industrial undertakings, but also those working in non-industrial undertakings? Otherwise, I am afraid that given the current economic downturn, more children will have to

work but not given due protection. I hope the Government can also protect the young persons who are working in non-industrial undertakings.

Next, I would like to talk about the problem of impoverishment of children. According to the statistics of a survey conducted by the Hong Kong Council of Social Service (HKCSS) in 2000, around 355 000 children are currently living below the poverty line, accounting for about one fifth of the total child population in Hong Kong. From the relevant survey, we could know the difficulties being faced by their families. Of the 2 million households in the territory, approximately 400 000, that was 20%, had an average monthly income of \$4,600 only; whereas approximately 180 000 households, that was 9%, were making an income below \$4,000. From a survey conducted by the HKCSS in 1998, we knew that one in every four children was living in a low-income family; and one in every five youngsters was living in a low-income household.

The General Assembly of the United Nations held a special meeting on the problem of impoverishment in September 2001. The United Nations Children's Fund also launched a child-protection movement entitled "Say Yes for Children", and raised 10 points to appeal for love for children. Point 10 was to "Fight poverty: Invest in Children", the thrust being "Because children are the greatest victims of poverty, the fight against poverty must begin with them. This includes investing in social services that benefit the poorest children and their families, such as basic health care and primary education."

Let us look at the situation of Hong Kong in this respect. The number of impoverished families in Hong Kong is enormous and there are many impoverished children who rely on the Comprehensive Social Security Assistance (CSSA) for living. With the revisions made two years ago, the scope of CSSA has since been narrowed, and many of the revisions have directly reduced the benefits of youngsters and children. For example, the grants for purchasing spectacles are also mentioned by many families. Another example is that in applying for CSSA, families have to meet with the school management when making a declaration on relevant expenses. This has caused many children of CSSA recipient families to feel very inferior under the shadow of poverty.

Madam President, among the many cases that I have handled, many children felt that they had been discriminated against in the course of applying for CSSA, so they demanded their parents not to receive CSSA or they would

rather not live with their parents. In the face of this situation, many parents would ask me what they should do. They do not want to apply for CSSA either, but they really cannot find a job. So what can they do? Many of them are single-parent families.

I have recently visited a prison and seen that many single men and women brought along their children when visiting the inmates. I asked my friend who went with me: Why did so many children come to visit the inmates? We believed that apart from parents wanting to visit the inmates, many single-parent families, for whatever reasons, must bring the children along to the prison. Madam President, given these circumstances, I hope the Government can address positively the existing problem of impoverished families and children.

In addition, I would also like to talk about the impact of digital divide on the next generation. Article 17 of the Convention on the Rights of the Child specifies the importance of the mass media to child development. It encourages the mass media to enable children to have access to children messages and information. However, we can see that it is basically difficult for many families with children to gain access to this type of information. Since they do not have a computer at home, it is very difficult for them to keep abreast with the outside world. For example, children can be encouraged to read by downloading the information from the Internet, and so on. In coping with these information-impoverished families, other countries such as the United Kingdom and Singapore have already provided these low-income families with free computers, so that impoverished children can grasp as much information as possible in society where information is fast changing nowadays. Although Hong Kong has done some work to support this, the effort is evidently far from enough. How can we enable the impoverished children to catch up with the times in the development of information technology, and ultimately get rid of their poor living?

Madam President, I support the motion. Thank you.

MR MICHAEL MAK (in Cantonese): Madam President, first of all, I would like to tell two stories. One story is about me and the other about an old friend of mine. Talking about my old friend's story, I also feel very sad. It is because he failed to take good care of his son, and the child was suffocated to death. As for my own story, I should say I was really "very lucky". Ten-odd

years ago, my son could walk and run on his own and my home was not installed with window grills. He managed to climb down the bed and even climbed out of the window, to our enormous shock. My wife will still feel frightened to date at the mention of the incident. I have told these two stories to prove that protecting children's rights is very important. Despite the fact that I am a professional who has received the relevant training, such an incident still happened to me, so I feel very ashamed.

Children are our next generation. As in the Changjiang River the waves behind drive on those ahead, a new generation will replace the old. Children are bound to be our successors, and this seat will be theirs in future. If we do not protect their rights, that means we are not respecting our own rights. The basic needs of a person are his basic rights. What are the basic needs? For example, to have enough to wear and eat, love, care, protection, concern, health, education, personal dignity, and so on. In the course of a child's growth, he in fact has already undergone three very important stages of development, that is, childhood, adolescence and early adulthood if we adopt the medical definition of "people aged under 18 as children" and use it as the premise. If a child is not properly trained and cared for in various aspects at every stage, a big mistake is bound to be made. Just like the old friend mentioned by me earlier, he had really made a serious mistake. To date, it is still a very big wound.

Simply speaking, if children are malnourished during childhood, their psychological development will surely be hampered significantly. It will injure the foundation of a person as a whole, that is, as the saying goes, "a sound foundation has not been laid properly". If children do not adapt to the physical changes in adolescence properly, it will give rise to many negative problems such as lacking correct personal values, and so on. In early adulthood, an adolescent will fail to integrate into the community smoothly if they lack sufficient guidance in the face of many personal and independent problems arising from society, education, and so on.

The current situation is that there are too many social problems such as unemployment, single-parent families, and so on. Coupled with the fact that people around children, such as parents, have not received proper education to care for them, thus the attention received by children during the period mentioned above is absolutely insufficient. It also gives rise to the continuous emergence of child problems or problematic children. Miss Cyd HO has discussed many of the problems concerned, so I shall not repeat them here.

Perhaps let me talk about the issue of health care. In our public health care system, it appears that paediatric departments or units are there to look after sick children. However, do Members consider it sufficient? I would like to tell Members that in fact this is absolutely insufficient. First of all, according to my professional knowledge, I consider it necessary for health care personnel who have received professional paediatric training to look after and care for the children if they are sick. However, this is not the reality. For example, resident paediatric health care professionals are always not available in the emergence ward. If children have to be hospitalized unfortunately, especially the chronically ill, they will definitely not get the best care in terms of the environment, facilities, parental care in the long term, the provision of education in hospitals, and so on. Insofar as these aspects are concerned, I think the Government absolutely has not done enough, neither has it respected our next generation fully.

Madam President, the examples cited by me earlier were just the tip of an iceberg. The purpose is to point out that the Government has not yet done its best to protect children's rights. More often than not, the Administration is of the view that it has understood children well enough, thus refraining from consulting the professionals concerned actively. It is not until problems surface that the Government will seek a remedial proposal. To handle things by "treating the symptoms but not the diseases" actually will not benefit our next generation.

In fact, the Administration should have done more in respect of policies concerning children's health. For example, it can appoint relevant commissioners specializing in handling children affairs, and consult from relevant professionals more such as social workers, teachers, health care personnel, and so on. So doing will enable the Government to keep tabs on children's needs and provide them with assistance.

Madam President, although I fully support that children should enjoy the rights they are entitled to, I would also like to add one sentence, "rights come with obligation." Whilst understanding their own rights, should children respect others as well at the same time? The incident of "softly touching the policeman's face" which took place on the evening of New Year's Eve exactly reflected that the other side to the rights issue had not been given proper attention.

Madam President, I so submit and hope that all Members will support the motion. Thank you.

MR LEE CHEUK-YAN (in Cantonese): Madam President, the Honourable Henry WU, who has spoken already today, is a defender of men but I do not think he had to be too over reactive Miss Cyd HO's views about "a patriarchal society". I understand that in a patriarchal society, gender does not matter in the sense that females may also be involved as the word "patriarchal" means children are taken to be a part of patriarchy, irrespective of the gender. But today, I am most interested in discussing the issue of children poverty instead of the issue of patriarchy as depicted in Mr WU's speech.

Madam President, during Christmas time, every half an hour, the television would broadcast a news clip in which a reporter asked a small child why he liked Christmas. The small child said he liked Christmas because he could receive a lot of presents.

But I believe that at the same time in a cubicle a small child of a similar age had only the company of his own 10 fingers for Christmas on the upper deck of his "multi-purpose" bunk bed.

On Chinese New Year Day, a single mother on Comprehensive Social Security Assistance (CSSA) wanted to have a good meal with her daughter. When she returned from the market with her groceries, she had to be careful of not bumping into any neighbours, worrying about being misunderstood for abusing the CSSA Scheme because she had brought a lot of food-stuff. Indeed, many families lost their respect due to poverty.

Madam President, according to figures from the Census and Statistics Department, in the year 2000, nearly 30% of the children at the age of 15 or below in Hong Kong, that is, nearly 340 000 of them, lived below the poverty line. In fact, during the 10-year period between 1991 and 2000, the poverty rate of children remained at about 30%, irrespective of the performance of the economy in Hong Kong. Thus, child poverty is a long-standing problem. The Government cannot blame the cause of the problem on economic recession in recent years because the problem is there whether Hong Kong is experiencing an economic boom or an economic recession. The only difference is that during an economic recession, the child poverty problem becomes more obvious.

Every child should be able to lead a happy childhood but poverty makes many children share the worries of adults at a very early stage. Many researches have shown that poverty, like hereditary diseases, can pass from one generation to the next. The future development of children who grow up in poor families may be affected by poverty. Some colleagues, and some of the Secretaries who are not in this Chamber at the moment, may rebut by saying they were poor when they were young. Are they not doing just fine? Certainly, among the many successful people, there must be some who have experienced poverty but I want to point out that not everyone can be so lucky. When we talk about percentages or probabilities, we have to admit that poor children are deprived of opportunities to succeed.

A Chinese saying says people's future is determined at the very early stages of their lives. This is tenable. Some surveys show that to forecast the possibility of a child entering university, it is more indicative to look at his family income and his family than to look at his intelligence quotient. A similar academic survey in Hong Kong showed that the chances of middle-class children entering university are eight times as great as a grass-roots child. There are also abundant research results indicating that children growing up in poor families stand a greater chance of becoming unemployed, committing crimes, indulging in drug abuse, undergoing pregnancy before marriage, lacking self-confidence, and so on.

To avoid passing poverty to the next generation, many governments overseas place child poverty high on their agenda. For example, the Chancellor of the Exchequer in Britain, Gordon BROWN, once said: "Child poverty is a scar on the soul of Britain." Hong Kong officials may think a scar is no big deal or Hong Kong is soulless and so the Government simply does not put child poverty on its agenda.

Madam President, I hope to remind the Government that Article 27 of the Convention on the Rights of the Child recognizes the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. Though the parents or other people responsible for the child have the prime responsibility to secure the conditions of living necessary for the child's development, the Convention states that a government should take appropriate measures to assist parents and other people responsible for the child to realize this right and shall in case of need provide material assistance and support programmes. If the Government of the Hong Kong Special Administrative Region ignores the problem of child poverty, it is acting blatantly against the solemn undertaking it made on signing the Convention.

There was mention of our criticism against the CSSA a moment ago. For example, we say CSSA does not include subsidy for spectacles. As another example, some single-parent families have pointed out that after the review of the CSSA Scheme, after-school childcare services formerly available have been cancelled and many parents are worried about the future development of their children. I hope the Government can come to grips with the child poverty problem. I do not think the Secretary can provide an immediate response to this because it is a subject that involves a number of areas. I am not sure how much detail the Secretary will give in his response regarding the entire Convention. At any rate, I hope the Government can think carefully over the issue of child poverty.

Another issue I wish to talk about is labour. Among the reservations that apply particularly to Hong Kong is Article 32(2)(b) of the Convention. I find the reservation very unreasonable. The reservation says: "The scope of the reservation is limited to the relevant requirement that the Article may apply to the working hours of young persons who have reached the age of 15 in non-industrial situations." This is ridiculous. Why are there restrictions on the working hours of young people between 15 and 18 but none if they do not work at industrial undertakings? Even if we put the issue of eight-hour work aside, we should allow young people of 15 to 18 years of age more space for studies, entertainment, rest and development. I fail to understand why the Government has to retain this reservation even up to this day. What difficulties will there be in implementing the provision? I hope the Government may now delete the reservation.

In the last six seconds of my speech, I hope the Government may, allow school age children with the right of abode to attend school. Thank you, Madam President.

MR LAW CHI-KWONG (in Cantonese) Madam President, I would like to speak on several issues. Firstly, the right to live with one's parents; secondly, the obligation of parents to bring up their children; and thirdly, the issue of welfare. Article 9 of the Convention on the Rights of the Child (the Convention) provides that "States Parties shall ensure that a child shall not be separated from his or her parents against their will, except when competent authorities subject to judicial review determine, in accordance with applicable law and procedures, that such separation is necessary for the best interests of the child". Everybody

knows that there are a lot of pseudo-single-parent families in Hong Kong, that is, the children are staying with one of their parents while the other parent stays in the Mainland. For example, out of all the single-parent cases under the existing Comprehensive Social Security Assistance (CSSA) Scheme, 13% of the spouse of the parents of the so-called single-parent families are living in the Mainland, and most of them (82%) are male. In order to take care of their children, they have to apply for the CSSA. Certainly, the Government may argue that as the children are still living with one of their parents, therefore it cannot be considered a violation of the Convention. However, among cases that we have dealt with, the father may have passed away, or they are staying in the hospital for a prolonged period, or they are being locked up in jail, therefore they are unable to take care of their children and to live with their children. However, applications for the extension of the two-way permit of the mothers are denied by the authority. The Government rather makes arrangement for these children to be admitted to children's home, and have their mothers repatriated. Under this circumstance, how can the Government say that it has complied with the provisions of the Convention?

Some people may argue that these children may return to the Mainland and live with their parents. However, the registered residence of these children in the Mainland has been cancelled, therefore, their medical and educational needs in the Mainland have become a serious problem and also a serious financial burden to their families. To families which have lost the major source of income, it has become an insurmountable problem. Some people say that allowing the mothers to stay in Hong Kong will increase the burden of Hong Kong in terms of welfare expenses. I am holding a different view in this respect. Firstly, the number of such cases is very small. Secondly, even if CSSA is granted to the mothers, the Government will still be able to save welfare expenses instead of increasing the expenses. At present, the average CSSA payment for a two-member family is about \$6,200, but the monthly cost for each case of admitting a child to the children's home is \$13,644. In other words, permitting the mothers to stay in Hong Kong, even if granting them CSSA, will help the Government to save up half or more of public money. Allowing the children to stay with their parents will also help to reduce public expenditure, it is really not only profiting oneself but also both sides. Why not go ahead with it?

With regard to the right of upbringing the child, Article 18 of the Convention provides that "States Parties shall use their best efforts to ensure

recognition of the principle that both parents have common responsibilities for the upbringing and development of the child". I consider the Government is not doing enough in three aspects. Firstly, the pace of reforming divorce legislation is a bit slow. In the past discussions, expectation on changing the right of custody into the right of residence has been voiced. Although the discussion on the issue has been going on for four or five years, there is still no sign for divorced parents to share responsibilities in respect of custody. Secondly, in respect of maintenance, from the former Legislative Council to the present one, a lot of Members have urged for the establishment of a maintenance board, with a view to facilitating the separated persons fulfilling the obligations of paying up the maintenance. However, the Government has just done some patchwork to the legislation, but our judicial system is extremely costly. I have asked a written question recently, and the answer to my question clearly showed that under the existing system, the Government had to spend \$100 in order to recover \$100 arrears or an amount even less. To handle the ethical problem at such an expensive cost is not just a waste of public money, it is also a failure to honour of the obligations set out in the Convention. Thirdly, perhaps the following has not been implemented, but in the recent amendments to the Personal Data (Privacy) Ordinance, the Government has proposed that the parents who have no custody right should gain no access to the personal data of the child. The proposal obviously contravenes the requirements under Article 18 of the Convention, that is, both parents have common responsibilities for the upbringing and development of the child.

With regard to the right concerning the welfare of the child, many Members have talked about the issue of poverty, I therefore do not wish to repeat my view here. However, I would like to quote Article 26 of the Convention: "States Parties shall recognize for every child the right to benefit from social security, including social insurance and shall take the necessary measures to achieve the full realization of this right in accordance with their national law". Generally speaking, apart from the issue of poverty we have just discussed, this is not really a big problem. However, to newly arrived children who have the right of abode, they have been deprived of the right to benefit from social security. There should be no differential treatment between a newly arrived child and a child born in Hong Kong in the respect of the right to benefit from social services such as education, health care and housing. The treatment should be identical. However, in the first year of his arrival, a newly arrived child is not eligible to apply for CSSA. He has the right to apply for textbook assistance, but not the right to apply for CSSA, which is clearly in violation of

the obligations prescribed by Article 26 of the Convention. I really hope the Government will review the policies in various aspects which I have just mentioned, in order to ensure the fulfillment of the Convention and the performance of the obligations of Hong Kong as one of the signatories to the Convention. Thank you, Madam President.

MR MARTIN LEE (in Cantonese): Madam President, it is very hard to carry out environmental protection efforts in Hong Kong well. I think the most important reason is that there are actually not many people in the community who have this sense of environmental protection, including many Members of this Council. One of the reasons is that when we were students, the teachers did not teach us to respect the natural environment.

Article 29(1)(e) of the Convention on the Rights of the Child says that the "States Parties agree that the education of the child shall be directed to the development of respect for the natural environment." In my opinion, not only should the schools teach the students to develop a respect for the natural environment, family education in this respect is also very important. Have we set a good model for our children at home? Have we told our children to use handkerchiefs instead of paper tissues? Do we turn off the lights or the television set or the radio when we leave a room? Do we switch off the engine of our car when lay by the roadside waiting? If we can show our children these when they are young, we can set a good model for them. I think we do not need to tell them about environmental protection, they would have learned it.

Apart from that, Madam President, I think one thing is very effective and that is to encourage our children to take part in environmental protection activities. We should not always try to educate them by teaching, for that would make them feel very bored or they would develop a resistance to it. I have said many times in this Council that schools should be allowed to take a day off and encourage students to go to clean up a beach or a street. That is in fact a very simple thing. The children can go home and tell their parents happily that they have not been to school on that day. When asked why, they can tell their parents that they have gone to clean up the beach. Then the children may ask their fathers not to smoke any more and even if their fathers do, they should never throw the cigarette butts on the beach, for they have worked so hard to pick up the cigarette butts there. So it is a very simple thing to carry the message of environmental protection to a few hundred homes in this way. But it is sad to see that the Government has been procrastinating on that.

Madam President, I think if we can set up a good example and we can encourage the children to take part in the cleaning activities through the schools, we can really implement Article 29(1)(e) of the Convention on the Rights of the Child and the environmental protection efforts in Hong Kong would be a success. Thank you, Madam President.

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

(No Member responded)

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I am very grateful to Honourable Members who have spoken so enthusiastically on the motion and for giving me the opportunity to talk about our fulfilment of the obligations under the Convention on the Rights of the Child. As a result of the discussions, I am sure public attention would be drawn to the issue of child rights. Child rights are indeed an issue which we should care about and it is a concern commonly shared by many countries of the world. This can be seen from the fact that the Convention on the Rights of the Child is the convention which is ratified by the greatest number of countries among all international human rights conventions of the United Nations.

We will discharge our obligations under the Convention steadfastly. We will make a full report of our work in this respect in the first report of the Hong Kong Special Administrative Region (SAR) as required by the Convention. The report will then be incorporated into the second report to be submitted by China to the United Nations later this year. We are now preparing this report and as we have done in the past, we will consult the various non-governmental organizations (NGOs) and other related groups.

The preliminary report is now in the final drafting stage. In accordance with the requirements of the United Nations Committee on the Rights of the Child as set out in the United Nations Human Rights Report Handbook, the procedures of compiling the report require that Policy Bureaux of the Government to make a review of all the legislation, policies and practices related to the Convention. In this process, the Policy Bureaux should not only take into account the various stipulations of the Convention, but also consider other relevant human rights conventions. Actions must be taken as appropriate

wherever improvements are found to be wanting. These would include amendments to legislation and changes in policy as necessary.

After a report is submitted to the United Nations, the next step will be for the United Nations Committee on the Rights of the Child to fix a date to convene a meeting to deliberate on the report. After the Committee has arrived at conclusions, the entire review process will come to a close. The new review cycle will start from the time when we draft the second report.

Examples abound to show our unremitting efforts in the protection of the rights of the child. The following are just a few of these examples.

As stated in Article 6 of the Convention, every child has the inherent right to life and the right to survival and development. From the infant mortality of Hong Kong, it can be seen that the right to life of children born in Hong Kong is protected through our successful sanitation and health arrangements. Over the past year, of every 1 000 live born babies, only three died. Our infant mortality rate is lower than any one of the G7 countries. As for the right to survival and the life expectancy of babies born in Hong Kong, the life expectancy for females is over the age of 82 and 77 for males. Ours is one of the places in the world with the longest life expectancy and the rate has been rising throughout the past decade.

On the right of the child to development, it is apparent that education is of vital importance. It is because education is the most effective means to ensure all children to fully develop their personality, intelligence and mental and physical aptitudes. Our commitment to the right of the child to receive education can be seen from the fact that education always gets the greatest share of resources in the Budget every year. In the current financial year, education expenses occupy as much as almost 22% of our total expenditure and the amount is as much as \$55.3 billion. The amount is equal to 4.4% of our projected Gross Domestic Product in 2001 and the proportion has been growing all through the past decade.

To further protect our children from being exploited in pornography and sexual abuse, we announced yesterday that we would submit in this month the Prevention of Child Pornography Bill to the Legislative Council for deliberation and passage. The Bill proposes to make it an offence to manufacture, produce,

publish, import, export, distribute, show and possess articles of child pornography. In addition, in order to combat sex tours involving child prostitution, the Bill will seek to expand the scope of applicability of certain provisions on sex offences found in the Crimes Ordinance to include acts of child sexual abuse outside the territory.

We are also committed to the popularization of the Convention. A large-scale publicity campaign has been conducted. One of the most successful examples is the child ambassador scheme which was set up last year. The scheme was launched last year in commemoration of the tenth anniversary of the coming into force of the Convention and to arouse public interest in and enhance public awareness of the Convention. The scheme is co-organized by NGOs, the private sector and the Government. The objective is to publicize the rights of the child among parents, educators and children. The scheme is not a one-off activity. Following the successful visit of the first child ambassador group to Geneva in last January, the second group will visit Thailand during the Chinese New Year this year. Presently, we are compiling public education materials based on the experience of the child ambassadors to promote the major principles of the Convention.

Madam President, now I would like to respond to some of the main points found in the views expressed by Honourable Members in their speeches.

Miss Margaret NG, Mr CHEUNG Man-kwong and Mr LEUNG Yiu-chung have put forward their views on the issue of schooling for mainland children holding recognizance forms. The Secretary for Security had explained the stand of the Government on this issue when she replied an oral question raised by Miss Margaret NG on 19 December last year. So I would just repeat that briefly.

The immigration control we impose does not deprive children of their right to education. The right to schooling as stipulated in international conventions as applied to Hong Kong is not an absolute right. This right may be subject legal constraints, such as the restrictions on the conditions of stay as found in local immigration laws. Our laws also forbid persons coming to the territory as visitors to work here or enrol in local schools during their stay. Such conditions of stay are also applicable to over-stayers, that is, those people who stay in Hong Kong after their stipulated period of stay has lapsed.

However, the Government may act on special humanitarian or compassionate grounds and adopt a flexible approach when dealing with applications from children holding recognizance forms to study in local schools. Applications will be considered on the merits of individual cases. One of the cases where flexible considerations can be made is, for example, it is the authorities' expectation that the child concerned may not be removed within a significant length of time.

Madam President, owing to the above reasons and the saving clauses we have provided for matters of immigration, stay and exit, we are of the view that the policies and arrangements comply with the requirements of the Convention and other applicable international conventions.

Mr LEUNG Yiu-chung, Mr WONG Sing-chi and Mr Henry WU proposed that a committee specifically tasked with children's affairs should be set up. As we have pointed out to the United Nations Committee on the Rights of the Child, we do not think a committee of this kind should be set up at this stage. The Convention touches on many policy areas of work of the Government and these are presently the responsibilities of different Policy Bureaux. Effective co-ordination is made in these Policy Bureaux in respect of planning and decision-making. We think that this arrangement is flexible, under which swift responses can be made to changes in public concern. Therefore, we do not think that a children's committee should be set up, for this will overlap with other institutions.

As to the question of the working hours of children aged 15 to 17 working in non-industrial settings, Mr Andrew CHENG, Miss LI Fung-ying, Miss CHAN Yuen-han and Mr LEE Cheuk-yan have all expressed concern. Conditions in non-industrial settings are by nature quite different from those in industrial settings. This especially applies to the service industries which are the mainstay of the Hong Kong economy. Many service industries such as the restaurants and catering industries have to maintain a certain degree of flexibility in working hours and in their terms and conditions of employment. Under the present economic conditions, especially when the unemployment rate among the young people is high, it is very likely that it is not the right moment now to impose further restrictions on working hours and the terms and conditions of employment in these industries. I would like to stress, however, that it does not mean that we do not care about safety in the workplace. As a matter of fact, the

Occupational Safety and Health Ordinance which was passed in 1997 is able to provide adequate protection to employees, including the young people, in respect of their occupational safety and health in all kinds of working environment.

Quite a few Honourable Members, including Mr LEUNG Yiu-chung, Mr Frederick FUNG, Miss CHAN Yuen-han and Mr LEE Cheuk-yan, have mentioned the problem of child poverty. The problem of poverty is very complicated indeed. Instead of focusing our discussions on the child, Members may have to focus on impoverished families. It is indeed a great challenge to governments all over the world to eradicate poverty. I think the ultimate solution to the problem of poverty lies in improvement to the lot of people from all strata of society brought about by economic growth. As Mr LEE Cheuk-yan has said, this is really a topic of such a vast dimension that another occasion is needed for an in-depth discussion.

Notwithstanding the above, the Government has specific measures in place to help the children from low-income families. These include financial assistance and the special allowances under the Comprehensive Social Security Assistance (CSSA) Scheme. I believe Honourable Members are all aware that the standard payments for children under the CSSA Scheme are greater than those for adults, for they are meant to meet the needs of the children in their development. Such special allowances take care of the schooling expenses. For full-time pupils, they may be granted meal allowances. Families with young children who need care and attention may apply for assistance in nursery expenses, so that parents can be enabled to go out to work. Children are also provided with various kinds of subsidized social services such as education and medical care.

On the question of living conditions, in fact, Mr Frederick FUNG knows it better than I do. The provision of public housing has been greatly increased in recent years and the waiting time for applicants has been gradually reduced from six years in the past to 3.8 years at present. We expect that by the year 2003, the waiting time can be further reduced to three years. Living conditions in public housing estates are improving and when the eligibility criteria of newly-arrived persons are amended, the majority of such households will then become eligible for public housing. For those overcrowded families living in private flats, the eligible ones may choose to apply for priority allocation of public housing.

All these measures will be mentioned in our report on the Convention on the Rights of the Child soon to be submitted. We are of the view that these measures will serve to eliminate the problem of poverty at root. Having said this, however, we admit that there is certainly still room for improvement.

Mr Howard YOUNG and Mr LAW Chi-kwong have both mentioned the amendment of the Personal Data (Privacy) Ordinance and the issue of the children's right to privacy. I would like to make use of this opportunity to highlight the following three points:

First, we are not proposing the enactment of new laws, but the removal of grey areas in the existing Personal Data (Privacy) Ordinance so that parents and professionals will not contravene the law out of ignorance.

Second, our aim is to make it clear that parents have the right to access the personal data of their children under the age of 18 and only under three exceptional circumstances that professionals may exercise discretion to decide whether or not parents will be given the personal data of their children.

Third, before making this recommendation, we consulted extensively a few dozen NGOs. However, owing to recent criticisms made, we will reconsider the proposal made earlier. After a new proposal is finalized, we will carry out an even more extensive round of consultation. We will expand the scope of the consultation to include more parents associations.

Many Honourable Members have expressed concern for the problem of child abuse. The Public Education Sub-committee on Child Abuse under the Against Child Abuse has all along been co-ordinating efforts in public education and publicity in this regard. It also seeks to enhance public awareness of the prevention of child abuse and to encourage those in need to seek expedient help. Over the past year, for example, we put in efforts to publicize the theme of good parenting through the television and other kinds of media. In this year, we will launch large-scale activities to promote and disseminate the message of family support and the protection of children from abuse and violence.

In 1998, the Government revised the guidelines on the Procedures for Handling Child Abuse Cases and improved the case handling procedures. At present, we are revising the part in respect of guidelines on multi-professional case conferences in the handling of child abuse cases. One of the aims of

revision is to enable greater participation of family members in the multi-professional case conferences and to step up co-ordination and co-operation among the various professions. These revisions are expected to complete within a short period of time.

Mr Albert HO raised his concern for some incidents which happened in some boys' homes. He hoped to be informed of the present state of progress of the review. In response to the ever-increasing demands from the public on the protection of the rights of the individual, the Social Welfare Department (SWD) has made a comprehensive review of the case of the segregation of inmates at the O Pui Shan Boys' Home. Codes of practice for these hostels have been revised and front-line workers have been briefed on the spirit and operation of these procedures. The SWD has made it clear that it does not encourage the segregation of inmates in these hostels. When segregation is required, the staff must strictly adhere to the relevant code of practice. This will ensure that the decision and arrangement made will be fit and proper.

In addition, Mr Albert HO is also concerned about the issue of the segregation of young prisoners. The issue has been discussed a number of times. Currently, young prisoners and prisoners above the age of 21 should be put in different parts of a prison. But since suitable detention facilities are lacking and on top of this, most of the prisons are overly crowded, so we can only segregate inmates of the age of 14 to 17 and those of the age of 18 to 20 during the night. In day time, all of them take part in the same rehabilitation programme. In order to solve the above problem and owing to the excessive crowdedness of the prisons and the rise in the number of prisoners, the Security Bureau is formulating a long-term development plan for prisons so that adequate correctional facilities can be provided. When these facilities are completed, the Correctional Services Department will ensure that young prisoners are detained separate from the older prisoners at all times.

Mr CHEUNG Man-kwong and Ms Audrey EU have raised the issue of the education of children of South Asian ethnic origin. We admit that this is a knotty problem, but as a matter of fact, we have not ignored it. Our colleagues in the Home Affairs Bureau has made the initiative of contacting South Asian communities and groups and our colleagues have also been working with the Education Department in seeking a solution to the problem. However, due to factors such as language and culture, the problem is really knotty. We need more time to understand it before improvement can be made.

Miss CHAN Yuen-han has mentioned the problem of a gap and alienation as a result of some young people who are unable to acquire knowledge in information technology. The Government is indeed concerned about problems in this respect. At present, all public libraries and 125 youth and community centres are providing more than 2 000 computers for free use by the public, including the young people. As for the schools, we have provided subsidies of more than \$200 million to secondary schools to enable them to provide computers for use by school children who lack the means to buy computers. This will enable the pupils to use the school computers when they need them. So with regard to this issue, the Government has made quite a lot of efforts.

Madam President, the SAR Government attaches great importance to the fulfilment of its obligations under the Convention. We will therefore work hard on this and make reviews from time to time. We will proactively listen to views from all different sectors in the community to ensure that the legislation and policies of the SAR are in line with the provisions and the spirit of the Convention. I should also like to point out that with regard to the protection of and respect for the rights of the child, the most important responsibility actually falls on the family, that is, the parents. As Mr Henry WU has said, laws and policies can at most offer assistance and guidance. It remains, in the last analysis, parent-child relationship is the most important factor to the healthy development of the child.

As for other issues raised by other Honourable Members, due to the time constraints and the fact that the arguments put forward by Honourable Members are far too many, I am sorry to say that I have been unable to give a reply to each and every one of them. However, I can assure Honourable Members that we will assemble all the views put forward today and convey them to the relevant Policy Bureaux for follow-up action. Thank you.

PRESIDENT (in Cantonese): Miss Cyd HO, you may now speak in reply. You still have three minutes 19 seconds.

MISS CYD HO (in Cantonese): Madam President, first of all, I would like to thank the 18 Honourable Members who have spoken on this motion. It is a good thing that we can put in collective wisdom and bring up our views on matters of our concern and attention. Today we are able to identify areas which call for substantive improvements. I urge the Government to formulate an

action plan to uphold the rights of the child in Hong Kong after listening to the views presented in this Council today. This will help to fulfil our international obligations as a signatory to the Convention. Concrete actions should be taken instead of mere lip-service.

The Secretary cites the infant mortality rate as a yardstick to measure our effectiveness in realizing the rights of the child in Hong Kong. Considering the present state of our economic development, using the infant mortality rate merely as a yardstick would be too loose.

When the Secretary talked about the issue of child poverty earlier, he lumped it together with the problem of impoverished families. I think that is most disappointing, for there are differences between the needs of the children and those of the adults. In caring for impoverished children, we should not just care for their basic needs, but also their growth and education. If we do not see the need to devise policies which address the plights of the children and help them to get rid of poverty, then we are doing a disservice to the Convention on the Rights of the Child.

Madam President, there is one thing I wish to add, and that is, the issue of schooling of those children with recognizance forms. Is the ban on these children to attend schools a violation of the Convention on the Rights of the Child? When the Convention was being drafted, even advanced countries such as the United States faced the pressure of illegal immigrants. That is why it tried to add a few words to Article 2 when it was being drafted to the effect that the Convention would only "apply to children lawfully in the territory". But that was strongly opposed by some members of the United Nations drafting the Convention. So these words were not put into Article 2. However, from the drafting process we can see that the underlying spirit of the Convention is to protect the rights of every child within the jurisdiction of a place, irrespective of whether the child is a lawful or unlawful resident or not, and no restriction is to be imposed as a result of the child's origin or status of residence.

Madam President, 10 years make a huge difference, though it is not a very long time. A lot of harms can be done with 10 years' neglect and negligence. Irrespective of whether there is the right of abode issue to tackle with, or whether our prudent use of public funds is mandatory at this time of financial stringency, if we do not take immediate action to ease the plight of the children of Hong Kong, the harms done 10 years from now would be colossal. I am glad to hear the Financial Secretary say earlier that public spending on environmental

protection and education will not be slashed no matter how bad our economy becomes, for investment into the future will have to be made after all.

Madam President, apart from these pragmatic concerns that spending on children cannot be spared, there are also charity and care which form our drive to offer assistance to children. We are not doing this for the benefit of the children themselves alone, we are doing this in the hope that they will become persons committed to the well-being of society in future, that they will offer their assistance to people more unfortunate than they are.

Madam President, I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Cyd HO 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 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.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 16 January 2002.

Adjourned accordingly at seven minutes past Nine o'clock.

Annex I**WRITTEN ANSWER****Written answer by the Secretary for Transport to Mr Henry WU's supplementary question to Question 1**

The additional information on the fees of the professional/consultancy services is attached at the Appendix for Members' reference.

Appendix

◆ Professional/Consultancy Services

While the exact professional/consultancy service fees vary from project to project, the general percentage of the fees to the project costs (excluding the fees) is about 16%. For the six current rail projects, such fees would amount to a total of some HK\$12.5 billion.

Annex II

WRITTEN ANSWER

Written answer by the Secretary for Transport to Dr LUI Ming-wah's supplementary question to Question 1

The additional information on the cost breakdown is attached at the Appendix for Members' reference.

Appendix

A. Cost Breakdown for the Six Current Rail Projects

<i>Rail Lines</i>	<i>Cost (\$B)</i>				<i>Total</i>
	<i>Construction Works</i>	<i>Tracklaying and Signalling Works</i>	<i>Train Procurement</i>	<i>Land Resumption and Clearance</i>	
West Rail	31.6	5.0	2.3	7.1	46.0
Tseung Kwan O Extension	11.6	4.1	1.4	0.9	18.0
Ma On Shan to Tai Wai Rail Link	6.5	1.8	1.5	0.2	10.1
Tsim Sha Tsui Extension	3.2	0.8	0.2	0.2	4.4
Sheung Shui to Lok Ma Chau Spur Line	6.6	1.1	0.1	1.0	8.8
Penny's Bay Rail Link	1.0	0.5	0.2	<0.1	1.7
Overall	60.6	13.4	5.6	9.4	89.0

Note:

- (i) The professional and consultancy fees have been apportioned in the various cost items.
- (ii) Figures may not add up exactly to total due to rounding.
- (iii) The cost breakdown for the Tsung Kwan O Extension has been revised in light of MTR Corporation Limited's advice on the latest project cost estimate.

WRITTEN ANSWER — *Continued*

B. Comparison with Overseas Urban Railways' General Unit Costs

<i>Cities</i>	<i>Approximate average cost per kilometre (HK\$B)</i>
Hong Kong	1.2
Tokyo	2.5
Singapore	1.2
Taipei	1.1
Shanghai	0.55
Guangzhou	0.45
Shenzhen	0.5

Annex III**WRITTEN ANSWER****Written answer by the Secretary for the Treasury to Mr Tommy CHEUNG's supplementary question to Question 4**

In the year of 2000, there were 33, 31 and 30 young people under the age of 16 who were arrested, prosecuted and convicted for crimes relating to the sale of illicit cigarettes. The corresponding figures for the year 2001 were 25, 23 and 20.

The Administration will continue with its efforts in tackling young people's involvement in the sale of illicit cigarettes, including mounting various publicity campaigns and community activities to educate the public, especially young people, about the seriousness of the offence.