

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 8 May 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.

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

THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

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

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

THE HONOURABLE MA FUNG-KWOK

MEMBERS ABSENT:

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

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

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

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

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

MR PAUL TANG KWOK-WAI, J.P.
SECRETARY FOR TRANSPORT

MS MIRANDA CHIU SHUNG-KWOK, J.P.
SECRETARY FOR ECONOMIC SERVICES

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>
Civil Aviation (Aircraft Noise) Ordinance (Amendment of Schedule) Notice 2002	60/2002
Statutes of the University of Hong Kong (Amendment) Statute 2002	61/2002
Tax Reserve Certificates (Rate of Interest) (No. 5) Notice 2002.....	62/2002

Other Papers

- No. 80 — Report of changes to the approved Estimates of Expenditure approved during the third quarter of 2001-02 (Public Finance Ordinance : Section 8)
- No. 81 — Audited Statement of Accounts of the Language Fund, together with the Director of Audit's Report, for the year ended 31 August 2000
- No. 82 — Audited Statement of Accounts of the Language Fund, together with the Director of Audit's Report, for the year ended 31 August 2001

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Sale of Shops in Public Housing Estates

1. **MR TOMMY CHEUNG** (in Cantonese): *Madam President, it has been reported that the Housing Authority (HA) is considering selling its shops in public housing estates. Some of its commercial tenants are worried that shops in public housing estates might be acquired by rich consortia, resulting in a monopolistic situation and thereby threatening their livelihood. In this connection, will the Government inform this Council whether it knows:*

- (a) *if the HA will consult commercial tenants in public housing estates on the idea of selling the shops, and the ways to address the tenants' concerns;*
- (b) *if the HA will consider giving priority or offering preferential prices to sitting tenants when the shops are put up for sale; and*
- (c) *the timing for the HA to launch the plan, the ways in which the shops will be sold and how their selling prices will be determined?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, the HA has no plans at this stage to sell commercial premises in its public housing estates to shop tenants or to any organization. If there is any plan to change the existing mode or principles governing the operation of its commercial facilities in future, the HA will definitely listen to the views of affected parties such as shop tenants and their customers. Any final decision by the HA will be made having regard to the public interest.*

MR TOMMY CHEUNG (in Cantonese): *Madam President, will the Secretary inform this Council what regulation does the HA impose on single operators at present with a view to protecting the rights of small tenants?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, the HA carries out control and supervision on all single operators through the signing of contracts with them as well as the assessment conducted in every quarter, with a view to protecting the rights of all individual tenants.*

With regard to the terms and conditions of the contract, the control measures mainly focus on the following aspects: firstly, the category and level of fees and charges the single operator imposed on small tenants are under control. For example, the single operator may only charge small tenants four categories of fees, namely the rental, air-conditioning fees, rates and management fees. The air-conditioning fees and rates should be levied on a cost-recovery basis, whilst the amount of management fees must be set down in the tender, to be increased only once a year according to the nominal wage index announced by the Census and Statistics Department. The single operator should also inform the HA the total amount of fees and charges collected from tenants on a monthly basis. Furthermore, the standard tenancy agreement signed between the single operator and individual tenants should be approved by the Housing Department (HD), and the total amount of deposit collected by the single operator from individual tenants should not exceed the deposit paid by the single operator to the HA. In last October, we received the written assurance from all single operators that they would refund individual tenants the rentals on a pro rata basis according to the ratio of rental concession once the HD reduces the rental.

As to performance assessment, the HD conducts an assessment on the single operator once every quarter on a performance basis. Factors to be taken into consideration include the opinions of individual tenants and residents of the relevant public housing estate on the single operator. The scoring system will not only have direct influence on whether the HA should renew the contract with the single operator, but will also affect their future bids for other market management tenders. To those single operators with poor performance, we will take action such as giving warning to them; or if the situation is too serious, the contract with the relevant operator will be terminated.

MRS SELINA CHOW (in Cantonese): *Madam President, there is no smoke without fire. Even though the Secretary said that the HA had no plans to sell commercial premises in its public housing estates, does the HD has any other plan to sell commercial premises in its public housing estates? If the answer is yes, has the HD conducted initial discussions with shop tenants about the idea?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, what Mrs Selina CHOW said was in fact right. In 2000, the HA commissioned a

consultant to conduct a study and the consultant had submitted the report to the HA in the following year. The content of the report was based on its scope of duties, which was quite extensive, including the assessment on the business and development strategy of commercial premises under the HA with a view to meeting the needs of the public, as well as increasing the commercial value of those commercial premises and maximizing revenue yielding as much as possible. Eventually, the consultant came up with such a conclusion and made it one of the possible solutions. However, when the HA discussed the long-term strategy of this report in last April, three decisions were made: firstly, to streamline its business operation; secondly, to consolidate its assets, that is, to consolidate the assets through renewal projects and restructuring of stalls; and thirdly, to put it in the privatization direction or market-led as far as possible, that is, to provide more chances for private sector participation. However, the HA has no plans to sell its commercial premises.

MRS SELINA CHOW (in Cantonese): *Madam President, the Secretary has not answered my supplementary yet, that is, in the course of discussing the report of the consultant, whether it has conducted initial talks with its tenants.*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, the report was conducted on the basis of our general mode of operation, therefore, we have not discussed the matter with small tenants. In fact, the HA has been gradually briefing out the management of its car parks and markets or delegating them to single operators since the 1980s. Consequently, the report was made according to our current operation, and our goal was to exert more efforts in putting it into a market-led position and to provide the private sector more chances for participation. In this connection, our pace in this direction was accelerated, but the policy has not been changed, therefore, we have not discussed it with small tenants.*

MR TAM YIU-CHUNG (in Cantonese): *Madam President, as the population in most old public housing estate is ageing, the vacancy rate of shops is therefore rising continuously. May I ask the Government whether the selling of such shop premises is a solution to such a problem?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the selling of shop premises is in fact a very intricate issue. Besides considering whether the scenario of selling the shop premises is feasible, we also have to consider other factors such as the condition of market consumption, the demands on planning, the need of the residents, as well as whether the requirements of the title deed and law could be met. As it involves intricate issues, the HA has currently determined just to carry out the three decisions I have mentioned earlier, that is, firstly, to streamline its business operation; secondly, to consolidate its assets; and thirdly, to do more privatization work.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the Secretary said in the main reply that the HA has no plans at this stage, may I ask what does the term "this stage" mean, does it mean one year, five years or 10 years?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I feel that it is not appropriate for the Government to represent the HA at this stage and provide Miss CHOY with a timetable. However, I must reiterate that we have no plans to sell individual commercial premises. If there is any change in our decision and if we have come up with any specific proposal, we will surely listen to views from all parties concerned.

MR CHAN KAM-LAM (in Cantonese): *Madam President, when the Secretary replied supplementaries asked by Honourable Members, she said that the proposals of the consultant would be put into action with a view to maximizing the revenue yielding, and the three decisions of the HA were streamlining its business operation, restructuring the stalls and conducting privatization work. May I ask after the Government has commissioned the consultant study, what has the HA achieved in those three aspects, and in which aspect has higher efficiency been resulted?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, generally speaking, we have achieved good results in shopping centres and car parks. Currently, the HA has 130 shopping centres with a total area around 85 sq m. The revenue of this year is \$5.16 billion, which accounts for 37% of the income

of the HA. This includes retailing facilities, car parks, factories, welfare and social facilities. With regard to expenditure, the total amount is \$3.38 billion, therefore, the surplus of this year is \$1.78 billion, accounting for 41% of the total surplus of the HA. As a result, the amount is quite impressive.

MR CHAN KAM-LAM (in Cantonese): *Madam President, I wish the Secretary could reply to my supplementary that how the revenue has been improved? That is to say, what the difference is.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the revenue this year is better than last year. However, if Honourable Members wish to take a look at the figures in detail, I have to prepare a written reply later. (Annex I)

However, the amount of revenue is in fact attributable to various factors, it is not just attributable to rentals, but also depending on the demand. I think Mr CHAN also knows that the competition among retailers is quite intense. After we have decided to do more work on privatization and consolidation of assets, a series of measures have been adopted, such as the provision of free parking service and the launching of promotional programmes. In the past, we seldom held promotional programmes, but the number of these programmes have been doubled last year. In the meantime, we have also launched a number of packaged activities with success, such as co-hosting the shopping plus movies ticket redemption activities with a film company. We will continue to hold more similar activities this year.

With regard to income, usually it depends on the rentals. Everybody knows that there is a downward trend of rental on the market. In order to increase our competitiveness, we have to make certain adjustments from time to time. Mr CHAN also knows that we have adjusted the rentals recently, therefore efforts made in this respect are not in proportion to the rental level.

PRESIDENT (in Cantonese): Secretary, will you provide Mr CHAN figures or data in this respect?

SECRETARY FOR HOUSING (in Cantonese): Yes, Madam President, I will provide the information concerning the annual revenue in writing.

MR ABRAHAM SHEK (in Cantonese): *Madam President, may I ask the Secretary the number of commercial premises under the HA at present, and how many of them are vacant? Now that the HA has decided not to sell the vacant commercial premises, will the HA consider renting them to small tenants at a rental level below the market rent, or to community services institutions so that these premises would be converted into study rooms for students?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, with regard to vacancy rate, the current vacancy rate of the retailing facilities under the HA is 6%, which is lower than the vacancy rate of private shopping centres we obtained from the Rating and Valuation Department. As for car parks, our vacancy rate is around 25%. Since we are unable to obtain the information on private car parks in this respect, therefore, I regret that we are unable to make the comparison. However, of course we are greatly concerned with the vacancy rate. After the introduction of new promotional measures, the vacancy rate was improved. For example, the vacancy rate of markets under the management of single operators is generally around 4%, which is far lower than the 11% of private-owned markets or other markets. The improvement in this respect is attributable to the fact that we are able to make the appropriate adjustment according to market changes.

MR NG LEUNG-SING (in Cantonese): *Madam President, in view of the fact that commercial premises in public housing estates have been operated by the Government on a prolonged basis, and that the Government is prepared on the other hand to adopt the small government mode by providing as much opportunities to the private market as possible and trying to avoid overlapping with the private market as far as possible, will the Government conduct further studies and deal with it further?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, we will do that. MR NG also knows very well that just as I have mentioned earlier, we

hope that we can go for further privatization, and we will have to take a lot of factors into consideration, firstly, the long-term contractual relationship that the HA currently made with many tenants may cause some delays; and secondly, the most important thing is to take into account the impact that will be made on the level of service we provide to residents. Furthermore, we also have to take into account the commercial feasibility, and the impacts on operational cost, on the financial position of the HA and the Government, on relevant legislation, as well as on the employees. However, we will conduct as much privatization projects as possible, and we will try to do our best.

PRESIDENT (in Cantonese): The Council has devoted more than 15 minutes on this question. Now the last supplementary question.

MR HENRY WU (in Cantonese): *Madam President, the Secretary mentioned the consultant report a moment ago. May I ask how much does the report cost and how long does it take for completion, and will the Government consider making it public?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, concerning this report, the consultant has spent about one year to conduct the study. As to the cost, I think it is not convenient to disclose it here because it is commercial information. Perhaps I should discuss with the relevant authority about how it should be dealt with, but I think the cost should not be disclosed here.

MR HENRY WU (in Cantonese): *Madam President, the Secretary has not replied whether the report could be made public.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, as to the question of whether the report can be made public, I can only give a reply after discussing the matter with the HA. They have already considered the content of the report, so it should be alright to make it public.

PRESIDENT (in Cantonese): Secretary, will you provide Mr WU with the information in this respect?

SECRETARY FOR HOUSING (in Cantonese): Yes. (Annex II)

PRESIDENT (in Cantonese): Second question.

Road Widening in Sai Kung District

2. **MS MIRIAM LAU** (in Cantonese): *Madam President, despite the widening of some sections of Hiram's Highway and Sai Sha Road to dual two-lane standard, the carriageway between Ho Chung and Sai Kung town as well as that between Sai Kung town and Nai Chung are still single two-lane carriageways. Serious traffic congestion occurs on the two carriageways, thus affecting the tourism development in Sai Kung District. In this connection, will the Government inform this Council whether:*

- (a) *it has assessed when Hiram's Highway and Sai Sha Road will reach their design capacity;*
- (b) *consideration will be given to advancing the completion of the road-widening works on the carriageway between Ho Chung and Sai Kung town, and widening the carriageway between Sai Kung town and Nai Chung to dual two-lane standard; if so, of the details of the plans and the implementation timetables; if not, the reasons for that; and*
- (c) *the road systems and transport facilities in Sai Kung District will be planned afresh so as to tie in with the tourism development of the district; if so, of the relevant details?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, according to the study of Transport Department, the section of Hiram's Highway between Clear Water Bay Road and Ho Chung, and that between Ho Chung and Sai Kung town, will reach their design capacity by 2006 and 2011 respectively.

We are planning to widen the section of Hiram's Highway between Clear Water Bay Road and Ho Chung to dual two-lane standard, and the works are expected to complete in 2006-07. As for the section between Ho Chung and Sai Kung town which is estimated to reach its design capacity in 2011, plans are in hand to complete the widening works by then.

The carriageway between Sai Kung town and Nai Chung consists of sections of Tai Mong Tsai Road and Sai Sha Road. The section of Sai Sha Road between Ma On Shan and Tai Tung would reach its design capacity in 2006. Works to widen this section to dual two-lane standard in phases will be completed between 2004 and 2006. For the remaining sections of Sai Sha Road and Tai Mong Tsai Road, it is anticipated that the capacity of these roads will be sufficient to cater for the traffic demand over the next 15 years. As such, we have no plan to widen these road sections at the moment. We will however closely monitor the traffic situation and consider the implementation of improvement measures if necessary.

The Study on South East New Territories Development Strategy Review conducted by the Planning Department recommended the promotion of tourism in Sai Kung area, with a view to developing Sai Kung town into a Gateway Centre for tourists. During the course of the Study, a Traffic Impact Assessment (TIA) was carried out to ensure that both the local road system and external transport network of Sai Kung would be able to cope with tourism development in the area. The results of the TIA indicated that in general, the strategic external transport links in Sai Kung is able to cope with the need. Regarding the road network within Sai Kung, there would have sufficient capacity to cope with the traffic demand during peak hours upon the completion of the aforesaid improvement works of Hiram's Highway and Sai Sha Road.

In addition, a number of projects are in the pipeline to improve the connection between Sai Kung and Tseung Kwan O. These include the dualling of Hang Hau Road and the widening of Clear Water Bay Road between Tai Po Tsai and Hang Hau Road to dual two-lane standard. The works are targeted for completion in 2007.

MS MIRIAM LAU (in Cantonese): *Madam President, it is clear from the fourth paragraph of the reply that the Government is developing the transport network in Sai Kung to meet the needs of tourism development. The Financial Secretary*

mentioned in his Budget published in March that tourism was one of the four major industries which would propel Hong Kong's economic development. He also proposed the promotion of the local community economy to create more job opportunities. I would like to ask whether the Government will adopt a new mode of thinking to re-assess the transportation needs of the Sai Kung area and promote tourism development through infrastructural projects, hence giving impetus to economy in Hong Kong?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, when planning for transport, we always encounter a problem. If we put in place the infrastructure first before carrying out development, the upside is that it will give impetus to development, but the downside is that when carrying out the development, we cannot ascertain that the infrastructure can meet the actual needs. Therefore, we think that the more appropriate approach is to provide transport infrastructure according to the development. Ms Miriam LAU has also mentioned that the Government intends to boost tourism development in Sai Kung, therefore we will take steps accordingly with regard to transport in the area, that is, apart from providing the infrastructure, we will also provide transport service, introduce traffic management measures, and so on. In this respect, we will keep in touch with the Planning Department, conduct reviews at an appropriate time and continue to liaise with the industry. If it is considered that improvements to traffic measures or arrangements in Sai Kung are necessary, we will work in co-ordination to foster the development of tourism.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, apart from improving roads for the development of tourism in Sai Kung, I would like to know if the Administration has examined whether there are sufficient parking spaces in Sai Kung? If they are found to be insufficient, what solution does the Administration have?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, according to our information, there are basically sufficient parking spaces in the area for the time being. Of course, the number of parking spaces must meet the needs of people who go on outings. We will conduct regular reviews on the demand for parking spaces and take follow-up actions if necessary.

MR LAU KONG-WAH (in Cantonese): *Madam President, in fact, traffic congestion has already occurred frequently on the section between Ho Chung and Sai Kung town, furthermore, since the section between the urban area and Sai Kung town is a single two-lane carriageway, if any vehicle breaks down on the way, basically all traffic in the entire Sai Kung area will be come to a halt. According to the information provided by the Secretary, this section will reach its design capacity only in 2011. The sections of Sai Sha Road and Tai Mong Tsai Road mentioned by the Secretary in the third paragraph of the main reply can be accessed from Sha Tin, but unfortunately, this section will reach its design capacity only 15 years later. Things may seem alright if they are calculated within the office, but the actual situation is not like that. I would like to ask the Secretary if the widening works on these two road sections can be carried out as early as possible, rather than having to wait until the roads have reached their design capacity? In fact, traffic congestion already occurs at present and it is not a situation that will occur 15 years later.*

SECRETARY FOR TRANSPORT (in Cantonese): *Madam President, I would like to comment on several aspects. Firstly, the volume to capacity ratio, that is, the so-called V/C ratio of the section between Tai Tung and Tai Mong Tsai is between 0.4 to 0.5, therefore, we do not think that there is a great need to carry out widening works there. Moreover, we must take into account the fact that the surroundings of the section in question is quite close to natural sceneries, therefore, the natural environment in the area must be taken into account when changes are made in respect of transportation. Regarding the section between Ho Chung and Clear Water Bay Road, and that between Sai Kung town and Ho Chung, we will conduct reviews on the progress of the projects on these roads. In particular, concerning the section between Sai Kung town and Ho Chung, although it is expected that this section will reach its design capacity only in 2011, we are studying in detail whether the completion of the widening works can be advanced.*

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary has said in his reply that attempts will be made to minimize the impact on the natural environment when the works are carried out. In fact, all of us are very concerned about the conservation of the natural environment in Sai Kung. When large-scale infrastructure is put in place and additional car parks are provided,*

I would like to ask if the Secretary will consider the provision of an area nearby where drivers can park their private cars and then take some form of environmentally friendly transport into the area?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, we are very concerned about the first point raised by Miss Emily LAU. Road-widening works will be implemented only when we consider that there is a real need to do so and will not be implemented in advance, because we will take into account the impact of a project on the environment. Regarding the second point, we do not encourage the public to drive to the area but suggest that they take some form of public transport. I think we can study the feasibility of this suggestion together with the industry. We have also considered that more people may be attracted to the area after the roads are widened.

DR RAYMOND HO (in Cantonese): *Madam President, in fact, the road-widening projects for the sections between Ho Chung and Sai Kung town and between Sai Kung and Nai Chung have been studied for more than 10 years. The Secretary said that the section between Ho Chung and Sai Kung town will reach its design capacity only in 2011, and the section between Sai Sha Road and Tai Mong Tsai Road will not reach its design capacity in the next 15 years. The V/C ratio given by the Secretary is only 0.5, which is the average daily traffic volume. I would like to ask the Secretary whether he has considered the fact that there are several periods in a day when the V/C ratio is close to 1, that is, the roads have reached their design capacity?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, when calculating the V/C ratio, we mainly adopted the busiest hours of the section as the yardstick. The section between Sai Kung town and Ho Chung mentioned just now has a V/C ratio of close to 1 during the busiest hours, therefore we agree that there is a need to expedite the relevant works. As to the section between Ho Chung and Clear Water Bay Road, the V/C ratio has exceeded 1, and as I have explained, widening works have been implemented. The V/C ratio of another section between Tai Tung and Tai Mong Tsai, as I have mentioned, is below 0.5.

MRS SELINA CHOW (in Cantonese): *Madam President, the Secretary has made a fine speech just now and seemed to say that after the traffic problems are solved, more visitors will visit the area. However, at the same time when we are developing tourism, it surprised me that he spoke that way. We all know that our road projects and infrastructural projects often fall behind schedules. In view of this background of not too good a reputation, can the Secretary tell us when the road in question, which is already very congested and is scheduled for completion in 2006, will commence and how long the work will take? When will the Secretary decide whether to commence the project and is the completion date in 2006 truly reliable?*

SECRETARY FOR TRANSPORT (in Cantonese): *Madam President, the improvement works on the section between Ho Chung and Clear Water Bay Road in fact consist of two parts. The first part is to carry out improvement works on the section at Nam Wai and to provide a roundabout at Nam Pin Wai. The project started in March 1999 and is targeted for completion in the middle of this year. The other part is the widening of the entire section which is expected to commence in June 2005 and will be completed between 2006 and 2007. Concerning the relevant works, in fact the actual time required for the works is not long, however, it actually takes more time to prepare for the works, mainly because land resumption is involved.*

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary has said just now that the V/C ratio for road section between Ho Chung and Sai Kung town often reaches 1. I would like to know whether there are a particularly high number of accidents on road sections which are frequently congested? After making comparisons with the section between Nai Chung and Sai Kung town, which has a V/C ratio of 0.5, has the Administration gained any experience from the situation in relation to traffic accidents on these two sections of the road?*

SECRETARY FOR TRANSPORT (in Cantonese): *Madam President, I do not have any information in this respect on hand, but I will give a reply to Mr CHAN Kam-lam's supplementary in writing. (Annex III)*

MISS CHOY SO-YUK (in Cantonese): *Madam President, I know that when the Government carried out widening works on Sai Sha road, it had to change the design in order to avoid felling four old trees. I would like to ask the Secretary that on the sections involved in the new road-widening works, whether there are other big trees and whether the Administration will also avoid felling those big trees in the course of the works?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, concerning the section between Sai Kung town and Ho Chung, we are now only carrying out an initial study, so at the moment we may not be able to answer Miss CHOY's query precisely. However, when carrying out works, we will avoid cutting down big trees as far as possible unless it is inevitable, otherwise we will retain those big trees.

MISS CHOY SO-YUK (in Cantonese): *Madam President, apart from the section of Sai Sha road, the Secretary also mentioned many new projects in the second and third paragraphs of the main reply, and there are also many old and big trees in the area concerned. I would like to ask if the Secretary is aware that there are many big trees in the area. If so, how is the Administration going to deal with them?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I do not have the details at hand but I can tell Miss CHOY So-yuk that when the Highways Department carry out those works, it will retain those big trees as far as possible, unless the big trees have made it impossible to complete the projects, only in such a case will we fell the big trees. (Annex IV)

PRESIDENT (in Cantonese): Last supplementary.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary has mentioned just now that the section between Ho Chung and Sai Kung town has*

nearly reached its design capacity, but in his main reply, the Secretary said that it was estimated that the section in question would reach its design capacity only in 2011. Does this mean that the traffic condition on that section will not experience any changes in nine years? Does the Secretary think that the reply sounds a little bit absurd? The Secretary mentioned that the widening works would be completed only in 2011, however, the section in question has already reached its design capacity now. Does the Secretary think that the relevant plan has disregarded the livelihood of the public?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, in fact, when I first looked at the information, I also raised the same query as did Mr LAU Kong-wah, but the explanation I got was that the increase in traffic volume on that section of road was rather low. Although the present V/C ratio of the section is about 0.9, this refers of course to the busiest time of the day, and the rate of increase in the next few years will not be particularly high. I have also mentioned just now that we are now reviewing whether the timetable to complete the project in 2011 can be advanced to 2008.

PRESIDENT (in Cantonese): Third question.

Monitoring of Oil Prices

3. **MR FRED LI** (in Cantonese): *Madam President, oil companies raised oil prices three times in March and April this year. These companies are criticized for being "quick-in-raising and slow-in-reducing" when adjusting oil prices, and for not providing the Government with the import prices of oil on the ground of commercial secret, resulting in the Government not having adequate information to monitor the retail prices. In this connection, will the Government inform this Council:*

- (a) *whether it has considered collecting oil duty according to the import prices instead of the retail prices so as to enable the Government to have a full picture of the oil prices;*
- (b) *whether it has considered introducing a mechanism to monitor oil prices effectively in the long run; and*
- (c) *as the Government has stressed that it would conduct a study on introducing competition, including the possibility of providing sites for the development of oil storage facilities and filling stations for new operators, whether it has assessed the time needed to complete the study and the possible site area involved; and whether it has put in place any plan to introduce anti-trust laws as a complementary means when introducing competition?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, Hong Kong has always been a free market economy. We believe that supply and demand as well as prices are best determined by market forces. For this reason, oil prices have all along been the decision of oil companies, having regard to commercial principles and their operating costs. The role of the Government is to maintain a steady supply, increase the transparency of oil prices as far as practicable (such as urging oil companies to announce each price adjustment and account for the rationale and basis for the adjustment), and enhance competition by removing barriers to entry into the fuel market. We therefore consider it inappropriate to introduce a price control mechanism.

Madam President, my reply to the question is as follows:

- (a) On the question of duty, currently the Government levies specific duties on hydrocarbon oils based on local sales volume. We consider the existing duty system appropriate. It is also widely adopted in other overseas economies. We have no intention to

change the existing duty system for the sake of obtaining import prices of oil companies.

- (b) Hong Kong has no indigenous supply of oil and has to rely on import. Import prices of oil are affected by various external factors beyond the control of the local market and the Government. Nevertheless, in view of public concern about oil prices, the Economic Services Bureau closely monitors the retail prices of unleaded petrol and ultra low sulphur diesel (ULSD) in the local market, the latest Singapore FOB prices (a commonly adopted benchmark for petrol and diesel pricing in the Asia-Pacific Region), the monthly weighted average import prices compiled by the Census and Statistics Department (C&SD) and prices of crude oil. The price data for the period from January 2001 to the present are set out at Annexes A and B for Members' reference. The data show that the trends in the retail price of local petrol and ULSD are broadly in line with those of the monthly weighted average import prices compiled by the C&SD and the Singapore FOB prices, and reflect essentially external factors.
- (c) While we do not agree to a price control mechanism, we have taken positive action to facilitate the development of, and encourage competition in, the fuel market. Measures include:
- (1) waiving, as from July 2000, the requirement that a tenderer bidding for petrol filling stations (PFS) sites must hold a Special Import Licence or a fuel supply contract;
 - (2) putting up for open tender existing PFS upon expiry of their leases;
 - (3) publicizing the fact that the Government is willing to consider applications for combined development of PFS with other retail uses and for modifying land use for the development of PFS; and

- (4) specifying in new land leases that operators are required to put up oil price information boards, to enhance transparency of competition on oil prices.

The above measures have taken into account needs of new entrants in entering into the PFS market. In the meantime, we will continue work on identifying suitable sites for PFS use. In fact, PFS sites are put up for open tender from time to time. This year, the Land Sales Programme includes 10 PFS sites to be put up for tender as from April. And, new PFS sites and existing PFS with expired leases in the urban or newly developed areas will be included in future Land Sales Programmes. As regards the construction of oil storage facilities, we have also identified suitable sites. The land requirement will depend on actual market demand. Our understanding is that there is spare storage capacity in the oil depots at Tsing Yi, and new operators may, if so wished, negotiate with the oil companies concerned to explore the feasibility of hiring their spare storage facilities. As the requirements for a tenderer for PFS sites to hold a Special Import Licence or a fuel supply contract have been waived, new entrants to the retail market may choose to buy oil from other oil companies in the first instance, and may not need to have their own storage facilities at the initial stage.

Madam President, the promotion of competition is a continuous process: we will continue to explore further measures to enhance competition as necessary. However, we do not agree to the introduction of an anti-trust law, as this is not the only way to promote competition. More importantly, Hong Kong being a free and open economy, market forces are able to operate effectively without a comprehensive competition law. As I pointed out earlier, the Government promotes competition in the fuel market by maintaining an open market and removing barriers, so that prospective operators can enter the market freely, thereby enhancing economic efficiency.

Annex A

Movements of Brent Crude Price, Singapore FOB Diesel Price,
Weighted Average Import Cost and Pump Price of ULSD since January 2001

	<i>Monthly Average Brent Crude Closing Mid Price HK\$/litre</i>	<i>Monthly Average Singapore FOB Diesel Price HK\$/litre</i>	<i>Weighted Average Import Cost (provided by the C&SD) HK\$/litre</i>	<i>Pump Price HK\$/litre (Note 2)</i>
2001				
January	1.26	1.39	1.72	5.94/5.95
February	1.34	1.35	1.68	5.84/5.85
March	1.20	1.31	1.66	5.84/5.85
April	1.26	1.46	1.70	5.84/5.85
May	1.39	1.51	1.74	5.84/5.85
June	1.36	1.47	1.77	5.84/5.85
July	1.20	1.40	1.66	5.84/5.85
August	1.26	1.41	1.65	5.84/5.85
September	1.25	1.44	1.67	5.84/5.85
October	1.00	1.25	1.55	5.84/5.85
November	0.93	1.08	1.34	5.74/5.75
December	0.91	0.99	1.26	5.54/5.55
2002				
January	0.96	1.02	1.23	5.54/5.55
February	0.99	1.06	1.25	5.54/5.55
March	1.17	1.22	1.42	5.64/5.65
April	1.26	1.36	(Note 1)	(Note 3)

Note 1: Not Available

Note 2: Including hydrocarbon oil duty of HK\$1.11 per litre

Note 3: The current pump prices of the oil companies are:

	HK\$/litre
ExxonMobil	5.80
Shell	5.79
CRC	5.79
Caltex	5.79

(increased to HK\$5.89 per litre on 18 April and restored to HK\$5.79 per litre on 27 April)

Annex B

Movements of Brent Crude Price, Singapore FOB Petrol Price,
Weighted Average Import Cost and Pump Price of Unleaded Petrol since January 2001

	<i>Monthly Average Brent Crude Closing Mid Price HK\$/litre</i>	<i>Monthly Average Singapore FOB Petrol Price HK\$/litre</i>	<i>Weighted Average Import Cost (provided by the C&SD) HK\$/litre</i>	<i>Pump Price HK\$/litre (Note 2)</i>
2001				
January	1.26	1.54	1.81	10.69/10.70
February	1.34	1.61	1.92	10.69/10.70
March	1.20	1.53	1.83	10.69/10.70
April	1.26	1.65	1.91	10.69/10.70
May	1.39	1.69	1.98	10.69/10.70
June	1.36	1.41	1.69	10.69/10.70
July	1.20	1.27	1.55	10.59/10.60
August	1.26	1.39	1.61	10.59/10.60
September	1.25	1.51	1.75	10.59/10.60
October	1.00	1.12	1.45	10.59/10.60
November	0.93	1.06	1.33	10.39/10.40
December	0.91	1.14	1.38	10.39/10.40
2002				
January	0.96	1.05	1.31	10.39/10.40
February	0.99	1.23	1.50	10.39/10.40
March	1.17	1.42	1.66	10.54/10.55
April	1.26	1.54	(Note 1)	(Note 3)

Note 1: Not Available

Note 2: Including hydrocarbon oil duty of HK\$6.06 per litre

Note 3: The current pump prices of the oil companies are:

	HK\$/litre
ExxonMobil	10.69
Shell	10.70
CRC	10.70
Caltex	10.70

(increased to HK\$10.85 per litre on 18 April and restored to HK\$10.70 per litre on 27 April)

MR FRED LI (in Cantonese): *Madam President, the main reply provided by the Secretary was only sent at a very late hour. Nevertheless, I would like to respond to it immediately.*

The Government stated in the main reply that it would encourage oil companies to increase the transparency of oil prices and account for the rationale for each price adjustment. Madam President, I believe even the Government knows that there could always be only one reason for oil companies to raise oil prices and that is, a rise in external oil prices. Nevertheless, after analysing the information provided in Annexes A and B in the main reply, I found that, as illustrated by the yearly imported and retail prices of diesel and unleaded petrol last year as an example, there was a drop of \$0.06 in the imported price of diesel. However, oil companies have not reduced their diesel prices accordingly. In other words, there was a price difference of \$0.06. The price difference of unleaded petrol was even greater, as its imported price had gone down by \$0.13. It is evident that the money has been "pocketed" by oil companies. Will the Government inform this Council of the reasons why it has still refrained from taking any action, though it has already been proved that oil companies were "quick-in-raising and slow-in reducing" when adjusting oil prices and relevant information has been provided for our analysis? Is it because the Government is still adhering to its free-market principle?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as I have pointed out earlier, the price reflected in the Annexes is weighted average import cost, which is different from the imported prices based on which price adjustment is made. The so-called weighted average cost is a total sum, representing the average cost of importing petroleum by several oil companies during a certain period of time, not the cost of importing petroleum by an oil company on a certain occasion. Therefore, the direct comparison made by Mr LI just now might not be entirely appropriate.

PRESIDENT (in Cantonese): Mr LI, is your supplementary question still unanswered?

MR FRED LI (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. The data cited by me were obtained by*

deducting \$0.06 and \$0.13 from the weighted average import costs. Will the Secretary answer me whether there are really such differences?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as I have stated earlier, we do not know the actual import price of each oil company since the cost only represents an average price. Therefore I cannot comment on whether the increases made by oil companies were really in line with the actual import prices on the basis of such data.

DR YEUNG SUM (in Cantonese): *Madam President, fair competition laws are in place in more than 80 free economies in the world. Oil companies invariably make oil price adjustment on the same day or the next day, except only one oil company adjusted its diesel and petrol prices in the month of April, the remaining three companies had not followed suit. Have the oil companies reached any agreement with respect to fixing prices? Is a cartel already present in the oil market, thereby leading to a complete lack of competition? Have the Economic Services Bureau and the Competition Policy Advisory Group (COMPAG) followed up this matter? If not, why?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as I have stated earlier, the timetables, amounts and prices of various oil imported by oil companies are different. In determining prices, oil companies will take into account their operating costs and the prevailing situation, in addition to the imported prices of oil. I cannot jump to a conclusion rashly as to whether oil companies have joint hands to do a certain thing since I have no information on the prices of oil imported by individual oil companies, and I have no idea of when the imported oil will be supplied to the market.

DR YEUNG SUM (in Cantonese): *Madam President, when raising my supplementary question just now, I asked the Economic Services Bureau whether it has taken any action to follow up this matter.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as the prices of oil imported by individual oil companies are

considered commercial information, it is not within the powers of the Government to ask the oil companies to provide detailed information on the prices of oil imported each time and when the oil will be supplied to the market. Neither it is appropriate for the Government to do so. International price trends were used as a basis each time when oil companies proposed to raise or reduce their oil prices. The Economic Services Bureau has also monitored the situation to see whether the trends are really like that. As I have stated in the main reply, we can see from the four categories of data available to us that the trends are actually in line with the data.

PRESIDENT (in Cantonese): Honourable Members, since nine Members are still waiting for their turn, please put your question as precisely as possible.

MR AMBROSE LAU (in Cantonese): *Madam President, the Government indicated in the main reply that it would encourage competition and "publicize the fact that the Government is willing to consider applications for combined development of PFS with other retail uses". Will the Government inform this Council of its target?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the Government is targeted at people who are interested to enter the trade. For instance, if we know that certain companies or persons have inquired about the fuel market or fuel situation in Hong Kong, we will try to contact them.

MR WONG SING-CHI (in Cantonese): *Madam President, the Secretary mentioned in the main reply that the Government would encourage competition, that is to say, it would not hinder competition. However, some senior officials (including the Financial Secretary and the Secretary for Economic Services) had made "verbal tricks" earlier to urge oil companies not to raise oil prices. Does it mean that there is actually nothing the Government can do to monitor oil companies, or the Government has tried to interfere with free competition intentionally?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I believe the two issues are unrelated. The Financial Secretary and the Secretary for Economic Services urged the oil companies not to raise oil prices in the hope that when these companies make their decisions, they could understand their social obligations and sympathize with Hong Kong's present economic situation and the plight of the public. It is definitely not the Government's intention to exert pressure on oil companies. Therefore, there was absolutely no infringement of the principles of free economy and market economy.

MR JAMES TIEN (in Cantonese): *Madam President, we welcome the Government's possible move of abolishing numerous existing regulations in a bid to introduce competition. Nevertheless, I would like to raise a major problem — though new operators can easily purchase new PFS, the problem pertaining to oil storage facilities remains very difficult to resolve. For instance, new operators intending to enter the trade can purchase PFS through bidding. However, they can hardly acquire large sites to build large oil depots for oil storage. Although the Government stated that there was spare storage capacity in the oil depots at Tsing Yi, it is very difficult to bargain for reasonable prices on this "one to one" basis. Will the Government facilitate the entry of new entrants into the market by considering the construction a large oil depot so that entrants on a relatively smaller scale can hire it for oil storage?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as pointed out by Mr James TIEN, operators are responsible for building their own oil storage facilities. The costs involved should be part of their operating costs. One of the advantages of self-provision of oil storage facilities by oil companies is that they can make decision according to their own investment plans and operational needs.

The construction of oil storage facilities by the Government will involve consideration in many aspects. These include: first, the use of public funds; second, it is not going to be a one-off payment since additional resources will be required to monitor the operation of the oil depot. Furthermore, we have to understand that the existing fuel market is considerably mature. If the Government proposes to make active intervention, we will need to consider whether we are justified to alter the principle of free economy. Furthermore,

we need to consider whether the oil storage facilities, upon its completion, can really cope with the needs of individual operators. More importantly, we have to consider whether the construction of the facilities is in the overall interests of Hong Kong. Consideration has to be given in these aspects if the Government really wants to build an oil depot.

MISS CYD HO (in Cantonese): *Madam President, when enacting the Broadcasting Ordinance, we made some provisions to prevent persons engaging in commercial activities from influencing competition by taking advantage of their edges in the market. Even though there is no comprehensive competition law in Hong Kong, some trades and industries do have their own competition laws. Will the Secretary inform this Council of the standards need to be adopted when determining whether certain trades and industries need to or need not be governed by similar laws? There is a recent move by supermarkets to sell pork at cut-throat prices, is this a case similar to the trades and industries covered by the Broadcasting Ordinance? Should similar provisions be put in place to prohibit supermarkets from slashing prices to become competitive?*

PRESIDENT (in Cantonese): Miss HO, please raise your supplementary question in relevance to oil prices. Although I understand the question you wished to raise, I think you should raise your supplementary question in direct relevance to the main question.

MISS CYD HO (in Cantonese): *Madam President, the supplementary question raised by me was actually intended to respond to part (c) of the main question raised by Mr Fred LI with respect to whether anti-trust laws should be introduced in Hong Kong.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, anti-trust or full competition laws are in essence extremely general and abstract. We have to consider the situation of individual trades to determine whether special measures are needed.

Incidentally, Madam President, I can point out here that when we say that we do not want to enact a fair competition law or do not consider it necessary to

fully implement a fair competition law, it does not mean that we will not provide special regulations under unusual circumstances for particular trades. As stated by Miss Cyd HO earlier, measures will be taken when we deem it necessary to do so, such as in the case of the telecommunications industry. Miss Cyd HO may perhaps refer to the annual report compiled by the COMPAG to find out the Government's position with respect to competition policies.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. I have allowed more time for Honourable Members to raise their questions since I knew that Honourable Members just received the reply to the main question when the Secretary started giving her oral reply. I will now allow one last supplementary.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Secretary has often talked about free market. However, a market will no longer be free when it is being monopolized. If we refer to the prices set out in the Annexes, we will find that the prices of several oil companies were exactly the same over the past several decades. Does the Secretary agree with me with respect to this point? We used to have five oil companies; now the number has been reduced to four. Does the Secretary agree that the Government should monitor the trade, rather than insisting that since it does not have information on the prices of imported oil, it has no idea of whether the oil companies have collaborated in fixing oil prices? Of course, the Government has no idea since it has not conducted any investigation. Will the Government conduct such an investigation? Does the Government have the power to launch such investigation if there are no competition laws or anti-trust laws? The Government does not necessarily have such a power. What tool can it use to help it dig out the truth and to find out whether the oil companies have collaborated in fixing oil prices?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I have mentioned earlier that the prices of oil imported by oil companies each time are considered commercial information. Individual companies will also decide when the oil imported should be supplied to the market. The Government should not, and will not, monitor the prices of oil imported by oil companies each time, when the oil should be made available to the market, and their desirable prices.

On the other hand, Honourable Members should note an important point and that is: do we want to see highly volatile oil prices? Stability has all along been considered an important principle insofar as Hong Kong is concerned. Based on this reason, we have to rely on the trends. As I have pointed out earlier, we can identify the trends by looking at the four categories of data. The retail prices of fuels in Hong Kong are actually in line with the trends of the three other sets of data.

PRESIDENT (in Cantonese): Fourth question.

Government Departments Using Service of Employment Agencies

4. **MR LEE CHEUK-YAN** (in Cantonese): *Madam President, regarding the use of employment agencies which provide government departments with staffing support, will the Government inform this Council:*

- (a) *of the departments which used the service of such agencies in the past year, and the total amount of service fees paid to the agencies by these departments with breakdowns by ranks of the numbers of staff employed as well as their average salaries;*
- (b) *whether the agencies are required to state the amounts of salaries paid to the staff when submitting their tenders; if so, whether the amounts of salaries paid to staff constitute a major factor in determining the award of a tender; if there is not such a requirement, whether it will consider including it in tender invitations; and*
- (c) *whether it will discontinue using the service of such agencies and instruct the departments concerned to employ staff directly, to facilitate personnel management, boost staff morale and enhance service quality?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, the first part of the main question asks about details on the use of employment agencies which provide government departments with staffing support in the past year. According to the information provided by departments, details of which

are attached at the Annex, a total of 27 government departments used the service of such agencies from 1 April 2001 to 31 March 2002. The agencies employed provided departments with staff of different ranks to perform the duties of about 1 800 posts. About \$400 million of the service fees was paid for a contract with the Information Technology Services Department, under which government departments were provided with staff to fill a total of about 620 posts, including project managers, programmers, system analysts and computer operators. The remaining service fees were for hiring employment agencies to provide staff for other departments, which include 60 information technology staff, 30 computer data processors, 680 clerical staff, 220 library assistants, 50 staff of different ranks for supporting recreational and cultural services, 60 supporting staff of various categories in different departments and 30 workmen. According to the information provided by departments, most of them did not require the employment agencies to provide details of their employees' salaries when procuring the services of the employment agencies. Information on the average salaries by ranks of these employees is therefore not available.

The second part of the main question asks whether the Government has asked or will ask employment agencies to state in the tenders the amount of salaries to be paid by them to their staff. At present, Controlling Officers may decide on their own whether, having regard to the service requirements, employment agencies should be required to state in the tenders the amount of salaries paid to their employees equivalent to the non-Model Scale 1 grades in the Government. We consider the existing arrangement appropriate. It is better than rigidly standardizing the requirement.

As for the third part of the main question, Controlling Officers are responsible to formulate the manpower plan according to their needs and decide which means should be adopted to obtain the necessary human resources. Before making any decision, Controlling Officers have to consider all relevant factors, such as arrangements on management, services demand and quality, administration cost and cost effectiveness. According to the information provided by the departments concerned, Controlling Officers use the services of employment agencies mainly for the purposes of meeting short-term or ad-hoc service demand, or dealing with some specific projects (such as information technology projects). The reason for this is that, comparing with direct recruitment of staff by departments, services provided by employment agencies are more flexible. Controlling Officers need to procure and deploy human

resources flexibly under certain operational conditions. The use of employment agencies is cost effective and has to go through established vetting procedures. In addition, Controlling Officers are required to closely monitor the services provided by employment agencies to ensure that requirements and quality standards stipulated in the contracts are met. Given these considerations, the Government does not intend to discontinue using such agencies.

Annex

List of departments using staff provided by employment agencies,
the number of posts involved and the total service fees paid

<i>Department</i>	<i>No. of post</i>	<i>Total service fees paid to employment agency in 2001-02 (\$)</i>
Government Secretariat	57	2,566,052
Architectural Services Department	32	1,211,409
Buildings Department	72	5,572,874
Civil Aviation Department	1	38,454
Civil Engineering Department	57	1,211,113
Civil Service Training and Development Institute	3	181,866
Correctional Services Department	46	1,338,948
Drainage Services Department	30	5,502,785
Education Department	77	1,999,055
Electrical and Mechanical Services Department	23	1,408,115
Environmental Protection Department	10	845,760
Food and Environmental Hygiene Department	37	1,456,654
Government Flying Service	6	79,393
Government Supplies Department	2	120,770
Home Affairs Department	28	206,856
Information Technology Services Department	620	405,970,000
Intellectual Property Department	10	601,471
Invest Hong Kong	3	281,602
Lands Department	77	3,511,790
Leisure and Cultural Services Department	370	29,422,494
Marine Department	8	582,956
Radio Television Hong Kong	2	18,826
Social Welfare Department	4	324,000
Territory Development Department	11	439,463
Transport Department	13	233,301
Water Supplies Department	198	12,420,000
Judiciary	6	656,818
Total:	1 803	478,202,825

MR LEE CHEUK-YAN (in Cantonese): *Madam President, I am asking this question because I am very worried that the Government would treat people as seafood which experiences fluctuation in prices, and recently, prices are mostly adjusted downwards. I would like to cite an example. On an average, each staff of the Water Supplies Department receives a monthly salary of \$6,000, whereas clerical staff with a Secondary Five education level would receive a monthly salary of \$5,000, but this has recently been reduced to \$3,999. Would the Secretary take heed of these problems and share the public's concern? Seeing that salaries have thus been adjusted downwards, members of the public are very anxious. However, the Secretary indicated in her main reply that she would not take heed of the amount of salary paid by these employment agencies. As such, the Secretary would really have difficulties in ensuring staff quality since she is not concerned about their salary level. Though the Government might have paid the employment agencies a huge fee, such agencies would only offer their staff a very low salary. Does the Secretary think that this would have an adverse impact on staff quality and staff morale, with employment agencies eventually pocketing the differences while creating many super employment agencies, and where no one would emerge as winners and employees being the only losers? May I know whether the Secretary would give some thoughts to this problem?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, the interests of Hong Kong as a whole should certainly be a foremost concern and prerequisite in the formulation of government policies. At present, Hong Kong is pursuing a free market economy. A free economy system was very important to the development of Hong Kong in the past decades and it would be equally important to its future development. We think that a flexible labour market is an important component of a free market economy, so the Government would continue to endeavour to ensure that our labour market would maintain an appropriate degree of flexibility.

In its procurement of services, the Government is most concerned whether the quality of services provided is in line with the requirements of our procurement. As regards the ways and means employed by contractors or how much its employees would be paid to provide this service to the Government, they would not be our foremost concern. Our foremost concern is to ensure that the quality and quantity of services procured by the Government with taxpayers' money measure up to our original requirement. In procuring

services, the Government would follow a set of established procedures based on the principles of being fair, open and highly transparent. We think that if Controlling Officers procure various services in accordance with this set of established principles, then it would be in line with the overall interests of Hong Kong and also ensure that public funds are well spent.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Secretary has not answered my question. Since the objective for procurement by the Government now is people, how could we ensure that the quality of these people could measure up to the standard of the Government if the Secretary is not concerned about their salary level?*

PRESIDENT (in Cantonese): Mr LEE, you may not be very satisfied with the Secretary's reply but I think she has already answered your supplementary question.

MISS LI FUNG-YING (in Cantonese): *Madam President, in the third paragraph of the main reply, the Secretary said government departments use the services of employment agencies mainly for the purposes of meeting short-term or ad-hoc service demands. Has any standard been set for measuring the duration of such so-called ad-hoc or short-term services? What is meant by "ad-hoc" service demands; and what is meant by "short-term" service demands? Could the Secretary provide us with further information, so that we could have an idea about the length of employment of these employees in relevant departments, about what is the duration of long-term employment; and what is the duration of short-term employment?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Miss LI for asking this supplementary question. Contracts signed by the Government for procuring the services of employment agencies are mostly for a period of one year or less than one year and some contracts may be as short as one month, with the exception of one contract. This is a contract for procuring the services of seven information technology companies through the Information Technology Services Department. Services procured are mainly on a project base with a single information technology project as one unit, but if

the relevant project requires a duration of three months to complete, then the service procured from the employment agency would be fixed at three months. However, some information technology projects are more complicated and may require more than 10 months or 12 months. Under such circumstances, the duration of the contract would depend on the time required by each information technology project.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary mentioned in the third paragraph of the main reply that apart from a set of established vetting procedures, the Government has also got a close monitoring system to ensure the quality of employees. May I ask the Secretary what has been done in establishing a close monitoring system? What are the specific details of the system? Everyone knows that generally speaking, nothing cheap will be good and lower salaries are usually offered for outsourcing jobs. How would the Secretary go about establishing a monitoring system to ensure the quality of employees?*

SECRETARY FOR THE TREASURY (in Cantonese): *Madam President, in this respect, individual Controlling Officers should set up their own assessment system. Let me cite an example, in procuring the services of employment agencies, some departments may specify in their tenders or contracts that employees supplied by employment agencies must have a Secondary Three or Secondary Five education level. And, when employees are deployed to the procuring departments, the education level stated in the contract could then be used as a criterion for vetting.*

PRESIDENT (in Cantonese): *Mr LEUNG Yiu-chung, has your supplementary question not been answered?*

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, perhaps, I did not make myself very clear. I am talking about a mechanism for monitoring staff performance, instead of one for assessing whether contract requirements are met.*

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

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, there is a provision in every procurement contract signed by the Government, stating that if the contractor fails to provide services of the quality and quantity as specified in the contract, he will be subject to certain penalties. Secondly, if there is a great discrepancy between the quality and quantity of service provided by the contractor and that specified in the contract, the Controlling Officer could then terminate the relevant contract in accordance with the provisions of the contract. Thirdly, the Controlling Officer could also request that the relevant contractor be blacklisted and banned from bidding for any similar government contracts in the future.

MR ALBERT HO (in Cantonese): *Madam President, in her main reply, the Secretary said the current outsourcing policy of the Government is mainly based on free market and cost-effective principles. If the Government generally follows such principles, how then could it convince employers in the private sector not to resort casually to staff cuts or force their staff to become self-employed?*

Madam President, the Secretary just emphasized that very often, the Government would only use the services of employment agencies to meet short-term or ad-hoc service demands. However, there are regular and continuous demands for such short-term or ad-hoc services. If government departments as a whole have regular demands for short-term or ad-hoc services and if such posts are not technical in nature, why then is it that the Government could not turn such demands into manpower requirement for the Government as a whole? Why is it that the work of staff recruitment could not be co-ordinated by some departments so that the staff could be deployed among different departments? This could prevent the Government from being taken advantage of by employment agencies, meanwhile, this would allow employees to have stable jobs and incomes, ensure that the quality of service could better meet with the Government's requirements, and thus replace the outsourcing policy.

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Mr Albert HO for his supplementary question. I would like to emphasize that since the Government is using public funds, we are very concerned whether such funds are well spent. The Public Accounts Committee of the Legislative Council is holding a meeting during these few days to examine

whether the Government is doing an appropriate job in the management of public funds in various areas. Therefore, to us, it is very important that our policy is in line with the principle of cost-effectiveness.

I understand Mr HO's question is on whether all short-term or ad-hoc service demands could be grouped together and whether the Government could then employ a team of civil servants on longer term or under a non-civil service contract staff system to perform such duties. I believe that this is the crux of Mr HO's question. However, there would be difficulties in actual operations, for very often, such short-term or ad-hoc service demands could not be anticipated, that is, we could not know about such demands, say three months or six months in advance. Very often, the Controlling Officers concerned would only be aware of the demand a very short time in advance. Under such circumstances, it is very hard for us to set up a headquarters to co-ordinate the ad-hoc or short-term staffing requirements of several dozens of departments.

The second practical difficulty we encounter in our operations is that the staffing requirement for different ad-hoc or short-term jobs varied greatly. Sometimes, information and technology staff is required, while at other times, marketing or clerical staff is required, therefore, there would be difficulties in actual operations. Of course, if individual Controlling Officers anticipate that there will be some short-term jobs lasting for 12 months or longer, they are at present allowed to employ non-civil service contract staff to perform such duties.

PRESIDENT (in Cantonese): This Council has spent almost 17 minutes on this question. We now move onto the last supplementary question.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary said it is cost-effective for the Government to spend more than \$400 million on commissioning the services of employment agencies for staff recruitment and the Public Accounts Committee of the Legislative Council will conduct a study in this area later on. May I ask whether the Government has spent extra funds on engaging consultancies to determine which employment agencies should be commissioned? In terms of cost-effectiveness, how much cheaper it would be for the Government to recruit staff through employment agencies instead of direct recruitment?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, as we are now talking about a great number of information and technology projects, I am very sorry that I cannot give Miss LAU an "across-the-board" reply. However, as a member of the Public Accounts Committee of the Legislative Council, Miss LAU may recall that about two years ago, the Director of Audit made a value-for-money study report on the subject of commissioning employment agencies to undertake information and technology projects. The Public Accounts Committee of the Legislative Council had also scrutinized the report.

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

MISS EMILY LAU (in Cantonese): *Madam President, we could look at that report again, but right now I am asking a supplementary question in relation to this question. My question is very simple and that is, has the Government spent extra money on engaging consultancies to determine which employment agencies should be commissioned? I am asking whether the Government has spent money in this area because we see that employment agencies commissioned by the Government have often brought along their own consultants. As a member of the Public Accounts Committee of the Legislative Council, I would certainly support this practice if it were cost-effective. Could the Secretary tell us how much cheaper it is to do it this way?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I would like to thank Miss LAU for her follow-up question. First of all, we did not engage any consultancy to advise us on which employment agencies should be selected or considered in relation to the contracts on the information technology services projects mentioned in my main reply. This is the first point.

The second point is on the subject of cost-effectiveness. On the whole, we are of the opinion that it would be more cost-effective for the Government to engage the services of employment agencies for information technology projects at the time when the need arises, instead of recruiting permanent staff and only employing their services when there are information technology projects. The

value-for-money study report made by the Director of Audit about two years ago had also covered this subject.

PRESIDENT (in Cantonese): Fifth question.

Measures Against Illegal Gambling on Football Matches

5. **MR AMBROSE LAU** (in Cantonese): *Madam President, it is reported that the police will shortly strengthen efforts against illegal gambling on football matches. In this regard, will the Government inform this Council:*

- (a) *of the measures to be taken by the police to avoid interfering with the customers and normal operations of places for leisure such as pubs and cyber cafes during inspections for combating illegal gambling on football matches; and*
- (b) *upon receipt of reports, whether the police will take law enforcement actions against people betting on football matches, including members of the public who place bets at home through the telephone or Internet; if so, of the details of the actions?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, my reply to the question raised by the Honourable Ambrose LAU is as follows:

- (a) The police will pay conspicuous visits to licensed entertainment premises (including pubs) in the run-up to and during major international soccer events to advise the public not to engage in illegal soccer gambling. During such visits, police officers will distribute publicity leaflets and notices relating to the relevant parts of the Gambling Ordinance, and to encourage the public to report on illegal gambling activities. When conducting such visits, the responsible police officers will explain to the operators of the licensed premises the purpose of the visits. These visits usually last for a short time and would pose minimal inconvenience to the normal business operations of such premises.

The police may also conduct discreet or covert visits to some of these entertainment premises for the purposes of investigation or evidence gathering. Owing to the covert nature of such visits, the details of such visits could not be released.

If illegal gambling is found to take place on such premises and enforcement actions have to be taken, the normal business of the premises may be affected to a certain degree during the police's operation. The police will however endeavour to ensure that any such inconvenience to members of the public is kept to a minimum.

- (b) Under the Gambling Ordinance, betting with an illegal bookmaker is an offence which is liable to a maximum penalty of a fine of \$30,000 and nine months' imprisonment. As an enforcement agency of the Ordinance, the police is duty bound to act upon any information relating to illegal betting which is received through intelligence reports or complaints, with a view to initiating investigations and prosecutions. The actions to be taken depend primarily on the quality of the information received, but the details cannot be disclosed for operational reasons.

Madam President, I would like to stress that all police personnel are well-trained and are given guidelines to follow. During law enforcement operations, they will keep unnecessary interference with the daily activities of the people to a minimum. They will also attempt to strike a balance between protecting the privacy of the people and enforcing the law effectively.

MR AMBROSE LAU (in Cantonese): *Madam President, in his main reply, the Secretary said that the normal business of certain entertainment premises might be affected to a certain degree by police efforts against illegal gambling on football matches. By "affected to a certain degree", does that mean the police may engage a large number of officers to inspect entertainment premises in a high profile manner during the time when football matches are being televised?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, as I pointed out in answering part (a) of the Honourable Ambrose LAU's main

question, the police would step up inspection operations at the relevant entertainment premises during the time when soccer matches are actively watched. Very often our main aim for such inspections is, however, to strengthen our promotion and remind people at the scene and the operators of the premises not to take part in illegal gambling activities. There is no question of whether the operation is high-profile or low-profile. If some activities are illegal, a high-profile promotion by the police to deter people from taking part in them should be encouraged.

MR ANDREW CHENG (in Cantonese): *Madam President, because I only have a copy of the draft of the main reply from the Secretary, I do not have the part about balance, privacy, and so on, as reported in the Secretary's answer to part (b) of the main reply. It is exactly about such area that I wish to ask supplementary questions. In part (b) of the main reply, the Secretary said the police was duty bound to act upon any information or reports, with a view to initiating investigations and prosecutions. Would the Secretary elucidate further on that? Members will understand that what we are most concerned about is monitoring through the Internet, which, to a certain extent, is what the police has to do. But how would the Government guarantee that when it executes the monitoring in future a balance is struck between protecting the privacy of the people and satisfying the needs of law enforcement? Will the Secretary provide more information in this regard? For example, will the police start investigation into some websites only on receiving reports or some relevant information rather than taking monitoring actions at random on a large scale?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): *Madam President, I can assure Members that when the police take law enforcement actions, they are not just combatting illegal gambling. Where there is a need to protect the privacy of the people as the police enforces the Crimes Ordinance, the police will see to it that a proper balance as mentioned is struck.*

As regards the act of illegal gambling, I can assure Members that the police will not haphazardly or unnecessarily monitor communication on the Internet. Indeed, in enforcing the Gambling Ordinance, the police has to act in compliance with very strict and clear internal guidelines. I have already provided to the Bills Committee the principles of such guidelines. Let me cite

some examples that can clearly demonstrate this. On receiving a tip-off, if the police deems it necessary to investigate further into the records of some past communications of a certain group of Internet users or contact local Internet service providers (ISPs), they will have to apply for a warrant from the Court. The police will have to follow the same procedure if they think there is a need to inspect banking or credit card records of possible offenders. The police guidelines clearly state that if the police, after confiscating computers, deem it necessary to inspect records in the computers, they must act in compliance with the strict guidelines and inspect only records of a certain period during which an offence is suspected of having been committed.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, in part (a) of his main reply, the Secretary said the police might also conduct discreet or prudent visits to some of these entertainment premises. Will the Secretary inform this Council the number of "bets on ball games" found in entertainment premises among all such bets found last year?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the information I have at hand only shows the number of raids made by the police, not the premises at which the raids were made. In 2001, the police conducted 51 raids against illegal gambling on football matches, arrested 120 people and found \$24.5 million being money used in gambling and money involved in betting. I will make an inquiry with the police to find out how many of the 51 raids involved entertainment premises and provide a written reply to the Honourable HUI Cheung-ching. (Annex V)

MR SIN CHUNG-KAI (in Cantonese): *Madam President, will the public or non-government sector be able to tell whether the monitoring methods of the police will contravene the internal guidelines?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the police has a very sound management and monitoring system for internal audit to ensure enforcement personnel do not act against the guidelines. Of course, at the request of Members or on our own accord or at the request of other parties, we will from time to time provide information about the overall operation of the

police to the Panel on Home Affairs. In this regard, all government departments, including the police, will come under the supervision of the media, other persons or groups in the community. I think the present level of law enforcement by the police should be satisfactory.

MS AUDREY EU (in Cantonese): *Madam President, will the Secretary inform this Council under what circumstances the police will decide to enter some premises to carry out an investigation? For instance, if someone "place bets" from his home through a computer or the telephone, then under what circumstances will the police decide whether or not to tap his or her telephone conversations? I am particularly concerned about part (b) of the Secretary's reply in which he said, "..... the police is duty bound to act upon any information relating to illegal betting which is received through intelligence reports or complaints." Will the Secretary inform this Council whether that means the police will take action, including inspecting a computer or tapping telephone conversations on receiving a complaint? Does the police have an indicator about the number of times, such as the duration of such a practice during which someone carries out betting in this way before the police decides to tap telephone conversations? Or will the police enter someone's premises for an investigation because someone makes bets once in a while in the premises?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, it would be difficult for me to provide a detailed answer to a general question. But with my 20-odd years working experience in the public sector, I think I can provide a reply to this supplementary question with common sense.

As a general rule, if a government department receives a complaint, it cannot simply ignore it. That, however, does not mean follow-up action or law enforcement action will be taken because the department will have to make a decision as to whether it is worthwhile to follow up the case after having made some preliminary inquiry or having carried out some data collection about the case. I believe the police will apply this general principle in deciding whether or not law enforcement action will be taken. So, I firmly believe the police will not enter the reportee's premises for a thorough search on whatever intelligence report it receives. After all, on the basis of manpower limitations and common sense, the police is precluded from doing so. But if, after some preliminary investigation, the police has reason to believe that an intelligence report received

should be followed up, it will carry out a follow-up investigation as a next step. As regards details of such investigations, I do not believe I can give a reply about them here because decisions have to be made on the nature and seriousness of the case and the urgency of the need to enter premises for a search. Nevertheless, I must stress that if the police has to enter premises for a search or just search for communication records on the Internet, they will have to apply for a court warrant. They cannot act as they wish.

DR TANG SIU-TONG (in Cantonese): *Madam President, if patrons at entertainment premises such as bars place bets via the use of telephones or Internet connections, will the licensees or responsible persons of these premises — who may or may not know about the betting — be prosecuted? Will they be held criminally liable?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, if the purpose of the police in entering the relevant entertainment premises is to carry out promotional activities, then the question of holding licensees of the entertainment premises criminally liable will not arise as the police is there for a promotion. However, if the police enters the entertainment premises because of information gathered in some investigations that entails law enforcement actions, a decision will have to be made after ascertaining the involvement or suspected involvement of the licensees in the illegal activities.

MR MICHAEL MAK (in Cantonese): *Madam President, last year, in order to deal with this topic, I went to visit some bars in person to observe gambling on football matches. My observation showed that gambling on football matches was indeed rife and grew like mushroom. As the Government combats gambling on football matches, I naturally hope it can also bring people, bookmakers or agents involved in illegal gambling on football matches to justice. Will the Secretary inform this Council how will the Government ensure innocent citizens (for instance, I am a patron of bars from time to time but I do not gamble on football matches. I just like to watch football games.) could be free from being implicated or harassed?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the answer is simple. If the Honourable Michael MAK has not taken part in the gambling, he can just continue to enjoy his drink. *(Laughter)*

MR MICHAEL MAK (in Cantonese): *Madam President, I am sorry, but the Secretary has not answered my question about how would innocent people refrain from being harassed. Once the police enters a bar, there is a possibility that the people will be harassed. Perhaps, let me describe what may take place in a bar. On the table there would be many betting forms for the football matches. If I hold one in my hand without filling in the details, or if I just try to fill in one for no particular purpose, will the police regard me as having committed an offence? Understandably, in a bar, such forms are never in short supply. Will the Secretary inform this Council how innocent people will not be troubled by this emotionally?*

PRESIDENT (in Cantonese): Secretary, I do not know how you will answer that.
(Laughter)

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I may provide an answer like this. If a person belongs to the passive type, he or she should not patronize the bar in future. I hope, however, that Mr MAK, being a Member of the Legislative Council, may take the initiative to report the case. The report will either force the bar to close or scare gambling customers away, in which case Mr MAK may continue to patronize the bar.

MISS CHOY SO-YUK (in Cantonese): *Madam President, will the Secretary inform this Council whether the police will take the initiative to require ISPs to hand over information about their clients who have surfed the Internet, especially those who have visited gambling websites?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the answer is in the negative. The police will have to apply for a court warrant to request an ISP to provide information about the records for a period during which an offence may have been perpetrated only when it has sufficient information to justify follow-up action on the Internet account of the individual suspected of the offence. The police will not make a request for records about an individual from an ISP for no reasons.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. I will allow one last supplementary question.

MR JAMES TO (in Cantonese): *Madam President, in carrying out raids against illegal gambling on football matches, there are basically two feasible strategies the police can adopt. One of them may target at bookmakers and the other, the large numbers of gamblers, whom, the Government says, it will try hard to discourage. The second strategy may generate certain effects. Will the Government inform this Council that in order to diminish or eliminate gambling activities on football matches, whether it will adopt the second strategy so that everyone is discouraged from patronizing bars and entertainment premises, with the consequence that patronage is so prohibited that it renders the premises lifeless?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I can assure the Honourable James TO that the police operations do not aim at discouraging patronage. The Home Affairs Bureau has just started work on co-ordinating and unifying activities to revive the local economy. We do hope more people can go out at night to spend money so that taxi-drivers, bars and so on can have more business. So, we will not do anything discouraging at all. Nevertheless, as Mr Michael MAK pointed out, bars and premises, especially those with big-screen television sets can easily entice some people to engage in illegal gambling activities. That is why the police has chosen to carry out promotional activities at such places, which is a reasonable thing to do.

PRESIDENT (in Cantonese): Sixth question.

Declaring Household Income and Assets by PRH Tenants

6. **MR LAU PING-CHEUNG** (in Cantonese): *Madam President, under the policy of the Housing Department (HD), tenants who have been living in public rental housing (PRH) for 10 years or more are required to declare their household income and assets once every two years. Those with a household income exceeding the prescribed limit have been required to pay 1.5 times or double net rent since 1987; and from 1996 onwards, those whose household*

income and net asset value exceed the prescribed limits must surrender their PRH flats to the HD. Nevertheless, if the tenants concerned have housing needs, they may apply for a fixed term licence to stay in their flats temporarily for a period of not more than 12 months, during which a licence fee equivalent to market rent will be charged for their stay. In this connection, will the Government inform this Council of:

- (a) the number of tenants who were respectively required to pay 1.5 times or double rent in the past three years;*
- (b) the respective numbers of tenants who were required to pay a fixed term licence fee equivalent to market rent, and PRH flats surrendered by tenants because their household income and net asset value exceeded the prescribed limits, over the past three years; and*
- (c) the mechanism in place to check or review the information on income and assets provided by tenants who have been living in PRH for 10 years or more, and the percentage of cases in which sampling investigations have been conducted on the information provided?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, in the past three years (that is, from 1999-2000 to 2001-02), 18 466, 16 031 and 14 646 public housing tenants respectively were required to pay 1.5 times rent, while those required to pay double rent were 5 860, 4 601 and 3 571 respectively. During the same period, the total number of households paying market rent was 1 418. Details are at Tables 1 and 2.

In the past three years, 8 367 tenants who were required to pay additional rent vacated their public rental flats. Of these, 757 exceeded both the prescribed household income and assets limits. Details are at Table 3.

As regards part (c) of the question, the Housing Ordinance mandates tenants to provide information on their total household income and assets as required by the Housing Authority (HA). As a deterrent, section 26(1)(aa) of the Ordinance makes provision of false information a criminal offence punishable by fine and imprisonment. Three tiers of vetting are conducted to ensure accuracy of the information submitted by tenants. First, estate management staff of the HD vet the completed income and/or asset declaration forms and, if necessary, interview the principal tenant or his/her family members

to confirm or supplement the information. Second, the HD carries out in-depth investigation into selected individual cases by checking the records of, for instance, the Land Registry and Transport Department to confirm relevant information and conducting home visits. Finally, Estate Managers random check 5% of all income declarations and 100% of all asset declarations. The HD's Central Investigation Team assists the Estate Managers in this work.

Table 1: Number of households paying additional rent

<i>Year</i>	<i>Households paying double rent</i>	<i>Households paying 1.5 times rent</i>	<i>Total</i>
1999-2000	5 860	18 466	24 326
2000-01	4 601	16 031	20 632
2001-02	3 571	14 646	18 217

Table 2: Number of households paying market rent

<i>Year</i>	<i>Households paying market rent</i>
1999-2000	1 111
2000-01	206
2001-02	101

Table 3: Number of flats vacated by tenants paying additional rent

<i>Type of additional rent/ Moving-out arrangements</i>	<i>1.5 times rent</i>			<i>Double rent</i>			<i>Market rent</i>		
	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>
Home Ownership Scheme	787	1 092	750	460	426	294	156	200	89
Home Purchase Loan Scheme	448	275	240	212	145	108	52	66	39
Other moving-out arrangements	410	486	581	310	314	272	71	61	23
Sub-total	1 645	1 853	1 571	982	885	674	279	327	151
Total		5 069			2 541			757	
Grand Total					8 367				

MR LAU PING-CHEUNG (in Cantonese): *Madam President, the Secretary mentioned in the second paragraph of the main reply that 8 000-odd tenants vacated their public rental flats in the past three years, and that out of these tenants, only 757 were required to surrender their flats. From this we can see that the mobility of the tenants living in the 640 000 PRH flats in Hong Kong is actually rather low. May I ask the Secretary whether this situation is a result of the fact that the prescribed assets and income limits are too lenient or that the Administration has failed to implement the policy properly? Could the Secretary also inform this Council whether the Administration will conduct any review in this respect; and if so, of the time that the review will commence?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, the Administration has in fact conducted an extensive consultation exercise in respect of this Housing Subsidy Policy in the '80s and taken into consideration a number of factors. At that time, many different views were received from society and some of the views were indeed widely divergent. Our present practice is to strike a balance between the need to enable the PRH tenants to live and work happily and the need to allocate resources in a reasonable manner. This Housing Subsidy Policy was first implemented in 1999 and should be considered a large step forward, compared to the past policy which did not require the better-off tenants to surrender their public rental flats. Regarding the question of whether or not the relevant prescribed limits are too lenient, as I said just now, there has been a substantially divergence of opinion within society. We will reflect Mr LAU's views to the HA, which will determine on its own the need or otherwise for the relevant policy to be reviewed. As regards policy implementation, like I have also pointed out just now, there is no question of slacking in our work.*

MR FREDERICK FUNG (in Cantonese): *Madam President, the three tables provided by the Secretary have classified the PRH tenants paying additional rent into three categories, those paying 1.5 times rent, double rent and market rent respectively. With regards to the last category, which comprises tenants paying market rent, the punishment on such households is the gravest as they may be required to surrender their PRH flats to the HD. According to the figures provided in the tables, the number of such households has dropped from 1 111 to 101 over the past three years. In other words, among the 757 households who have surrendered their PRH flats, only 101 were actually required to do so, the*

other 656 were not required by the HD to surrender their flats. My supplementary is: How much has the Government spent on identifying those tenants paying double rent, or the 101 minority households that the Government no longer needs to provide subsidy for? Could the Secretary inform this Council whether the Government has considered not requiring these households to surrender their PRH flats?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I thank Mr Frederick FUNG for his supplementary question, which is reflective of the fact that he and Mr LAU have widely divergent views. With regard to the government expenses involved, may I provide Mr FUNG with the details in a written reply later on? (Annex VI) In this connection, Mr FUNG is right in that many PRH tenants had moved out before the HA required them to surrender their flats. This certainly has something to do with the substantial incentives provided by the Government. The Home Ownership Scheme (HOS) and other loan schemes, for example, have offered many concessionary terms to these tenants, including exempting them from the means tests required for purchasing HOS flats or loan applications, and so on. Members can see in Table 3 that the relevant tenants have moved out voluntarily because of the various concessions provided by the Government.

MR FREDERICK FUNG (in Cantonese): *Madam President, the Secretary has not answered my supplementary. My supplementary was related to the fact that only 101 households were required by the Administration to surrender their PRH flats. Even though the Secretary is unable to provide this Council with the information on the expenses involved, could she still inform this Council whether the Government would review the relevant policy and refrain from requiring the households concerned to surrender their flats should the expenses involved be very limited?*

PRESIDENT (in Cantonese): Mr FUNG, I think the Secretary has answered your supplementary.

SECRETARY FOR HOUSING (in Cantonese): Madam President, perhaps I may give the Honourable Member a brief response.

PRESIDENT (in Cantonese): Secretary, so please answer the follow-up question raised by Mr Frederick FUNG.

SECRETARY FOR HOUSING (in Cantonese): Madam President, as I said in response to Mr LAU's view just now, I will reflect the Honourable Members' review to the HA. I think if Mr FUNG has found the existing limits too harsh on the PRH tenants and rendering them unable to enjoy their flats, the HA may consider conducting a review in this respect.

MR HOWARD YOUNG (in Cantonese): *Madam President, I notice in Table 1 that the number of households paying double rent and 1.5 times rent has been on the decline over the past three years. May I ask the Secretary whether it is because the households concerned, with their income being reduced with the economic conditions, have passed the second means test and are required to pay only the subsidized rent, or because they have already vacated their flats by then that the relevant number has been on the decrease?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, actually, both reasons are correct. Let us take the first reason in the first instance, like that of the general public in Hong Kong, the average income of PRH tenants has decreased over the past few years. Another reason is that some households have deleted the names of their adult children from the list of tenants upon being required to pay additional rent. Over the past three years, some 1 990 households have applied for deletion of their adult children's names upon being required to pay additional rent. As matter of fact, it is quite common for grown-up children to move out of their parents' place, and I believe Members are all aware of that. In many cases, the households concerned did not inform the HD even after their adult children had moved out because they did not want the Housing Manager to ask them to move to a smaller flat but wished to retain the larger PRH flats. The applications for deletion were subsequently submitted by the principal tenants only when they were eventually required to declare their household income again.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, could the Secretary inform this Council whether the Government has any information on the*

assessment of the Housing Subsidy Policy? Actually, many PRH tenants have purchased HOS flats using the green form. According to the relevant figures, even if there should be no Housing Subsidy Policy implemented by the Administration, tens of thousands of PRH tenants would still be applying for the HOS flats. That being the case, what difference will the Housing Subsidy Policy make? If the objective of the Housing Subsidy Policy is to push the well-off PRH tenants to purchase HOS flats, what difference would the two policies make?

SECRETARY FOR HOUSING (in Cantonese): Madam President, I thank Mr TAM for his supplementary. How many PRH flats could be vacated if we are to rely solely on the HOS without the Housing Subsidy Policy? I am afraid I do not have any figures in this respect, and I believe the difference Mr TAM asked about just could hardly be calculated. Actually, the objective of the existing Housing Subsidy Policy is to require the well-off tenants to surrender their PRH flats to enable the limited public housing resources to be allocated to people who have genuine housing needs. At the same time, we also hope to limit the scope of public housing subsidy to a reasonable size to avoid overlapping with the private housing market.

MR ABRAHAM SHEK (in Cantonese): *Madam President, may I ask the Secretary why tenants are required to declare their income and assets only after they have been living in their PRH flats for 10 years, and why not after five years or three years?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, as I said earlier, we have conducted an extensive consultation exercise before implementing the Policy, and views were solicited from society, including the then Legislative Council. Seeing that tenants must undergo means tests in accordance with the Waiting List income limit before they could be allocated a PRH flat, the view of the general public at that time was that the tenants should be allowed a stable period of time to enable them to settle down in their PRH flats. In my view, the present arrangement of not requiring tenants to declare their household income and assets during the first 10 years of their residency in PRH flats could help to strike a balance between the need to enable PRH tenants to live and work happily and the need to allocate resources in a reasonable manner.

MR HOWARD YOUNG (in Cantonese): *Madam President, according to the reply made by the Secretary earlier on, certain households are no longer required to pay double or 1.5 times rent probably because their income has decreased. In this connection, may I ask the Secretary whether the relevant limits have been adjusted in the light of the deflation situation in Hong Kong or any other indexes including the median household income, or have they remained at their original prescribed levels without any changes?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, actually, the income limit under the Housing Subsidy Policy and the Waiting List income limit are closely related, as the former is set on the basis of the latter. The Waiting List income limit is adjusted annually in accordance with households' annual housing expenditure, including the rents payable for their accommodation in private tenement buildings, government rent, rates, management fees, and so on. We have a formula for calculating the limit on the basis of the aforementioned housing expenditure and other non-housing expenses. Basing on this Waiting List income limit, we will then calculate the income limit under the Housing Subsidy Policy. Tenants with a household income level two times that of the Waiting List income limit will be required to pay 1.5 times rent, while tenants with a household income level three times that of the Waiting List income limit will be required to pay double rent. Regarding assets limits, the relevant limit for a four-member family is set at the average price for a three-room HOS flat in urban areas; in other words, with such assets, the household concerned should be able to buy a similar HOS flat. As regards other limits, such as the number of persons in the relevant family, we will also make adjustments accordingly. Perhaps I should give Honourable Members an example here. Suppose the net asset limit for 2002-03 is \$1.25 million, a four-person family with a household income of more than \$44,000 monthly and has \$1.25 million net assets will be required to surrender the PRH flat in accordance with the standards mentioned.

PRESIDENT (in Cantonese): Mr Howard YOUNG, do you wish to raise a follow-up question?

MR HOWARD YOUNG (in Cantonese): *No, I wish to wait for my turn to raise another supplementary question.*

MR CHAN KAM-LAM (in Cantonese): *Madam President, may I ask the Secretary whether the Government has considered, apart from encouraging them to apply for government loans to purchase flats in private tenement building, selling to the well-off tenants the PRH flats they are currently occupying? That way, the Government does not have to provide these tenants with subsidies any more.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, I believe Members are aware of the Tenants Purchase Scheme (TPS) has been introduced by the HA in 1998. Under the Scheme, the Government has pledged to sell 250 000 PRH flats to the tenants concerned. In other words, we will sell the relevant PRH flats to the sitting tenants, and about 25 000 flats will be put up for sale annually. The Scheme has now entered Phase V, and we will continue to implement it.

MR CHAN KAM-LAM (in Cantonese): *Madam President, my supplementary was not on the TPS but the well-off tenants living in public housing estates not listed under the TPS. Could the Secretary inform this Council whether the Government will consider selling to the well-off tenants the PRH flats they are currently occupying?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, the existing practice of the HA is to encourage these PRH tenants to purchase HOS flats or purchase flats in private tenement buildings through the relevant loan schemes.

PRESIDENT (in Cantonese): Council has already spent more than 17 minutes on this question. I will allow only one more Member to raise the last supplementary question?

DR PHILIP WONG (in Cantonese): *Madam President, I believe the HD has amassed a considerable pool of personal data of the PRH tenants. In this connection, may I ask the Secretary in what ways will the privacy of tenants' personal data be protected?*

PRESIDENT (in Cantonese): Dr WONG, the subject matter of this question is related to the well-off PRH tenants, do you wish to raise a supplementary question on the privacy of the personal data of such tenants?

DR PHILIP WONG (in Cantonese): *Yes, Madam President.*

SECRETARY FOR HOUSING (in Cantonese): Madam President, in the relevant declaration forms, the principle tenant and his/her family members will formally authorize the HA or the HD to examine the data they submit and make comparisons, they will also authorize the Administration to collect information from a third party. I can assure Members that both the HA and the HD will only collect those data relating to the household's income and assets and the data collected will be stored properly in the relevant estate offices, accessible only by the officials responsible for vetting the declaration forms. Upon completing the vetting procedure, the personal data collected by the relevant officials from other government departments, such as the Land Registry, the Transport Department, and so on, will be completely destroyed. I can guarantee to Members that the privacy of tenants' personal data will certainly be protected. If any tenants should have any need to check or amend their personal data, they could apply to the relevant estate managers for doing so in accordance with the provisions under sections 18 and 22 of the Personal Data (Privacy) Ordinance.

PRESIDENT (in Cantonese): The oral question time shall end here.

WRITTEN ANSWERS TO QUESTIONS

Review of CSSA and OAA Schemes

7. **MR WONG SING-CHI** (in Chinese): *Madam President, it has been reported that the Government is reviewing the Comprehensive Social Security Assistance (CSSA) Scheme and the Old Age Allowance (OAA) Scheme. In this connection, will the Government inform this Council:*

- (a) *of the current number of elderly people who rely mainly on the OAA (commonly known as "fruit grant") to meet their living expenses, together with a breakdown of the number by age groups (each covering five years);*
- (b) *of the progress of the review on the OAA Scheme, the items being studied, and when the report will be completed and published; and*
- (c) *whether the areas of study have been set for the review of the CSSA Scheme, including the desirability of setting an upper limit on the annual expenditure for the Scheme?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, the Government is committed to providing a safety net to offer assistance to those members of our community who are in need. In this connection, our CSSA Scheme provides assistance for the financially vulnerable, while the Social Security Allowance (SSA) Scheme (which consists of the OAA and the Disability Allowance) specifically provides assistance to the elderly and severely disabled to meet their special needs.

We will provide a total of \$22 billion for the CSSA and SSA Schemes in 2002-03, an increase of 57% over the provision of that in 1997-98 and roughly 10% of this year's recurrent public expenditure. This is a strong testament to our commitment to providing financial assistance to those members of our community who suffer financial difficulties due to various reasons to help them meet basic needs. Currently, our CSSA system is helping about 411 000 needy recipients, while another 440 900 elders and 94 000 disabled persons are receiving cash allowances intended to provide assistance under the SSA Scheme¹.

Given the enormous resources involved in the CSSA and SSA Schemes, we do review the situation from time to time to ensure that the resources are directed to those genuinely in need, and examine whether there are options in utilizing the resources even more effectively and efficiently, so as to enhance our capacity to target even greater assistance to those most in need. But this does not imply that decisions have been taken and that there are plans at hand for major changes.

¹ As at the end of March 2002, there were about 458 000 active cases under the OAA and 103 000 under the Disability Allowance which included cases under processing.

Regarding the specific questions:

- (a) The number of elders who are receiving the OAA are 440 900, as at the end of March 2002. They include 113 200 elders aged between 65-69 who are receiving the Normal Old Age Allowance (NOAA), and 327 700 elders aged 70 and above who are receiving the Higher Old Age Allowance (HOAA). A breakdown of the numbers by age groups (each covering five years) is at the Annex. NOAA recipients are subject to means declaration. The asset and monthly income limits for a single person are set at \$169,000 and \$5,910 respectively, and those for a married couple are set at \$254,000 and \$9,740 respectively. HOAA recipients are not subject to any means declaration. We cannot therefore assume that all elders who currently receive the OAA rely mainly on the OAA to meet their living expenses. In this connection, a survey conducted by the Census and Statistics Department in 2000 to study, among other things, the economic profile of non-institutional elderly people and soon-to-be-old people showed that for those elderly people who had monthly personal income (99.6% of the elderly population), 89.0% had "interest from savings/fixed deposits or dividends from stocks"; 58.4% had "financial support from children"; 51.6% had "Old Age Allowance"; 12.5% had "salary"; and 12.0% had "Comprehensive Social Security Assistance".
- (b) In view of the ageing of our population and the differences in the socio-economic and demographic profiles of the current generation and the future generations of older persons, we have been considering the provision of financial support for needy elders in the context of the three-pillar model recommended by the World Bank². The objective of our study is to develop a long-term sustainable safety net that better targets resources at those needy elders to meet their basic needs, and which takes into account our local circumstances, particularly our low and simple taxation system. How to achieve the objective is a complex issue which we are examining very carefully. If and when there are proposals to introduce major changes to the system, we will certainly consult the Legislative Council and the public first.

² The "three-pillar" model comprises the first pillar of a compulsory public plan for poverty alleviation and prevention, the second pillar of a privately managed compulsory pension plan for income maintenance, and the third pillar of a voluntary savings-annuity plan to supplement the two above.

- (c) In 2002-03, we will provide a total of \$16 billion for CSSA, an increase of 9% over the approved provision of 2001-02. As mentioned above, we do review the situation in the CSSA system from time to time to ensure that the resources are directed to those genuinely in need, and examine whether there are options in utilizing the resources even more effectively and efficiently. If and when there are proposals to introduce major changes to the CSSA system, we will certainly consult the Legislative Council and the public first.

Annex

Number of Persons Receiving OAA by Age Group
(as at end of March 2002)

<i>Age Group</i>	<i>Number of Persons</i>
65-69	113 200
70-74	149 800
75-79	98 900
80 or over	78 900
Total	440 900

Note: 1. Figures may not add up to the total due to rounding.

2. As at the end of March 2002, there were about 458 000 active cases under the OAA which included cases under processing.

Taxi Hiring Scheme

8. **MR HOWARD YOUNG** (in Chinese): *Madam President, it has been reported that the Transport Department implemented a three-month taxi-hiring scheme in mid-November last year, enlisting 23 participating taxi associations whose members provided transport services for duty travel of officials below the director/commissioner rank in various government departments, at prescribed fares which were lower than the rental of government vehicles so as to enable the departments concerned to cut costs. In this connection, will the Government inform this Council:*

- (a) *of the government departments which participated in the scheme, as well as details regarding the number of hiring made, the mileage travelled and the time involved, and so on;*
- (b) *whether it has assessed the effectiveness of the scheme; and whether the scheme will be extended to all government departments; and*
- (c) *whether it has considered including in the scheme the fleet services provided by other private operators; if so, whether the service providers will be selected through tender exercise; if not, of the reasons for that?*

SECRETARY FOR THE TREASURY (in Chinese): Madam President, the reply to the three-part question is as follows:

- (a) As a pilot, the scheme was confined to the Transport Department only. The scheme was available to all staff in the Department, including the Commissioner and other directorate officers. The scheme, originally intended for three months, has been extended pending evaluation by the Government Land Transport Agency. A total of 29 taxi associations participated in the scheme on a voluntary basis.

During the first five months of the operation of the scheme from 15 November 2001 to 14 April 2002, the Transport Department has made 149 taxi-hirings for a total of 404 hours. Since the scheme involved the hire of taxis on an hourly basis, no records on the distance travelled were kept.

- (b) The Government Land Transport Agency is assessing the cost-benefits of the scheme as well as the likely demand from other bureaux and departments for similar use of taxis. It will, as appropriate, formulate arrangements for extending the scheme across the whole of Government.
- (c) The Government already has arrangements for hiring of vehicles from commercial fleet operators to supplement departmental

transport. The Government Land Transport Agency currently administers nine contracts for hiring different types of vehicles (including saloon cars, vans, lorries and coaches) from private operators. In the interests of open and fair competition, all these contracts were awarded through tender. Other departments also arrange, from time to time, the procurement of commercial vehicles to meet their operational requirements. Such procurement follows the procedures laid down in the Government's Stores and Procurement Regulations.

Hong Kong Residents Turning to Airports in Pearl River Delta Region

9. **MR HUI CHEUNG-CHING** (in Chinese): *Madam President, the Hong Kong Airport Authority (AA) has reportedly stated that in the year 2000, 430 000 passenger trips were made by Hong Kong citizens travelling to and from other mainland cities via the Shenzhen Airport, and it has estimated that the figure would rise to 1 million this year. In this connection, will the Government inform this Council whether:*

- (a) *it knows the respective annual growth in the number of passenger trips made by Hong Kong citizens who have turned to using the airports in the Pearl River Delta (PRD) region to fly to mainland and overseas cities, since the commissioning of the Hong Kong International Airport (HKIA); and whether it has projected the growth in the next three years;*
- (b) *it has assessed the economic loss suffered and to be suffered by the AA each year since the commissioning of the HKIA and over the next three years as a result of Hong Kong citizens turning to using the airports in the PRD region; and*
- (c) *measures were adopted in the past two years to attract Hong Kong citizens to use the HKIA; if so, of the effectiveness of the measures; and whether it will consider implementing more measures to further attract the citizens to use the airport; if it will, of the details?*

SECRETARY FOR ECONOMIC SERVICES (in Chinese): Madam President, the airports in the PRD region include the Guangzhou Airport, the Zhuhai Airport, the Macau International Airport and the Shenzhen Airport. As far as the Guangzhou Airport is concerned, owing to its relatively long distance from Hong Kong, the AA estimates that the utilization rate of this airport by Hong Kong residents would be very low. The Zhuhai Airport and the Macau International Airport have low passenger throughput (0.64 million and 3.81 million respectively in 2001) and relatively few destinations and flights. As such, the AA also estimates that the utilization rates of these two airports by Hong Kong residents would be quite low.

As there are more connecting flights from the Shenzhen Airport to other mainland cities, there has been a significant increase in the number of Hong Kong residents using the Shenzhen Airport for travelling to other mainland cities in recent years. The AA does not have the relevant statistics for the years before 2000, but based on the information obtained from the travel industry, it estimates that in 2000 and 2001, there were about 0.34 million and 0.43 million Hong Kong residents respectively flying to other mainland cities from the Shenzhen Airport. The economic impact on the AA as a result of Hong Kong passengers using the Shenzhen Airport is mainly the revenue forgone in respect of terminal building charge (per departing passenger), landing and parking charges, which are roughly estimated to be \$19 million and \$25 million in 2000 and 2001 respectively.

The AA forecasts that if the present situation and development trends of the airports concerned remain unchanged, the total number of Hong Kong residents using the Shenzhen Airport may reach 2 million over the next three years. In face of the new competitive environment, the AA has been formulating measures to enhance the attractiveness of the HKIA to both Hong Kong and the PRD residents. In fact, owing to the HKIA's world-class facilities and its extensive international aviation network to some 90 cities, many residents of the PRD region have been attracted to use the HKIA in their travel. In 2001, there were 0.6 million such residents travelling to and from overseas via the HKIA, generating revenue of about \$35 million for the AA.

Over the past two years, the AA has implemented a series of improvements to both the hardware and software facilities of the HKIA, such as enhancing the passenger terminal facilities (a completely new customer service centre and hi-tech multi-media information booths were commissioned in January 2002) and providing more diversified services for visitors (allocating

additional space at the departure check-in level for travel agencies to set up information counters and extending the opening hours of some shops and restaurants during the Chinese New Year holidays). The AA will continue to implement such improvement measures so as to maintain the leading position of the HKIA.

In addition, the AA is actively pursuing measures to enhance the HKIA's transport connectivity with the PRD region, such as conducting studies to develop air-sea multi-modal ferry passenger services. The AA is also exploring opportunities for co-operation with nearby airports with a view to enabling each airport to develop its own strengths in order to achieve a win-win situation. However, the Airport Authority Ordinance (the Ordinance) currently restricts the AA's activities largely to the airport island. In order to implement any cooperation project with other airports, it is necessary for the Chief Executive to make an order under section 5(3) of the Ordinance, which has to be tabled before the Legislative Council for negative vetting, to permit the AA to undertake certain airport-related activities outside the airport island.

Slippage in Construction Works on New School Premises

10. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, regarding slippage in the construction works of new school premises of government and aided secondary and primary schools, will the Government inform this Council:*

- (a) *of the schools whose new premises were completed in accordance with the planning schedule and put to use in September of that year when the new school year began, and those whose new premises failed to meet the schedule, in each of the past five years, with a breakdown by school districts and the profile of slippage for less than three, six, nine and 12 months or more than one year respectively;*
- (b) *of the schools whose new premises will be completed this year in accordance with the planning schedule and put to use in September of this year when the new school year begins, with a breakdown by school districts; and the schools the construction works of whose new premises are expected to be delayed, as well as the length of slippage;*

- (c) *of all the causes of the slippage in the construction works;*
- (d) *as delays in construction works of new school premises have often occurred over the years and caused confusion in school operations, such as upsetting the plans for their conversion into whole-day schooling, causing new schools to defer their first school day or to have to use the premises of other schools temporarily, whether the Education Department (ED) has provided any support to the affected schools; if so, of the details; if not, the reasons for that; and*
- (e) *of the long term measures to solve the problems of frequent slippage in the construction works on new school premises?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese):

Madam President, to ensure that new school premises are completed on schedule, relevant government departments have all along been closely monitoring the progress of school building programmes. We have set up a School Building Programme Review Committee, an inter-departmental committee comprising representatives from the ED, the Architectural Services Department (ArchSD) and the Housing Department (HD), to monitor the progress of all school projects. All possible remedial actions will be taken once slippage is identified so that improvement could be made soonest possible. Details of new school premises completed and put to use in the past five years are at Annex 1.

As shown in Annex 1, the majority of school projects were completed on schedule. There may be occasional slippage due to the following reasons:

- (1) unsatisfactory performance of contractors (such as poor management, labour dispute and financial problems);
- (2) some schools located in public housing estates could not be completed on schedule due to slippage in the housing estate projects;
- (3) unforeseen technical problems (such as geotechnical and piling problems); and
- (4) disruption caused by bad weather.

According to our original school building programme, 23 new schools will be completed in the 2002-03 school year. Details are at Annex 2.

Similar to past years, we have been monitoring closely the progress of school projects. Our assessment up to late April was that there might be a slippage in six school projects this year. It is mainly due to the persistently unsatisfactory performance of a contractor who happens to be in charge of five of these school projects. The ArchSD immediately took remedial measures at the end of last year when it noticed that the progress was slow. Measures taken include interviews, written warnings, and deployment of in-house architects to station on the sites for inspection and supervision. The contractor has also been suspended from tendering for other public works projects pending improvement in its performance. We hope that the above measures could urge the contractor to expedite progress so that the schools could be completed on schedule. If the projects fail to complete on time, we will seek compensation from the contractor in accordance with the terms and conditions of the contracts. The remaining project is located in a public housing estate and is delayed due to rainy weather and unforeseen technical difficulties in piling. The HD has taken follow-up actions and will closely monitor the progress.

Although there is occasional delay in school projects and the delay is only a matter of a month or so, we consider that this situation is not satisfactory. Our target is to ensure that all school projects could be completed before the commencement of a new school year. To achieve this target, we have taken the following actions:

- (1) enhancing communication among relevant departments and advancing procedures related to site identification, feasibility studies, planning and funding approval, and so on, so as to allow a buffer between project completion and school commencement;
- (2) streamlining procedures for capital works programmes. The streamlined procedures have applied since November 2001. For example, after the streamlining, the time required for feasibility studies has been reduced by about two to three months; and
- (3) strengthening supervision of contractors' performance. To have a deterrent effect, contractors whose performance is poor will be suspended from tendering for public works projects for a period of time and required to compensate under the contracts.

While we will monitor and expedite the school projects through measures mentioned above, we will also keep schools well informed of the latest progress so that they could plan accordingly. If the school premises could not be completed on schedule due to project delay, the ED will take the initiative to discuss with schools concerned for contingency measures, such as identifying suitable temporary school premises, borrowing the premises of other schools, adjusting the plans for conversion into whole-day schooling, and so on, so as to minimize the impact on teachers and students.

Annex 1

New Schools completed during the period 1997 to 2001

New schools completed in 1997

<i>School District</i>	<i>Name of school</i>	<i>Completed in accordance with the planning schedule and put to use in September of that year</i>	<i>Delay</i>				
			<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>	<i>More than one year</i>
Eastern	Islamic Kasim Tuet Memorial College	✓					
Kowloon City	Alliance Primary School, Whampoa	✓					
Kowloon City	GCEPSA Whampoa Primary School	✓					
Sai Kung	Wellington Education Organisation Chang Pui Chung Memorial School	✓					
Sai Kung	STFA Cheng Yu Tung Secondary School	✓					
Sai Kung	NTW&JWA Leung Sing Tak Primary School (Tseung Kwan O)	✓					
Islands	Ching Chung Hau Po Woon Primary School	✓					
Islands	Po On Commercial Association Wan Ho Kan Primary School	✓					
Islands	Ho Yu College (sponsored by Sik Sik Yuen)	✓					
Islands	PLK Mrs Ma Kam Ming Cheung Fook Sien College	✓					
North	YCH No. 5 Secondary School (Skills Opportunity)	✓					
Tuen Mun	SMKMCF Ma Ko Pan Memorial College	✓					
Tsuen Wan	Shek Chung Shan Memorial Catholic Primary School	✓					
Tsuen Wan	Hong Kong Baptist Convention Primary School		✓				
	Total:	13	1	0	0	0	0

New schools completed in 1998

<i>School District</i>	<i>Name of school</i>	<i>Completed in</i>		<i>Delay</i>		
		<i>accordance with the planning schedule and put to use in September of that year</i>	<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>
Eastern	Fukien Secondary School (Siu Sai Wan)	✓				
Sai Kung	Christian and Missionary Alliance Sun Kei Primary School	✓				
Sai Kung	Pok Oi Hospital Chan Kwok Wai Primary School	✓				
Sai Kung	LCHKS Ma Kam Ming Charitable Foundation Ma Chan Duen Hey Memorial College	✓				
Sai Kung	HKTA The Yuen Yuen Institute No. 3 Secondary School	✓				
Sai Kung	Chi Lin Buddhist Primary School	✓				
Sai Kung	Yan Oi Tong Tin Ka Ping Primary School	✓				
Sai Kung	Tseung Kwan O Pui Chi School	✓				
Kwun Tong	HKTA Chan Lui Chung Tak Memorial School	✓				
North	Christian Alliance S. W. Chan Memorial College	✓				
Tai Po	Carmel Holy Word Secondary School	✓				
Tai Po	China Holiness Church Living Spirit College	✓				
Sha Tin	Caritas Ma On Shan Secondary School	✓				
Yuen Long	Buddhist Mau Fung Memorial College	✓				
Yuen Long	PLK Law's Foundation School	✓				
Tuen Mun	TWGHs Mr and Mrs Kwong Sik Kwan Skills Opportunity School	✓				
Kwai Tsing	Po Leung Kuk Tsing Yi Secondary School (Skill Opportunity)	✓				
	Total:	17	0	0	0	0

New schools completed in 1999

<i>School District</i>	<i>Name of school</i>	<i>Completed in accordance with the planning schedule and put to use in September of that year</i>					<i>Delay</i>				
		<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>	<i>More than one year</i>					
Southern	SKH Tin Wan Chi Nam Primary School	✓									
Eastern	Munsang College (Hong Kong Island)	✓									
Eastern	CNEC Lau Wing Sang Secondary School		✓								
Eastern	Lingnan Secondary School	✓									
Eastern	HKCWC Hioe Tjo Yoeng Primary School	✓									
Islands	Ling Liang Church Sau Tak Primary School	✓									
Islands	Ling Liang Che Wun Secondary School	✓									
Kwun Tong	St. Antonius Primary School	✓									
Kwun Tong	Po Chiu Catholic Secondary School	✓									
Yau Tsim Mong	Po Leung Kuk Camoes Tan Siu Lin Primary School	✓									
Shum Shui Po	Ka Ling School of the Precious Blood	✓									
Sai Kung	Tseung Kwan O Catholic Primary School	✓									
Sai Kung	Po Leung Kuk Wong Wing Shu Primary School	✓									
Sai Kung	Pok Oi Hospital 8th Anniverary Tang Ying Hei College	✓									
Sai Kung	Christian and Missionary Alliance Sun Kei Secondary School	✓									
Sai Kung	Yan Chai Hospitals Wong Wha San Kei Secondary School	✓									

<i>School District</i>	<i>Name of school</i>	<i>Completed in accordance with the planning schedule and put to use in September of that year</i>					<i>Delay</i>	
		<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>	<i>More than one year</i>		
North	Fanling Rhenish Church Secondary School	✓						
North	Pentecostal Yu Leung Fat Primary School	✓						
Tai Po	Ling Liang Church M H Lau Secondary School	✓						
Tai Po	Tai Po Government Primary School	✓						
Sha Tin	St. Rose of Lima's School	✓						
Yuen Long	The Jockey Club Eduyoung College	✓						
Yuen Long	Yuen Long Public Middle School Alumni Association Tang Siu Tong Secondary School	✓						
Yuen Long	Lions Club Ho Tak Sum Primary School	✓						
Yuen Long	Queen Elizabeth School Old Students Association Branch Primary School	✓						
Yuen Long	Tin Shui Wai Methodist Primary School	✓						
Yuen Long	TWGHs Leo Tung-Hai Lee Primary School	✓						
Tuen Mun	Ching Chung Hau Po Woon Secondary School	✓						
Tuen Mun	NLSI Peace Evangelical Secondary School	✓						
Tsuen Wan	Hoi Pa Street Government Primary School	✓						
	Total:	29	1	0	0	0	0	0

New schools completed in 2000

<i>School District</i>	<i>Name of school</i>	<i>Completed in</i>		<i>Delay</i>			
		<i>accordance with</i>	<i>Within</i>	<i>Within</i>	<i>Within</i>	<i>Within</i>	<i>More</i>
		<i>the planning</i>	<i>three</i>	<i>six</i>	<i>nine</i>	<i>12</i>	<i>than one</i>
		<i>schedule and put to</i>	<i>months</i>	<i>months</i>	<i>months</i>	<i>months</i>	<i>year</i>
		<i>use in September of</i>					
		<i>that year</i>					
Southern	HKCCGA Cheng Jack Yiu School*						✓
Southern	Precious Blood Primary School (South Horizons)	✓					
Southern	Hong Kong Southern District Government Primary School	✓					
Eastern	St. Mark's School						✓
Eastern	The Chinese Foundation Secondary School	✓					
Eastern	Pui Kiu Primary School	✓					
Eastern	Aldrich Bay Government Primary School	✓					
Yau Tsim Mong	HKMA David Li Kwok Po College	✓					
Yau Tsim Mong	Yaumatei Catholic Primary School (Hoi Wang Road)	✓					
Yau Tsim Mong	Sir Ellis Kadoorie Secondary School (West Kowloon)	✓					
Yau Tsim Mong	Tai Kok Tsui Catholic Primary School (Hoi Fan Road)	✓					
Wong Tai Sin	Tsz Wan Shan St. Bonaventure Catholic Primary School	✓					
Kwun Tong	Fukien Middle School	✓					
Kwun Tong	Lok Wah Catholic Primary School	✓					
North	Fanling Kau Yan College	✓					
North	SKH Ka Fuk Wing Chun Primary School	✓					

<i>School District</i>	<i>Name of school</i>	<i>Completed in accordance with the planning schedule and put to use in September of that year</i>					<i>Delay</i>	
		<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>	<i>More than one year</i>		
Sha Tin	CUHK PAA Chan Chun Ha Secondary School	✓						
Sha Tin	Tak Sun Secondary School	✓						
Sha Tin	SKH Ma On Shan Holy Spirit Primary School	✓						
Sha Tin	Ma On Shan Methodist Primary School	✓						
Sha Tin	PLK Riverain Primary School	✓						
Yuen Long	Chinese YMCA Secondary School		✓					
Yuen Long	Tin Shui Wai Methodist College		✓					
Yuen Long	Cumberland Presby Church Yao Dao Primary School		✓					
Yuen Long	XPY Primary School of Science and Creativity		✓					
Yuen Long	Chinese YMCA Primary School	✓						
Yuen Long	Christian Alliance SY Yeh Memorial Primary School	✓						
Yuen Long	HKFYG Lee Shau Kee Primary School	✓						
Kwai Tsing	The Church of Christ in China Yenching College	✓						
Kwai Tsing	SKH Tsing Yi Estate Ho Chak Wan Primary School	✓						
	Total:	24	5	1	0	0	0	

* This school was planned to be built together with the adjacent public housing estate and to provide school places for the designed population of the estate. Due to slippage of the estate project, the completion date of the school was deferred accordingly.

New schools completed in 2001

<i>School District</i>	<i>Name of school</i>	<i>Completed in accordance with the planning schedule and put to use in September of that year</i>		<i>Delay</i>			
		<i>Within three months</i>	<i>Within six months</i>	<i>Within nine months</i>	<i>Within 12 months</i>	<i>More than one year</i>	
Eastern	HKU Graduates Association Primary School	✓					
Kwun Tong	Pegasus Philip Wong Kin Hang Christian Primary School	✓					
Kwun Tong	The Mission Cov. Church Holm Glad Primary School	✓					
Kwun Tong	St. Matthew's Lutheran School (Sau Mau Ping)*			✓			
Kwun Tong	Sau Ming Primary School	✓					
Kwun Tong	Sau Mau Ping Catholic Primary School	✓					
Kowloon City	Holy Family Canossian School	✓					
Kowloon City	Kowloon Tong Government Primary School	✓					
Kowloon City	SKH Fung Kei Millennium Primary School	✓					
Kowloon City	Ma Tau Chung Government Primary School (Hung Hom Bay)	✓					
Islands	HKFEW Wong Cho Bau School	✓					
Islands	The Salvation Army Lam Butt Chung Memorial School	✓					
North	Fanling Assembly of God Primary School	✓					
Yuen Long	STFA Wu Mien Tuen Primary School	✓					
Yuen Long	WF Joseph Lee Primary School		✓				
Yuen Long	Tin Shui Wai Heung To Middle School	✓					
Yuen Long	Not yet fixed (School sponsor is Shap Pat Heung Rural Committee School Limited)*					✓	
Tuen Mun	Po Leung Kuk East Horizon Primary School	✓					
Tuen Mun	Hong Chi Morninghope School, Tuen Mun	✓					
Kwai Tsing	SKH Chu Oi Primary School*				✓		
	Total:	13	4	1	1	1	0

* These three school projects were delayed due to poor performance of contractors. The completion dates of SKH Chu Oi Primary School, St. Matthew's Lutheran School (Sau Mau Ping) and the primary school to be operated by Shap Pat Heung Rural Committee School Limited was deferred to September 2001, February 2002 and mid 2002 respectively.

Annex 2

New Schools to be completed in 2002

(1) New schools to be completed as scheduled and put to use in September

<i>School district</i>	<i>Name of school (name of school sponsor)</i>
Wong Tai Sin	PLK Grandmount Primary School
Wong Tai Sin	St. Patrick's Catholic Primary School
Wong Tai Sin	Wong Tai Sin Catholic Primary School
Wong Tai Sin	Po Leung Kuk Celine Ho Yam Tong College
Kwun Tong	Bishop Paschang Memorial School
Kwun Tong	Yan Chai Hospital Law Chan Chor Si College
Kwun Tong	Not yet fixed (Hong Kong Buddhist Association)
Kowloon City	La Salle Primary School
Tai Po	Not yet fixed (Po Leung Kuk)
Tai Po	Not yet fixed (Hong Kong and Kowloon Kaifong Women's Association)
Kwai Tsing	Not yet fixed (Church Body of the Hong Kong Sheng Kung Hui)
Kwai Tsing	Not yet fixed (Po Leung Kuk)
Yuen Long	Not yet fixed (Hong Kong Student Aid Society)
Yuen Long	Not yet fixed (Christian and Missionary Alliance Church Union)
Yuen Long	Not yet fixed (Hong Kong Council of the Church of Christ in China)

(2) New schools to be completed as scheduled and put to use after September

<i>School district</i>	<i>Name of school (name of school sponsor)</i>
Sai Kung	GT School
Sai Kung	Logos Academy

The above schools are located in a public housing estate. To tie in with the housing development, it is our original plan to have the new schools put to use after September.

(3) New schools which may be delayed and not ready for use in September

<i>School District</i>	<i>Name of school (name of school sponsor)</i>	<i>Period of delay</i>
Shum Shui Po	Laichikok Catholic Primary School	May be delayed to September 2002
Shum Shui Po	Shum Shui Po Government Primary School	May be delayed to September 2002
Tai Po	Tai Po Old Market Public School	May be delayed to September 2002
Kwai Tsing	CCC Kei Chun Primary School	May be delayed to September 2002
Kwai Tsing	Not yet fixed (Church Body of the Hong Kong Sheng Kung Hui)	May be delayed to September 2002
Eastern	Not yet fixed (Hong Kong Council of the Church of Christ in China)	May be delayed to October 2002

Utilization Ratio Between Public and Private Medical Services

11. **MR MICHAEL MAK** (in Chinese): *Madam President, the utilization ratio between public and private medical services is 94 to 6. In this connection, will the Government inform this Council:*

- (a) *how the current utilization ratio between public and private medical services compares with that 10 years ago; and the cause of change in such ratios;*
- (b) *of the respective numbers of health care personnel/medical staff employed in public and private medical sectors and their ratios against attendance in the respective sectors in each of the past 10 years;*

- (c) *whether it has conducted survey and analysis on the financial status of patients utilizing services in public hospitals and private ones; if it has, of the results; if not, whether it will conduct such survey and analysis;*
- (d) *whether it has considered balancing the current utilization ratio between the public and private medical services by increasing the fees of public medical services or other means; if it has, of the details; and*
- (e) *whether it has set any targets for changing the current utilization ratio between public and private medical services; if it has, of the details; if not, the reasons for that?*

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

- (a) Based on in-patient bed occupancy rate, the in-patient service utilization between public and private sector was 90.4% and 9.6% respectively in 1992. In 2001, the percentage changed to 93.4% and 6.6% respectively.

It should be noted that in the area of out-patient service, the utilization pattern is reversed, with private sector providing 85% of the total out-patient service in the year 2000.

There are a number of plausible reasons to account for the above ratios. The highly affordable and improved quality of care in Hospital Authority (HA) hospitals over the years, coupled with the accessibility of the facilities, might have been the reason for increased utilization of public in-patient service by the general public. On the other hand, the convenience and relatively affordable service provided by private medical practitioners are considered to be the primary reason for a large percentage of out-patient service being provided by the private sector.

- (b) Tables 1 and 2 below show the staff strength, bed occupancy rate and the number of attendances in different categories of medical

services from 1991 to 2000 in HA and private hospitals respectively:

Table 1

<i>Year</i>	<i>Total staff strength</i>	<i>In-patient bed occupancy rate (%)</i>	<i>HA</i>		
			<i>In-patient and day-patient discharges and deaths</i>	<i>Specialist out-patient services attendances (Clinical and AH)</i>	<i>A&E attendances</i>
1991	-	-	663 900	4 244 100	1 282 000
1992	38 519	-	710 100	4 415 400	1 402 500
1993	40 644	-	761 600	4 710 300	1 492 600
1994	43 309	81.1	840 900	5 273 600	1 734 600
1995	46 668	82.1	919 700	5 884 600	1 979 200
1996	47 802	83.7	958 500	6 461 900	2 080 000
1997	49 534	85.0	985 500	7 365 000	2 168 800
1998	51 203	85.2	1 053 000	8 033 100	2 360 700
1999	50 208	86.1	1 104 600	8 008 100	2 407 100
2000	49 933	84.6	1 166 000	8 260 300	2 403 100

Table 2

<i>Year</i>	<i>Department of Health</i>		
	<i>Total staff strength</i>	<i>General out-patient services attendances</i>	<i>Specialist and other out-patient services attendances</i>
1991	5 504	5 477 144	6 698 698
1992	5 673	5 439 329	6 553 725
1993	5 738	5 461 647	6 201 720
1994	5 857	5 425 224	6 277 173
1995	5 958	5 580 609	6 567 978
1996	6 260	5 721 837	7 028 055
1997	6 507	5 823 431	7 168 451
1998	6 727	6 135 092	7 195 070
1999	7 010	6 317 690	7 383 258
2000	6 642	6 456 084	7 410 861

Table 3 below shows the bed occupancy rate in private hospitals from 1991 to 2000:

Table 3

<i>Year</i>	<i>Private Hospitals Bed occupancy rate (%)</i>
1991	65.2
1992	63.4
1993	58.9
1994	53.4
1995	51.1
1996	51.9
1997	55.5
1998	56.3
1999	51.0
2000	54.4

Statistics on the number of staff employed and patient attendances in the private sector are not available.

Due to the fact that different types of medical care, that is, general out-patient, special out-patient, Accident and Emergency, and in-patient services, have different requirements on medical staff in terms of intensity, activities and expertise required, an overall staffing ratio is not an accurate reflection of the work condition of health care staff in a clinical setting, nor is it a reliable indicator of the adequacy of medical services provided to patients.

- (c) In the Thematic Household Survey conducted by the Census and Statistics Department in the first quarter of 2001, about 10 000 households were interviewed and information on in-patient utilization by different household income groups and type of hospital was collected. Based on the question asked on in-patient service utilization in the last six months from the date the respondent was enumerated, it is observed that the median monthly household income of all in-patients was \$19,500. In-patients last admitted to private hospitals had a higher median monthly household income of

\$31,100, compared to \$17,200 for those who were admitted to HA hospitals. In addition, the survey results indicate that the hospitalization rates in respect of in-patients in HA hospitals were higher for persons from low income households, whereas for in-patient in private hospitals, the situation was reversed, that is, the rates were lower for persons from lower income households.

- (d) As stated in the Consultation Document on Health Care Reform, we are committed to achieving a better interface between the public and private sectors. To this end, a number of measures are being undertaken. First, under the chairmanship of the Secretary for Health and Welfare, two dedicated working groups have been formed with representatives of public hospitals and private medical practitioners. The working groups serve as the focal point for exploring viable options and schemes that could lead to a closer collaboration and better interface between the public and private sectors. For instance, discussions are being held on the development of common clinical protocols, patient referral guidelines and possible joint efforts between the public and private sectors in offering health care products for patients. Meetings are held on a regular basis and we are aiming at identifying viable options within this year. In addition, we are at the final stage of a comprehensive review on the fee structure in the public sector. One of the effects of the fee revision will be to influence patients' health-seeking behaviour and decision in the course of their treatment process and as a result, it would change their utilization of public sector services. The revamped fee structure could also create more opportunities for closer collaboration with private sector, with new health care packages devised for patients' selection.
- (e) We have not set a target for altering the current utilization ratio between public and private medical services. The decision to utilize public or private medical services rests ultimately with patients themselves, based on their perceptions of the differential between the public and private sectors, and their willingness to pay. It has been the accepted policy that the public sector cannot refuse a patient on the basis of his/her income level. That said, it is the Government's declared policy that there should be a dual system of

health care in Hong Kong, with the public and private sectors each playing a complementary role. The HA is exploring ways and means to facilitate patient choice to consider the alternative of private sector services through development of common clinical protocols, patient referral guidelines and new shared care programs with their private sector counterparts. In combination, these measures should gradually lead to a better utilization of the talents and resources in the private sector.

Genetically Modified Soya Beans

12. **MISS CYD HO** (in Chinese): *Madam President, it has been reported that Greenpeace, a green group, discovered early this month that a local food manufacturer used genetically modified (GM) soya beans imported from the United States to manufacture bean curd dessert and fresh soya milk, and the soya beans contained an unidentified deoxyribonucleic acid (DNA) segment. Some scientists have pointed out that the DNA segment may give rise to new protein in the soya beans as well as changes in their original genetic structure and metabolic system. The consequences of human consumption of such soya beans or their products are unknown. In this connection, will the Government inform this Council:*

- (a) *the foods for sale in Hong Kong containing such GM soya beans or the unidentified DNA segment; if no information is available, the reasons for that;*
- (b) *whether it has approached the manufacturer of such soya beans in the United States for more information; if so, of the details; if not, the reasons for that;*
- (c) *whether it has taken any measures to ensure that the health of Hong Kong consumers is not impaired by the eating of such soya beans;*
- (d) *whether it will consider requiring the local food manufacturer concerned to recall its bean curd dessert and fresh soya milk; if so, of the details; if not, the reasons for that;*

- (e) *given the recent series of GM foods-related incidents, whether it will consider expediting the introduction of a mandatory labelling system for GM foods; if so, of the details; if not, the reasons for that; and*
- (f) *given that the Administration advised this Council on 15 December 1999 that GM foods could be treated as safe as conventional foods if their components were found to be substantially the same, whether it will review such a point of view in the light of this incident and put in place a mechanism for regulating and assessing GM foods; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Chinese):
Madam President,

(a) to (c)

The GM soya beans mentioned by Greenpeace are "Roundup Ready" soya beans. We have approached their manufacturer in the United States as well as a number of overseas regulatory authorities to see whether the DNA in question would affect food safety. According to the information gathered, the manufacturer and the regulatory authorities have already included DNA testing in their safety assessments. Food regulatory authorities in the United States, Australia, New Zealand, Canada and the European Union have all confirmed the safety of the soya beans and permitted their use in food. Except for some highly perishable food including meat, milk and frozen confectionery, food importers are not required to seek prior approval or make declarations regarding the food raw materials used in the food products they intend to import. Therefore, we do not have information on the food products that contain these GM soya beans or the DNA segment.

- (d) As there is no evidence that the GM soya beans in question are unfit for human consumption, we are not going to recall the soya beans products.

- (e) Currently, there is no international consensus on GM food labelling. During our public consultation on the subject last year, some expressed the views that the introduction of a mandatory labelling system for GM food would have serious consequences for the trade and the consumers, including increased food costs and food manufacturers giving up the Hong Kong market, thus reducing consumer choice in food variety. We have commissioned a consultancy study to assess a GM food labelling system's possible implications on food supply and food prices. We will decide on the way forward after the completion of the study. The study is now underway and is expected to complete in a few months' time.
- (f) Regarding the safety of GM food, the World Health Organization (WHO) and the Food and Agriculture Organization of the United Nations (FAO) have all along recommended the principle of "substantial equivalence" for conducting assessments. The principle is now widely adopted by food regulatory authorities in different countries. In 2000, the WHO expounded again the concept of this principle. Under this principle, food safety assessment bodies would compare a GM food with its conventional counterpart to identify the similarities and differences between them. The GM food will then undergo a series of tests and safety assessments for various characteristics, including nutritional contents, and toxicological and allergenic properties.

Internationally renowned authorities, including the WHO and the FAO, believe that the safety level of GM food is not inherently lower than conventional food. Moreover, there is no scientific or medical evidence to suggest that GM food is unsafe to humans at present. Currently, all GM food on sale in the international market have been subjected to rigorous safety assessments by manufacturers and regulatory bodies in their places of origin before they are put on the market to ensure their safety. Therefore, we do not plan to change the existing regulatory mechanism for monitoring food safety. We will, however, continue to closely monitor the developments in food technology, including the development trend of genetic modification, to keep pace with international food safety assessments.

Qualifications of Chinese Medicine Practitioners

13. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, the Chinese Medicine Ordinance (Cap. 549) (the Ordinance) provides that a person who applies to undertake the Chinese Medicine Practitioners (CMP) Licensing Examination must have completed such undergraduate degree course of training in Chinese medicine practice or its equivalent as is approved by the authority concerned. Moreover, people practising Chinese medicine on 3 January 2000 may have their names entered on a list as listed CMP. They may undertake an assessment within a specified time in order to obtain the status of registered CMP. Regarding the recognized academic qualifications of local CMP and on-the-job training for them, will the Government inform this Council:*

- (a) *of the subjects, contents and other details of such courses or their equivalent as are approved by the authority concerned;*
- (b) *among all the listed CMP, the number and proportion of those who possess the approved or equivalent academic qualifications; and*
- (c) *of the measures being taken to enhance on-the-job training for CMP?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, according to the Ordinance, a person shall be eligible to undertake the Licensing Examination if:

- (i) he satisfies the Practitioners Board of the Chinese Medicine Council of Hong Kong that at the time of the application he has satisfactorily completed such undergraduate degree course of training in Chinese medicine practice or its equivalent as is approved by the Practitioners Board; or
 - (ii) he is a person whose name is entered on the list maintained under section 90 of the Ordinance under the transitional arrangements and is required to undertake the Licensing Examination.
- (a) For the purpose of (i) above, the Practitioners Board has set up a dedicated committee for the accreditation of local undergraduate

degree courses in Chinese medicine practice. The accreditation exercise is at an advanced stage. The Board expects to announce details of accredited courses shortly.

- (b) Under the transitional arrangements for CMP, any person who was practising Chinese medicine on 3 January 2000 could apply to the Chinese Medicine Council, by a specified date, for his name to be included in the list under section 90. The Council announced in December 2001 that 7 707 CMP have been included in the list, but the academic qualifications of these listed practitioners have yet to be verified.

Under the transitional arrangements, a listed practitioner who has been practising Chinese medicine in Hong Kong for a continuous period of not less than 15 years, or who has been practising Chinese medicine in Hong Kong for a continuous period of not less than 10 years and has obtained a qualification in Chinese medicine practice acceptable to the Practitioners Board, shall be eligible to be registered as a registered CMP without going through the Licensing Examination. A listed practitioner who has been practising Chinese medicine in Hong Kong for a continuous period of not less than 10 years, or who has been practising Chinese medicine in Hong Kong for a continuous period of less than 10 years and has obtained a qualification in Chinese medicine practice acceptable to the Practitioners Board shall be exempted from the Licensing Examination but shall be required to pass a registration assessment conducted by the Practitioners Board before he is qualified to be registered as a registered CMP. All other listed practitioners are required to pass the Licensing Examination before they are qualified to be registered as registered CMP.

The Practitioners Board is assessing the practising experience and related qualifications of the 7 707 listed practitioners. Qualifications acceptable to the Practitioners Board for the purpose of qualifying listed practitioners for registration include not only undergraduate degree courses of training, but also selected programmes in Chinese medicine practice conducted by local Chinese medicine institutions. Listed practitioners without any qualification acceptable to the Practitioners Board are allowed to

attend the Licensing Examination in order to obtain registration status.

- (c) The Ordinance stipulates that registered CMP must comply with the requirements relating to continuing education in Chinese medicine as may be determined by the Practitioners Board before their practising certificates are renewed. The aim is to enhance registered CMP' knowledge in Chinese medicine, to enable them to keep abreast of the latest development in Chinese medicine, and to uphold the professional standard of CMP. The Board is discussing with Chinese medicine associations and educational institutions on the relevant arrangements and will promulgate the requirements in due course.

Access to Buildings for the Disabled

14. **MR LAW CHI-KWONG** (in Chinese): *Madam President, in 1997, the Building Authority revised the Design Manual: Barrier Free Access to require that buildings should provide proper access and facilities for persons with a disability and of other categories. Such requirements include, inter alia, that buildings should have at least one barrier-free entrance, and ramps with handrails on both sides should be provided at places with changes in level. A rehabilitation agency has recently conducted a survey on buildings in various districts in Hong Kong, which reveals that the design of some buildings does not comply with such requirements. For example, barriers are found along the access of the only entrance, ramps that should be provided are not available, the persons-in-charge of the buildings do not remove facilities which contravene the regulations and install proper ones until after having obtained the occupation permits, and so on. In this connection, will the Government inform this Council whether it has assessed the causes of such malpractices?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, we issued the Design Manual: Access for the Disabled in 1984 requiring the provision of suitable access and facilities to a private building for persons with mobility problems (the Design Manual). It stipulated, *inter alia*, that a ramp with handrails on both sides should be provided at change in levels. These requirements were not applicable to domestic buildings and some

buildings (for example, hotels and places of public entertainment) were allowed to have limited facilities.

In 1997, we broadened the scope of the Design Manual to cover persons with hearing and visual impairment and to enhance the facility provision requirements. All newly constructed or substantially altered private buildings are subject to the requirements set out in this new manual. The only exception is where compliance would impose unjustifiable hardship on the owner concerned (for example, where the provision of such facilities in a very small site would render the whole development not viable), or where compliance is impracticable because of physical constraints (for example, where the presence of a structural ground beam in an existing building would render the provision of a ramp not possible).

The non-provision of facilities in some buildings for disabled persons may usually be attributed to one of the following reasons:

- (i) the buildings were built prior to the promulgation of the Design Manuals; or
- (ii) the requirements have been waived exceptionally for new buildings because they would impose unjustifiable hardship on the building owner concerned or because it is not practicable to provide the facilities in existing buildings undergoing alteration works; or
- (iii) the facilities have been removed by the owners/occupants without authorization. This may lead to enforcement actions by the Buildings Department.

There may be occasions where access facilities have been provided after the issue of occupation permits. These occasions include:

- (i) where the owner of a building that was built prior to the promulgation of the Design Manuals was required, as a result of undertaking substantial alteration and addition works, to provide these facilities in compliance with the existing requirements; and
- (ii) where the building owner has provided these facilities on his own initiative, although it is not obligatory for him to do so.

While the requirements set out in the 1984 and 1997 Design Manuals are only applicable to private buildings, all government buildings and buildings under the Housing Authority designed and built after the promulgation of the manuals also follow these requirements as far as practicable. We have also provided some older government buildings and Housing Authority buildings with adequate facilities for the disabled. We will continue our efforts in this regard.

Applications for Change of Land Use

15. **MR ABRAHAM SHEK:** *Madam President, regarding the applications for change of land use, will the Government inform this Council:*

- (a) of the total number of approved planning applications for conversion of industrial land to other uses in 2000 and 2001, as well as the sizes and locations of the sites concerned;*
- (b) whether, in approving the applications for change of land use, it has considered its impact on the overall plan for land sales by auction and the future housing supply; if so, of the results of its consideration; if not, the reasons for that; and*
- (c) whether, in the interests of the public, it will suggest to the applicant to consider co-operating with the Urban Renewal Authority (URA) to develop the land concerned; if so, of the details; if not, the reasons for that?*

SECRETARY FOR PLANNING AND LANDS: Madam President,

- (a) In 2000 and 2001, the Town Planning Board approved a total of 39 planning applications under section 16 of the Town Planning Ordinance for conversion of 9.3 hectares of existing industrial land mainly to commercial use and petrol filling and liquefied petroleum gas stations in Chai Wan, Kowloon Bay, San Po Kong, Cheung Sha Wan, Kwai Chung, Tsuen Wan, Sha Tin, Fan Ling and Yuen Long.
- (b) None of the approved planning applications was for the conversion of industrial land to residential use. There is no impact on the overall plan for land sales by auction or the future housing supply.

- (c) In case an application for conversion of industrial land to other uses involves land that falls within the announced project areas of the URA, the Administration will encourage the concerned applicant and the URA to discuss and consider the possibility of a joint development in order to achieve a better planning for the area for the benefit of the community.

Residential Coach Services in Tin Shui Wai

16. **MR ALBERT CHAN** (in Chinese): *Madam President, I have received complaints alleging that some residents' coach operators at Tin Shui Wai have been prosecuted by the police for breaching the requirement on the routing fixed by the Transport Department (TD), while no actions have been taken by the police against the free shuttle bus services provided by the operators of Kingswood Ginza and the Park'n Shop in the same district, which are operated without approval from the TD. In this connection, will the Government inform this Council:*

- (a) *of the prosecutions by the police against the illegal operation of residents' coaches in Tin Shui Wai in 2000 and 2001, with details of each prosecution, including the number of coaches involved, the routing, destinations, frequency and time of the service, fare per journey and the result of prosecution; and among those prosecutions, of the cases involving the shuttle buses of Kingswood Ginza and the Park'n Shop;*
- (b) *when the police became aware of the alleged illegal operation of such shuttle bus services; whether the police have subsequently prosecuted and warned the operators concerned; if so, of the respective numbers of prosecutions made and warnings given; if not, the reasons for that; and*
- (c) *of the criteria adopted by the police in prosecuting operators of illegal non-franchised buses; and whether different criteria are adopted by the police when making prosecutions because of the operators' different backgrounds?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, the police issued about 4 000 and 4 500 fixed penalty tickets on account of illegal operation of non-franchised buses (including illegal residents' coach service) in 2000 and 2001 respectively. There are no separate figures on the number of tickets issued to operators of illegal residents' coach service. Such fixed penalty tickets were issued on the spot immediately when the illegal operation was identified and no separate records were compiled on the operational details of the illegal non-franchised bus services concerned. Therefore it is not possible to provide the details such as routing and destination of the illegal residents' coach service covered in these enforcement actions.

The police and the TD have strengthened co-operation to take appropriate enforcement measures against the operation of unauthorized bus services. These include:

- (i) regulating the activities of authorized bus services through designation of stops for residents' bus services and setting up of restricted zones to discourage unauthorized services;
- (ii) issuing warnings to bus drivers and bus operators when illegal operations are spotted;
- (iii) issuing fixed penalty tickets and laying summons on offenders; and
- (iv) conducting inquiry with a view to considering whether the passenger service licence of the offenders should be suspended, cancelled or varied.

In taking action against illegal operation of non-franchised buses, the police and the TD will consider the circumstances of each case carefully, such as the extent of the offence and the evidence available but the background of the bus operators is not relevant. As for the Kingswood Ginza and Park'n Shop shuttle bus services, the TD has issued warnings to the operators asking them to cease the unauthorized free shuttle bus operation. The TD and the police are also considering means to tighten the regulation of free shuttle bus services.

Toxic Ozone Smog

17. **MISS CHOY SO-YUK** (in Chinese): *Madam President, a professor was reported as having stated that certain volatile contaminants emitted by factories in the Pearl River Delta blown in by the wind to Hong Kong produce a type of toxic ozone smog through the photochemical process after mixing with the nitrogen dioxide in the air. The smog affects the respiratory system of human beings and may even induce heart diseases. In this connection, will the Government inform this Council:*

- (a) *of the number of days in each of the past five years on which the ozone concentration in local ambient air was recorded as being in excess of the standard in the air quality objectives (AQO);*
- (b) *whether such days usually fell within certain months and their occurrences were related to the directions of the seasonal winds; and*
- (c) *of the measures to reduce the incidence of ozone smog?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Chinese):
Madam President,

- (a) In the past five years, the number of days on which the ozone level recorded at the air quality monitoring stations of the Environmental Protection Department exceeded the AQO were as follows:

<i>Year</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>
Number of days	1	0	5	7	14

Each of these incidents usually lasted for one to a few hours only.

- (b) Ozone is not emitted directly from pollution sources. It is formed as a result of photochemical reaction between nitrogen dioxide (NO₂) and volatile organic compounds (VOC) under sunlight and high temperatures. On days with calm wind, such as when Hong Kong

is under the influence of a tropical cyclone, these two pollutants will accumulate more easily and the ozone level will rise under the weather conditions mentioned above. Therefore, most of the incidents where the ozone level exceeds the AQO occur in the summer and early autumn when such weather conditions are more prevalent. Out of the 14 days on which the ozone level exceeded the AQO last year, Hong Kong was under the influence of a tropical cyclone on 12 of them.

- (c) Smog is caused by very fine particles formed under chemical reaction among ozone, NO₂, sulphur dioxide (SO₂) and VOC in weather conditions mentioned above. It is therefore necessary to reduce the emission of the pollutants concerned in order to reduce smog.

The smog problem faced by Hong Kong and the Pearl River Delta Economic Zone (PRDEZ) is the same. It is caused by both local and regional emission sources and is regional in nature. To improve regional air quality and tackle the smog problem, the Hong Kong Special Administrative Region Government and the Guangdong Government have reached a consensus to aim to reduce, on a best endeavour basis, the regional emissions of SO₂, nitrogen oxides (NO_x), respirable suspended particulates (RSP) and VOC by 40%, 20%, 55% and 55% respectively by 2010, using 1997 as the base year. To this end, the two governments will study in detail the following additional improvement measures suggested in the report of the "Study on Air Quality in the Pearl River Delta Region":

Measures suggested for consideration by Hong Kong:

- (i) reduce VOC emissions from industrial operations (such as printing) and consumer products (such as paints and various aerosol sprays); and
- (ii) use cleaner fuel for power generation in order to reduce SO₂, NO_x, and RSP emissions from the power plants in Hong Kong.

Measures suggested for consideration by PRDEZ:

- (i) reduce emissions from power plants through transmission of hydro-electricity from the west, using natural gas instead of coal as fuel and upgrading existing plants;
- (ii) reduce motor vehicle emissions through speeding up the tightening of motor fuel and vehicle emission standards; and
- (iii) reduce industrial emissions through targeting the most polluting industrial processes and requiring their upgrading or the installation of control equipment.

The two governments will study in detail the additional improvement measures suggested in the study report, determine work priorities and draw up an action plan with regard to the feasibility of the measures. The two governments will strive to reduce the emissions from their own sources by the same levels mentioned above by 2010. Achieving the emission reduction targets will enable Hong Kong to largely meet its current AQO, including that for ozone. The problem of smog will also be improved significantly.

Lighting of Firecrackers and Fireworks by Public

18. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, will the Government inform this Council whether it will review the policy which bans the lighting of firecrackers and fireworks by the public, and consider designating certain locations (such as areas within the Ocean Park) to allow vendors with special licences to sell firecrackers and fireworks to the public for their entertainment during specified festive periods so as to attract Hong Kong citizens to spend locally; if not, of the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, the current control over the use of firecrackers and fireworks is necessary as firecrackers and fireworks contain explosives which may pose a serious threat to public order and safety. Apart from the risk of injury to the users and others

when they are discharged, there is also a high risk of fire and explosion in connection with the import, manufacture, storage and conveyance of firecrackers and fireworks. From a law and order perspective, firecrackers and fireworks may be used to make larger explosive devices for illegal means. In view of the various risks of fire, explosion hazards, possible injuries and casualties as well as threats to public security, the Government has no intention to lift the ban on the use of firecrackers and fireworks, albeit partially such as within predetermined areas or during specified periods.

We appreciate that the display of fireworks would enhance the overall festive atmosphere and ambience of the city. Thus, under the Government's current policy, large-scale fireworks displays may be staged at the Lunar New Year and on National Day for the enjoyment of the public, subject to strict compliance of all relevant requirements and with the availability of sponsors.

Closure of Construction Companies

19. **DR RAYMOND HO** (in Chinese): *Madam President, the unemployment statistics for the third quarter of last year have recorded an unemployment rate of over 10% for the construction industry, which is the highest among all industries and trades, and this is partly attributable to redundancies in construction companies or the closing down of such companies, as well as the Government's failure to implement new public works projects on schedule. In this connection, will the Government inform this Council:*

- (a) *of the number of construction companies closed down in each of the past three years;*
- (b) *of the number of new public works projects scheduled for implementation in each of the past three years and, among these projects, the number of those which did not proceed as scheduled;*
- (c) *whether it has assessed if there is any direct relationship between the Government's failure to implement its projects on schedule and the closing down of construction companies; and*
- (d) *of the number of public works projects to be implemented in the coming two years?*

SECRETARY FOR WORKS (in Chinese): Madam President,

- (a) The numbers of construction companies that were wound up by the Court in the past three years are as follows:

<i>Year</i>	<i>Number of construction companies wounded up by the Court</i>
1999	39
2000	48
2001	55

- (b) The number of public works projects originally planned to start and the number of projects which actually commenced in the past three years are as follows:

<i>Financial Year</i>	<i>Number of projects planned to start in the Printed Estimates</i>	<i>Number of projects in (b) which actually commenced within the year</i>	<i>Number of additional projects not in (b) which commenced within the year</i>	<i>Total number of projects which commenced within the year</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e) = (c) + (d)</i>
1999-2000	114	68	39	107
2000-01	85	53	45	98
2001-02	105	77	33	110

It can be seen that whilst some projects were delayed, we had been generally able to expedite the start of some other projects to make up for the loss.

- (c) The factors leading to the winding up of a company could be many and varied. As most construction companies also undertake a wide range of private sector works besides public works contracts, we do not consider that the Government's public works programme has any direct relationship to the winding up of construction companies. Moreover, the table at (b) above shows that there has been no shortage of government projects in the past three years compared with our original targets.

- (d) We have scheduled to commence 113 public works projects in the current financial year under the Capital Works Reserve Fund as detailed in the Printed Estimates for 2002-03. For 2003-04, we expect to commence about 120 projects.

Legislation Against Abuse of Elderly People

20. **MISS EMILY LAU** (in Chinese): *Madam President, it has been reported that, as indicated by the information of the Social Welfare Department (SWD), 143 requests for assistance involving abuse of elderly people were received between October 1999 and February 2001 and this situation causes public concern. An officer of the Health and Welfare Bureau even considers it necessary to commence a study on the enactment of legislation against abuse of elderly people. In this connection, will the executive authorities inform this Council:*

- (a) *of the details of the cases which requested assistance, including the gravity of the acts of abuse, whether they have given rise to a suicidal tendency among the elderly concerned as well as social problems, and the way such cases have been handled;*
- (b) *of the scope of the study to be conducted for the purpose of enacting legislating against such abuse and the objective of enacting such legislation; and*
- (c) *when they intend to consult this Council, the relevant professions and members of the community on the enactment of such legislation?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, elder abuse is a complex problem involving multiple factors which may precipitate incidents of abuse. It is often the result of an interaction of a host of risk and protective factors in individuals, in the family, and in society. Understanding the risk and protective factors will help us develop effective prevention and intervention strategies, and programmes and services to help prevent the occurrence of elder abuse, and to intervene effectively when cases of abuse are known.

There is also no universally accepted definition of elder abuse, and perceptions and the descriptive definition of elder abuse vary among groups across and within societies, reflecting distinction between acceptable and unacceptable interpersonal and communal behaviour in different societies. The situation is further complicated by the fact that perpetrators of elder abuse have been found to be mostly family members. Many elderly victims are reluctant to report or admit to being abused to protect their loved ones, or they may be ashamed to admit to being abused by their own children or relatives, or even assume the blame for the abuser's behaviour.

The strategy adopted by the Administration to tackle elder abuse is to build up the knowledge base on the definition and prevalence of elder abuse in Hong Kong by undertaking research, developing a multi-professional protocol to deal with abuse cases, and establishing an elder abuse registry; to learn from overseas experiences in tackling elder abuse; to organize community education programmes so as to enhance public concern and awareness on the issue of elder abuse, and to promote respect for elders in society; to provide a supportive environment for vulnerable elders; and to enhance front-line workers' understanding, knowledge and skills in dealing with abuse cases through training. This strategy is broadly in line with the responses of overseas countries to elder abuse.

We have researched overseas experience in enacting specific elder abuse laws. We have noted that in some countries, new legislation has been enacted to criminalize the abuse of elders and to increase penalties for certain crimes against older persons. In other countries, there is thus far little or no legislation designed specifically to protect older persons from abuse. Protection of vulnerable adults is usually provided through criminal laws, Mental Health Act, or existing legal provisions covering health services, community care, housing and property rights, and so on. It is found that in the United States, specific state laws have been enacted to deal with elder abuse while in the United Kingdom and Australia, elders are protected from abuse mainly through the general legislative framework. In Hong Kong, although we do not have specific legislation against elder abuse, criminal offences committed against elders are prosecutable under existing laws.

Overseas experience also shows that there are mixed views towards the enactment of specific elder abuse laws. While proponents advocate that abuse laws help to safeguard the rights of elders, clarify the powers of intervention for health and social workers, outline the initial and long-term case management

procedures and deter potential abusers, opponents have regarded them as an undesirable intrusion into the sanctum of family and violation of personal liberty. They argue that valuable resources are likely to be consumed by "policing" families, rather than providing preventive and support services to them. In some countries where there is specific elder abuse legislation, application of the legislation is not systematic or active, probably because abuse cases are difficult to detect and professionals as well as elders themselves are reluctant to report. In some countries, professionals in health and welfare sectors are legally required to report cases of suspected abuse of older persons, neglect or exploitation. The effectiveness of mandatory reporting to respond to, and deter abuse of older persons is however in dispute. It is also recognized that in situations in which an older person is suffering from mental ill-health and is in need of assessment, resort to the law may be contraindicated. Given the complex inter-relationships between the elder and the abuser, the cultural context of our society which may add to the difficulties of case detection and reluctance to report, and that we are organizing more integrated responses to elder abuse, our current priority is to promote and enhance public awareness of the problem of elder abuse, and focus on prevention and intervention strategies, and not to enact specific legislation against elder abuse.

Turning to the specific questions:

- (a) As there is currently no central elder abuse registry, information on elder abuse is collected on an ad hoc basis. In an exercise conducted in March 2001 to collect information on reported elder abuse cases during the period from October 1999 to February 2001, the concerned service units of the SWD and non-governmental organizations (NGOs) reported that there were 143 elder abuse cases during the period. The reported details of the 143 cases are as follows:

	<i>Category</i>	<i>No. of Cases (Note 1)</i>
Type of abuse reported	Physical abuse	59
	Psychological abuse	42
	Financial abuse	12
	Sexual abuse	2
	Neglect	46
		Total: 161 (Note 2)

	<i>Category</i>	<i>No. of Cases (Note 1)</i>
Relationship between the elderly victims and the reported abusers	Spouse	53
	Children	65
	Daughters-in-law	22
	Others(for example, relatives, friends, maids and co-tenants)	12
		Total: 152 (Note 3)
Age of the elderly victims	60 to 70	39
	71 to 80	70
	81 and above	34
	Total: 143	
Sex of the elderly victims	Male	33
	Female	110
	Total: 143	

Note 1: Given that there is not yet an agreed definition on elder abuse in Hong Kong, these figures are rough estimates only.

Note 2: An elder abuse case may involve more than one type of abuse.

Note 3: An elder abuse case may involve more than one abuser.

The reported cases have been followed up by the relevant SWD service units and NGOs with appropriate services. We have no separate information on whether they have given rise to a suicidal tendency among the elders concerned as well as other social problems.

(b) and (c)

As mentioned above, our current priority is to promote and enhance public awareness of the problem of elder abuse, build up our knowledge base of the risk and protective factors for elder abuse, and focus on prevention and intervention strategies. We do not have in hand a study to enact specific legislation against elder abuse, and therefore do not have a timetable for consulting the Legislative Council, relevant professions and the community on the matter.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' Motions. 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. The movers of the motions will each have up to 15 minutes for their speeches including their replies. Other Members will each have up to seven minutes for their speeches. Under the Rules of Procedure, I am obliged to direct any Member speaking in excess of the specified time to discontinue."

First motion: Developing eco-tourism.

DEVELOPING ECO-TOURISM

MR WONG YUNG-KAN (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Around a year ago, the term "eco-tourism" may be quite unfamiliar to most of the people in Hong Kong. But with the heightening of awareness in environmental protection in recent years, people's taste for tourism has begun to change. They are more interested in activities that involve getting in touch with nature and understanding the ecology. In particular, after the United Nations formally passed in December 1998 that the year 2002 should be the International Year of Eco-tourism and the International Year of Eco-Mountains, and the Financial Secretary indicated in March this year that eco-tourism would be developed, the change has become more evident. Yet, how many people know the exact meaning of eco-tourism?

Eco-tourism literally means a form of tourism for the appreciation of animal and plant ecology. I believe most people would think that eco-tourism is the appreciation of flowers, animals and plants in the countryside during their spare time. They may even think that eco-tourism is visiting the Zoological and Botanical Gardens. In my view, however, the above understanding lacks two important elements, namely sustainable development and being educational.

In the past, there was a common problem with the popular sightseeing spots in various parts of the world. There were too many visitors who

inevitably did some form of damage to the local ecosystems, culture and tradition. Therefore, while promoting tourism, the sustainable development concept must be introduced to have these spots preserved. The sustainable development concept is a key point for eco-tourism. The International Ecotourism Society defines eco-tourism as "responsible travel to natural areas that conserves the environment and sustains the well-being of local people." The definition is widely accepted by people from all walks of life.

Secondly, eco-tourism must be educational. As defined by the Commonwealth Tourism Board and the Ecotourism Association of Australia, eco-tourism must attain ecological and cultural sustainable development, and be educational. The participants not only would observe and come into contact with nature but would also learn how to appreciate nature and know more about the local culture and ecology.

Some may ask: Is the ecological systems of such a small place as Hong Kong abundant enough to attract tourists? Does eco-tourism have a market? Is it good for our economy?

Hong Kong has an area of only 1 000-odd sq km but a population of almost 7 million, so the population density is not matched in the world. However, the percentage of green areas takes up over 40% of the land area of Hong Kong. The 23 country parks have a total area of over 410 sq km. Hong Kong is rich in natural resources including a diversity of animals and plants. For instance, there are more than 50 coral species, thousands of animal and plant species, more than 300 of them are categorized as precious and rare animals. For instance, the Chinese white dolphin is the mascot of the reunification of Hong Kong. There are also various ecological systems in Hong Kong such as forests, freshwater and intertidal wetlands, oceans and islands, and they are excellent materials for the development of eco-tourism. It is evident that Hong Kong has the most important prerequisites for the development of eco-tourism.

I would like to cite certain figures to illustrate the potential for development of eco-tourism. Tourism is the fastest developing and growing economic activity in the world in recent years. On the basis of the statistics of the World Tourism Organization, there are around 600 million tourists in the world a year, spending as much as over US\$400 billion and the number is increasing at a rate of 4% a year. But the International Ecotourism Society

estimates that the nature-oriented forms of tourism, that is, any form of tourism with natural resources, including animals and plants and their resting places, topography and landscape, natural scenery and various water sports as the selling points are speedily growing at a rate of 10% to 30% per year, faster than the pace of development of the entire tourism industry. In the Asian region, a survey conducted by academics in 1997 found that nature-oriented tourism was growing at a rate of 10% to 25% per year. In Hong Kong, according to a survey conducted by the Tourist Association, currently known as the Tourism Board, on the visitors to Hong Kong in the past, almost 20% of the interviewees indicated their interest in eco-tourism in Hong Kong. A recent study also indicated that there was full potential for the development of eco-tourism in Hong Kong and it was estimated that the development of eco-tourism would generate \$4 billion or 7.2% additional proceeds.

It is worth noting that, besides attracting more visitors to Hong Kong, the promotion of eco-tourism would also help improve the unemployment situation. It would give workers an opportunity for transformation since the traditional industries are gradually on the decline and it would also promote the development of the local community economy. Since eco-tourism attaches importance to showing tourists our local culture and custom, it can provide the relevant areas with a great deal of job opportunities such as guide services, performance on traditional culture and life, typical food and drink, and crafts. The development of Hong Kong into a tourist area requires matching infrastructure, facilities and services. These projects would also create a lot of job opportunities. The Democratic Alliance for Betterment of Hong Kong (DAB) estimates that if the Government puts into effect the proposals made by the DAB earlier on such as opening up the Sha Tau Kok Border Closed Area and establishing a leisure fishing and farmer area in the Tolo Harbour region in Tai Po, for the development of eco-tourism, it is expected to create at least 2 000 job opportunities in the region.

Madam President, the adjacent regions have also become aware that there are full potentials for the development of eco-tourism. Recently, I looked up the newspapers in the past few years and I found that the Mainland had continuously explored or recomposed tourist routes and vigorously developed eco-tourism. For instance, a report in February this year stated that almost 20 famous scenic spots in Sichuan such as the Mount Emei, Grand Buddha of Leshan and the Memorial Temple of the "Three SU"'s were going to make up a

400 km-long eco-tourism route. According to a report in October last year, the officials of the China National Tourism Administration indicated that the Administration launched in 1999 an activity with eco-tourism as the theme. It put forward the strategy of developing tourism resources while conserving the ecological environment and the sustainable development of the tourism industry would be comprehensively elaborated and planned. Furthermore, China established a Special Fund for Tourism Resources Development and Natural Ecological Environment Conservation to support the development of tourism resources as well as the protection of the ecology at the scenic spots in the central and western regions. The largest ecological park of our neighbour, Shenzhen, and the scenic spot of the "farmland above the sea" in the west of Shenzhen, has been officially opened to the public. The region has a total area of 24 sq km, 0.5 sq km bigger than Macao, and tourists can farm fish, pick melons and plant vegetables in the region and experience the life of farmers or fishermen.

Since the interest of tourists from various parts of the world in eco-tourism have continuously increased, the DAB thinks that Hong Kong must formulate plans at an early date to fully utilize our natural ecological resources in order to make Hong Kong more attractive to tourists, and avoid the occupation of this new market by other regions. Eco-tourism steadily takes up more than 10% to 15% of the tourism market in other countries but in Hong Kong, products that meet the practical requirements of eco-tourism are highly inadequate.

Madam President, in March this year, Mr Antony LEUNG, the Financial Secretary, especially stated in his Budget that eco-tourism was one of the four economic sectors of particular importance in the future. I am very pleased at the message because the Government has finally become aware that it has to enhance the development of eco-tourism. The DAB hopes that the Administration would put words into action and make its best efforts to promote eco-tourism. I am going to set out the difficulties encountered in the development of eco-tourism and to propose on solutions. Colleagues from the DAB would also elaborate these points in detail later.

First of all, the Government must work out a complete set of policies for the development of eco-tourism. Though the Government and the Tourism Board have made efforts to promote eco-tourism in the past, they were only working on their own due to a lack of a complete set of policies and targets, and their work was inconsistent, even to the extent of being contradictory. For

example, the tent huts in Tai O are very attractive to foreign tourists but the existing legislation impedes the construction of such huts. For instance, the natural environment and heritage in the Northeast New Territories are beautiful but it, still being a restricted area, is inaccessible to tourists. Some of the so-called tourist spots even lack basic matching facilities such as toilets. The DAB also suggests that the Government should set up an eco-tourism development fund to sponsor the organization of promotional or training activities by the bodies concerned. The Tourism Board should also enhance publicity overseas to promote eco-tourism in Hong Kong.

Secondly, it has to look squarely at the problem of a lack of talents. As far as I know, foreign countries such as Australia have very strict requirements for the academic qualifications of eco-tourism guides and such guides must be registered before taking up the job. Conversely, local eco-tourism guides in Hong Kong generally lack sufficient professional knowledge. Therefore, the DAB thinks that the Government should consider injecting more resources to assist the relevant organizations in organizing training courses. In the long run, a recognition system for eco-tourism or eco-tourism communities should be established to monitor eco-tourism in a more satisfactory manner.

Thirdly, it must look squarely at the requests of local residents. In regard to the establishment of an eco-tourism scenic spot, the co-operation of local residents is the key to success. They would not only provide tourists with various activities or products with local cultural features, more importantly, they have the big task of preserving the local traditional features or ecology to enable the sustained development of local tourism, the environment or ecology. Thus, the DAB thinks that the Government should play a leading role and co-operate with the residents at eco-tourism scenic spots to enable them to continue to make a living and assist the Government in achieving the relevant targets.

Fourthly, the Government must step up publicity to convey the message of green tourism to the public, especially the youths so that they would accept the form of and attitude towards tourism that start with respecting nature. Madam President, eco-tourism is a small-scale yet nice form of tourism that emphasizes quality rather than quantity. The far-reaching targets of tourism could only be achieved with the efforts made by various sectors and the co-operation of the public.

Madam President, I so submit.

Mr WONG Yung-kan moved the following motion: (Translation)

"That, as this is the United Nations International Year of Eco-tourism, this Council urges the Government to allocate additional resources to expedite the development of eco-tourism, thereby creating more job opportunities and fostering the development of the local community economy, and to enhance publicity and education of the public and raise Hong Kong people's awareness of the local ecological environment and the need for ecological protection so that, in the course of appreciating the natural ecology and the cultural heritage of mankind, the public will enrich its knowledge of nature and enhance its understanding of environmental conservation."

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

MRS SELINA CHOW (in Cantonese): Madam President, first of all, I would like to declare that I am the Chairman of the Hong Kong Tourism Board (HKTB), though this does not involve any personal or pecuniary interests.

Eco-tourism has become a trend in the development of global tourism industry and I strongly support the idea of promoting Hong Kong green tourism products among tourists. I also support this motion.

Eco-tourism and hiking have always been some of the popular activities among tourists. They ranked fourth and ninth respectively among the 10 most popular feature tourism activities. 24% of the tourists expressed an interest in the eco-tourism activities of Hong Kong, and this represents an increase of more than 100% as compared to the 11% in 2000. Furthermore, about 15% of the tourists visiting Hong Kong are interested in hiking in the countrysides of Hong Kong and this has increased by 2% as compared to that of 2000.

In fact, the scenery of many hiking trails in Hong Kong is very beautiful and those trails are also very popular among tourists. Moreover, Hong Kong has a special advantage over other cities and places, and that is, tourists only have to spend 20 to 30 minutes travelling from the bustling city to the green and lush countryside to enjoy leisure and peace.

Every year, more than 1 500 members of the media from the Mainland and other different countries and regions come to Hong Kong on study tours. Green tourism products, such as guided hiking trips along the beautiful trails of Hong Kong, are usually included in their itineraries, so that they could personally experience and report on Hong Kong's advantage in this area.

Last month, the AXN 2002 Challenge was held in Hong Kong and athletes from various countries in Asia and Hong Kong competed against each other at the Tai Tam Country Park. Interesting episodes of this competition can be viewed at the AXN channel next month. This programme will also serve to further promote the green tourism and eco-tourism products of Hong Kong.

The tourism industry also fully supports and promotes the countryside hiking tourism activities of Hong Kong. In Tokyo, Japan alone, nine tourist agencies have offered specially featured hiking tours, and one of such first time tours — the Hong Kong five days hiking tour organized by the Nippon Yusen Travel Services, was even granted a prize under Japan's Tour of the Year Award.

Back in October 1999, the HKTB worked in co-operation with the then Agriculture and Fisheries Department to co-ordinate the work of publishing a guidebook "Exploring Hong Kong's Countryside" in three languages namely, Chinese, English and Japanese. This guidebook, which is excellent in both pictures and language, presents the hiking trails, flora and fauna as well as natural scenery of Hong Kong to readers. The guidebook can be said to be rather comprehensive for it describes hiking spots all over the Hong Kong Island, Kowloon and New Territories.

Furthermore, the HKTB also published a pamphlet entitled "Hong Kong Walks" introducing three green hiking trails on Lamma Island, the Peak and Tai Tam Reservoir, so that tourists could explore scenic spots with different special features in Hong Kong.

The world-renowned Mai Po Marshes and Chinese white dolphins are also very popular among tourists. Many tourists are particularly interested in this area and they would make special trips to Hong Kong to watch a variety of rare species birds and very cute pink dolphins that haunt the waters of Hong Kong. The Ocean Park is also an important element of Hong Kong's green tourism products. Since its inception in 1977, this theme park has been providing the three-in-one services of education, entertainment and conservation.

Looking into the future, Hong Kong should really continue to explore all types of green tourism products, such as hiking trails, Sai Kung islands tours, and so on, to give tourists a chance to appreciate the special features and natural landscapes of these islands and coastlines. We also hope that the Agriculture, Fisheries and Conservation Department could register certain Hong Kong hiking trails as the recognized routes of relevant international organizations so that tourists who have an ardent love for hiking could do two things simultaneously during their visits to Hong Kong, killing two birds with one stone, so to speak, for on one hand, they could accumulate hiking mileage and on the other, they could also see for themselves the abundant green resources of Hong Kong. Hong Kong should also continue to promote green and eco-tourism in the source markets of our tourists and the local tourism industry and offer advices in relation to itineraries, related packages and promotional support, so as to encourage tour operators to organize green tours or eco-tours to attract tourists to Hong Kong.

Madam President, the promotion and development of tourism require the support of the Government and the participation of the business sector because the design of special featured new itineraries would require the co-operation of various parties. For example, related government departments should provide additional supporting services, including cleansing services for country parks, installation of public toilets, map boards, road signs, and so on. At the same time, the authorities must also educate the public on the importance of environmental protection in improving the environment of Hong Kong and in attracting overseas tourists. The tourism sector could then research on and develop a new green tourism route while enhancing the knowledge of front-line staff in the areas of the natural ecology and safety codes of the countryside. I hope that with the combined efforts of various parties, Hong Kong could have more green tourism products to cater for the needs of different tourists and to lay a good foundation for the further development of green tourism.

MR ABRAHAM SHEK: Madam President, with scientific advancement and growing acceptance of conservation, governments worldwide recognize that economic development should not take priority over the conservation of ecological environment. The Government of the Hong Kong Special Administrative Region (SAR), a South China region with a wide biological diversity and cultural heritage, and members of the public are increasingly concerned with the protection of natural environment. In fact, conservation of

areas of ecological, historical, geological and landscape values has been given precedence in construction projects. And the industry that I represent supports the development of eco-tourism. The motion debate today will focus on how to achieve a balance between ecological development and ecological conservation for protecting the SAR's biological diversity, so that the tourist industry could benefit from it.

Hong Kong has enormous potential for developing eco-tourism. Its extensive natural coastline, mud flats in the Deep Bay area, hilly mountains and subtropical oceanic climate provide a wide variety of habitats which contribute to the diversity of local flora and fauna. To date, about 2 700 species and variety of plants have been recorded in Hong Kong. There are many native species of corals and fungi. For wild fauna, over 450 species of birds, a few hundred species of butterflies, dragonflies, amphibians and reptiles have been recorded. The SAR Government has chosen the Chinese white dolphin as the distinctive animal to represent Hong Kong. Historical and cultural heritage in the territory is also an invaluable treasure that should be conserved well.

Some groups advocating eco-tourism point out that in a tourist industry with mature development of eco-tourism, activities related to eco-tourism should take up 15% to 20% of the whole tour. At present, eco-tourism only takes up 1% of Hong Kong's tourist industry. The major obstacles to develop eco-tourism in Hong Kong are inconvenient transport links to the countryside, insufficient provision of recreation facilities, inadequate conservation measures and a lack of professional tour guides. These are some of the problems in developing eco-tourism. The main problem is how to set the right directive in developing eco-tourism in Hong Kong. In this regard, the Government should widely consult the experts and professionals in the industry. In order to develop eco-tourism in Hong Kong, I believe that we should identify the adequacy of current conservation measures and assess the ecological baseline against the potential adverse ecological impact brought by eco-tourism. Hong Kong is one of the most densely-populated regions in the world. People living in this compacted urban city are eager to go to the countryside to enjoy nature on their holidays. Thus, sustainability of ecological environment is already a problem without taking into account overseas tourists. Experience elsewhere indicates that overdeveloping of eco-tourism will jeopardize the ecological environment. In view of this, development of eco-tourism and ecological conservation should be managed in a careful manner.

Secondly, development of eco-tourism has brought new challenges in urban design and planning since it is difficult to strike a balanced relationship between human beings and nature. Although the SAR Government and members of the public are highly concerned about sustainable development, it is difficult to reach a unanimous agreement on the questions such as sustainable size of population and sustainable urban development strategies. There has to be a trade-off in meeting the objectives of conserving natural environment. Disputes over the conservation of wetlands in Long Valley and conflicts with the indigenous inhabitants of the New Territories in developing eco-tourism and conserving natural environment in the past have been difficult to resolve. In view of this, if the SAR Government expedites the development of eco-tourism, it should raise the public's awareness of social responsibility to sustain the natural environment.

Madam President, every one of us should be responsible for conserving the natural environment so as to preserve it for our future generations, as our fathers and forefathers have preserved the present environment for us. Development of eco-tourism should be undertaken in a sustainable manner without destroying the local wildlife and their habitats. In this regard, I support this motion and urge the Government to design the development programme carefully. Otherwise, our invaluable treasure of natural resources will be lost forever.

Thank you.

DR RAYMOND HO (in Cantonese): Madam President, Hong Kong is a busy business community, characterized by numerous skyscrapers, densely-populated areas, hurriedly-walking people on the streets and heavy traffic. All these have given rise to a suffocating feeling. Sometimes, Hong Kong people want a break for themselves and what would immediately come to their minds is a trip to an overseas country or mainland China because to them Hong Kong is just a place to earn a living, which is nothing more than a concrete jungle. Foreign tourists visiting Hong Kong come mainly for shopping and for a view on the well-known Pearl of the Orient. The beauty of nature would not be what they set out to see here because in their minds Hong Kong is just a business community. In fact, that Hong Kong is not just a business community but it is also a place with natural beauty. If we could spare some efforts to develop and promote this area, it would certainly help develop the tourism industry in Hong Kong.

Hong Kong has been named a concrete jungle since many years ago because most parts of its area have been developed and sprinkled with high-rise buildings erected closely to each other. There is less and less countryside with natural beauty. Although this is not an incorrect description of the state of affairs, if we think hard enough, we would find that in fact Hong Kong still has some country areas worthy of a visit by travellers, or worthy of becoming a sight-seeing spot for eco-tourism. Such areas may have been overlooked by busy Hong Kong residents. At present, Hong Kong has 12 country parks, all of which have beautiful natural sceneries, a variety of birds, trees, insects, and so on. On a Sunday three weeks ago, I went to the Pat Sin Leng Country Park and was deeply impressed by the natural beauty there that should be cherished. The Tai Po Kau Natural Reserve is an important habitat for birds that live in the woods. Meanwhile, Mai Po is a paradise for birds in Hong Kong. There is also Tung Peng Chau, which is a place with an abundance of natural species ranging from rocks, birds, insects, trees, corals, and so on, evidencing the diverse natural resources that can be found there. There are also wetlands at Long Valley, which, owing to its immense ecological and conservation values, was coined "the second Mai Po" by environmental groups. Of course, other than these areas, there are other regions in Hong Kong with ecological worth and with the potential to be developed into a popular spot for eco-tourism.

I had the experience of returning to my home village, Shunde, to live for several years, after I was born in Hong Kong. During the time, I enjoyed the fields and the farms and I still have a very fresh memory as I recall that time. I think I was very lucky to be able to have that experience. At the present moment, Hong Kong is experiencing an economic downturn and we must increase revenue but decrease expenditure. Hong Kong people, however, are quite prepared to spend money on travelling to overseas countries despite the poor economy. Now, this will result in an outflow of capital. My personal view is that instead of allowing our capital to flow out of Hong Kong, we should rather promote eco-tourism locally so that our people can spend their money locally and tourists from overseas countries can also be attracted to visit Hong Kong. This will certainly help to revive the economy of Hong Kong.

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

MR CHAN KAM-LAM (in Cantonese): Madam President, this year is the United Nations International Year of Eco-tourism. Tourism is not the sole objective of eco-tourism and it is more important for us to adopt the idea of sustainable development to promote tourism, with the ultimate objective of protecting the natural ecology and cultural heritage. In this regard, Hong Kong is lagging far behind other countries. Taking the Mainland as an example, the National Tourism Administration has set up a Special Fund for Tourism Resources Development and Natural Ecological Environment Protection last year in support of the development of tourism in the central and western regions as well as protecting the ecological environment of scenic spots. From the end of last year to the beginning of this, the Sichuan Province in western China has launched large-scale eco-tourism projects one after another.

So far this year, individual local travel agencies have successively offered more popular eco-tourism routes, including tours to such nature reserves as Tung Peng Chau, Tap Mun, Kat O, Pat Sin Leng and Mai Po. However, without any matching government policies and objectives, the public still knows very little about eco-tourism. And, it can be seen that the Administration has only given a lukewarm response to the proposals on eco-tourism made by the public and non-government organizations.

Taking Peng Chau as an example, most Hong Kong people would think that the island is not attractive to tourists. However, archaeological discovery showed that it has been inhabited since the New Stone Age and it was also discovered from some later documentation and monuments that the Hans lived in a compact community there during the Tang and Sung Dynasties. Moreover, 70% of the natural ecological environment on the island has not been destroyed. Thus, it is really a fairly good eco-tourism and archaeological site.

According to a study conducted by the Agriculture, Fisheries and Conservation Department (AFCD), there are 35 coral species along the coast of Peng Chau and some of them are rarely found in Hong Kong. There are also two globally protected endangered plant species on the island, namely Jade Kirin and Agave. Some people like to cultivate them as potted plants because these plants traditionally have medicinal, exorcising and appreciative values. The Jade Kirin growing in the north of Peng Chau and Agave in the south are exceptionally big. There are also more than 100 types of wild Chinese herbal plants on the way to the Finger Hill, hence, it is a paradise for Chinese medicine learners. Furthermore, the diversity of insects, birds and coastal species there is a real eye-opener.

Without any assistance from the Government and the Tourism Board, a non-profit environmental protection organization was set up in 1991. The initiating organization had wanted to develop Peng Chau into a green culture island on the basis of all kinds of monuments, 70% of green land on the island and 60% of the natural coast. It also wanted to raise awareness of environmental protection and preserve the traditional ecology and history of Peng Chau. After years of efforts, the Tourism Board finally looked upon it with favour at the beginning of this year and was willing to listen to the views of the organization on the ecology of Peng Chau.

Madam President, besides Peng Chau, quite a few places in Hong Kong are also suitable for the development of eco-tourism. For example, Mr WONG Yung-kan and I visited Yan Chau Tong, Tap Mun, Sha Tau Kok and Kat O a month or so ago together with Mrs Rebecca LAI, the Commissioner for Tourism, and some AFCD officers. The Government agreed that these places had very high eco-tourism values and a further study could be conducted.

In fact, the successful development of eco-tourism can achieve the objective of protecting the natural environment and cultural heritage and bring to Hong Kong enormous economic benefits. According to the result of a study published earlier on, there is full potential for the development of eco-tourism in Hong Kong and it would generate for our tourism industry \$4 billion a year. There are also instances of success in other countries. For example, the residents of Saint Lucia, Nepal, Peru, South Africa and other regions rely on the operation of hotels and travel agencies, the management of wild animal zoos and the provision of catering services at hotels and scenic spots as their major economic pillars.

Madam President, when we discussed the development of eco-tourism with a number of bodies, some people worried that the development of eco-tourism would not be able to achieve the objective of protecting the environment and the increase in tourists would conversely damage the natural landscape. The Democratic Alliance for Betterment of Hong Kong thinks that the achievement of the objective of eco-tourism or otherwise mainly depends on whether or not the Government and the sector could instil into the public correct knowledge of eco-tourism. Some non-government bodies have set certain codes for eco-tourism in the past. For example, the guides should be familiar with the features of the ecological environment of the places they visit and convey the right messages to tourists. Besides, they should not use loudspeakers at eco-tourism scenic spots to avoid agitating wild animals dwelling

there. Certainly, tourists should not destroy plants at will or attempt to catch wild animals, for only in this way could we protect the natural ecology and their own safety.

The above is only general knowledge of eco-tourism. If every tourist has correct understanding of eco-tourism, we think that the development of eco-tourism would not do harm to the environment and we would conversely be able to attain a win-win situation in which the environment is protected and job opportunities are created.

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

MR BERNARD CHAN: Madam President, I am sure that all of us would agree with this motion. I myself greatly enjoy hiking and swimming in Hong Kong, and I would like to see more Hong Kong people taking the opportunities to enjoy our natural surroundings. Our countryside is one of our best kept secrets. I would particularly like to see more overseas visitors exploring our beautiful countryside. I am sure that many of them do not even realize that we have such wonderful country parks and very interesting wildlife. I would definitely support injecting some investments in promoting our countryside to the tourists and in improving our transport and other facilities to help them enjoy it.

However, I have one concern. I remember taking part in a 50 km hike organized by an environmentalist group. I was quite shocked to see the amount of garbage, especially plastic bottles, left behind by people on the trail, and that was so much for the environmental cost.

Anytime you visit the countryside of Hong Kong, you see plastic bags, bottles and other garbage. By all means, let us encourage more people to enjoy our natural surroundings. Let us do all we can to make sure that they respect the countryside. It would be a tragedy if more people simply leave more litter behind after visiting our countryside.

Thank you.

DR TANG SIU-TONG (in Cantonese): Madam President, following an increasing awareness of environment protection and the people's growing desire for being close to nature, eco-tourism has become a new trend of tourism in

various parts of the world. It has been pointed out by people in the industry that eco-tourism may represent 15% to 20% of tourism activities in a mature eco-tourism market. The Financial Secretary has also listed eco-tourism as one of the four major development items in the Budget. Though Hong Kong is highly urbanized, it is still endowed with rich resources and has considerable potential for developing eco-tourism. In addition to the fact that 40% of land in Hong Kong has been designated as country parks, we can also find in this tiny city more than 450 species of bird, 200 species of butterfly, 100 species of dragonfly, and 2 700 species of flora. Hong Kong can definitely rival other places in the world in terms of biological diversity. Nevertheless, these precious resources have not been fully exploited by local residents and tourists alike. In the opinion of the Hong Kong Progressive Alliance, the Government of Hong Kong Special Administrative Region (SAR) must pay attention to the following points in promoting eco-tourism.

To start with, the SAR Government must understand that eco-tourism is not purely a business. More importantly, the local ecological resources must be protected before eco-tourism can sustain and continue attracting tourists. Therefore, a comprehensive conservation policy must be put in place before eco-tourism can be developed in Hong Kong. The international Wetland Park situated in Tin Shui Wai is the first major eco-tourism project in Hong Kong. The Government is of the view that the park can help manifest the richness and diversity of the ecological system of wetland in Hong Kong. Moreover, it can help underline the importance of conserving the ecological environment. However, we must not forget that there are many wetlands and places of ecological value in many parts of the New Territories, in addition to Mai Po and Tin Shui Wai. Most of them are situated in the northwest and northeast parts of the New Territories. However, if the Government treats these wetlands with indifference and an attitude of "no development is tantamount to conservation", these wetlands will, in the absence of care, ultimately be damaged and gradually disappear. Therefore, the Government should make prompt decision to formulate clear conservation policies to lay down a solid foundation for the development of eco-tourism.

In addition to land resources, the Government is also obliged to protect marine ecology. For instance, strict measures should be taken to prohibit the dumping of sludge into the sea to avoid damages done to the living environment of marine life. In accordance with a survey conducted by the World Wide Fund for Nature, less than 200 Chinese white dolphins, which are well-known to us,

can now be found in Hong Kong water. Should the Government fail to control the deteriorating quality of water due to pollution, dolphins failing to adapt to the environment might eventually leave Hong Kong or simply die.

Second, in addition to the need to boost the attractiveness of eco-tourism spots, it is even more important to give emphasis to supportive measures and the quality of management. In this connection, the authorities concerned must provide adequate supporting facilities in scenic spots and manage them well. The Ping Shan Heritage Trail in Yuen Long can serve as a perfect negative example. Comprising such monuments as the Tang Ancestral Hall, Yu Kiu Ancestral Hall and Tsui Shing Lau, the trail has recently become a focus of promotion of the Hong Kong Tourism Board (HKTB). However, there is a complete lack of transport supportive network and hygiene management measures to complement this heritage trail, which has been in existence for nearly a decade. To start with, tourists have no idea of how to go there. Even if they proceed according to their plan after asking a number of people to show them the way, they may not know even when they eventually reach their destination, since there were no directional boards and introductory information provided there. Neither do they know what is worth appreciating. The unsatisfactory hygiene condition along the trail has also deterred, rather than attract, visitors. The appreciation value of such a good trail is reduced as a result of the lack of co-ordination between the Home Affairs Department, the HKTB and the Food and Environmental Hygiene Department. In this connection, the relevant authorities must not shirk their responsibility to keep our precious tourism resources in good shape and pay more attention.

Third, the Government should endeavour to, through integrating such local economic activities as fishery and agriculture, develop eco-tourism. For instance, the southeast part of the New Territories, the Tolo Harbour in Tai Po and bays in Sai Kung are full of development potential, and can be developed into green belts, marine tourism and leisure fishery and agricultural zones. Furthermore, there are numerous farming plots and orchards in North District, Tai Po, Yuen Long and Tin Shui Wai. Through some planning and injection of appropriate resources, we can turn these farming plots into farms, orchards and attractions where holidaymakers can really experience farming. Implementation of the relevant plans will not only create more job opportunities, but will also protect the natural resources of the territory, and put into implementation the concept of sustainable development.

Lastly, human resources are crucial to the development of service industries. In order to develop eco-tourism in Hong Kong, it is very important to train up tour guides to have a good knowledge of the ecology and the ecological environment. This is because many people do not know how to appreciate the special features of the natural ecology unless they are guided appropriately. During the process, tour guides are responsible for not only conveying the message of protecting the environment, but also protecting the ecological environment of tourist attractions. They must warn tourists not to do anything harmful to the natural ecology on their way, such as chasing birds or picking plant, flowers, and so on. There are not too many tourism operators who possess relevant knowledge in Hong Kong. It is hoped that the Government and various environmental protection bodies can organize more courses for them.

Madam President, the development of eco-tourism will be conducive to the cause of protecting the environment and the economy. We hope the relevant government departments can expedite the formulation and implementation of relevant programmes.

With these remarks, I support the motion.

MR MICHAEL MAK (in Cantonese): Madam President, in the face of high unemployment rate and an emphasis on enhanced productivity today, there is increasing pressure on the physical and mental well-being of the public, whose workload has been rising dramatically. The possibility of suffering from mental illness will greatly increase if people under prolonged pressure or facing uncertain prospects do not receive proper relief. According to information provided by the Government, in 2001, 4 822 people were diagnosed as suffering from mental illness for the first time and admitted to public hospitals.

It can indeed provide us with a refreshing escape from our busy and boring daily humdrum if the Government can inject more resources to promote eco-tourism. In particular, a series of family tragedies occurred recently may actually be caused by such factors as lack of communication among family members, lack of mutual help and liaison among communities, financial problems, and so on. Through joining eco-tourism tours, family members can gather together at weekends and go to the countryside to admire the natural

ecology. This will help dilute their worldly cares and regain their original simplicity. In an environment completely free from unnaturalness and artificiality, they can give their brains a chance to relax on the one hand and foster a closer relationship with their family members on the other. At the same time, organizers of eco-tourism tours can take such opportunities to publicize and educate the public to enhance their knowledge and awareness of protecting the local ecological environment. Therefore, eco-tourism can really serve multiple purposes.

Nevertheless, there is one point we must clarify before discussing whether eco-tourism should be promoted. The motion proposed by Mr WONG Yung-kan seems to cover two aspects: first, to publicize, and inculcate in the minds of the public the importance of protecting the environment; second, to revive the economy through promoting eco-tourism. I welcome the proposal if the former is really considered its main objective. However, if the main objective is to revive the economy, we must consider it very carefully, since that will cause deliberate and reckless changes to the natural environment.

According to some environmental protection advocates, in the light of increasing demand, a lot of package tour organizers have switched to eco-tourism tours. Regrettably, many of them are just "passing off fish-eyes as pearls". What they really care is making big profits under the pretext of promoting awareness of environmental protection and allowing people to know more about nature. Relying merely on their general knowledge, many tour leaders have absolutely no knowledge of environmental protection. They do not know how to name the animals correctly, nor do they understand the habits of animals living in the natural environment. In addition, there is a general lack of awareness of environmental protection among the public. Some of them have even polluted nature unknowingly. We will suffer the disadvantages before we can enjoy the benefits. Eventually, we will only damage the environment, rather than protecting it, not to mention educating the public to cherish nature.

We can actually borrow the experiences of foreign countries in promoting eco-tourism. It is pointed out in a report recently published by the International Fund for Animal Welfare that an average of 5.5 million whale and dolphin watchers are recorded in the United States annually. To prevent these people from disturbing whales and dolphins, each state government has laid down their own laws to protect marine animals. In addition, the state governments will

only issue licences to trained companies in compliance with professional conduct. Specific guidelines are also extensively distributed to operators to advise them to, for instance, restrict their duration of stay to no more than 15 minutes and refrain from dolphin-chasing activities.

I was told by an environmental protection advocate earlier when we discussed about issues pertaining to eco-tourism that, when promoting such economic activities as eco-tourism, it was most important to ensure that the activity is not in conflict with the notion of environmental protection and that the only remaining natural environment in Hong Kong will not be destroyed as a result of economic development. Regrettably, certain people have turned so-called eco-tourism into "disastrous tourism" because of the lacking in supervision. For instance, we can find white dolphins being scared and chased by viewers' boats, natural grassland in the countryside being reduced into sand by people trampling on the grass, cows turning into thin and bony animals because of excessively milking. All these are definitely not what we would like to see.

In order to develop eco-tourism, I think it is most important for the Government to put in place a regulatory regime, such as a licensing system, to ensure that tour leaders must acquire recognized environmental protection experiences to guide the conduct of viewing activities appropriately so as to avoid disturbance. Alternatively, consideration can be given to limiting the viewing time of certain conservation areas. All these can help balance eco-tourism, economic development and environmental conservation.

Madam President, I so submit.

DR LO WING-LOK (in Cantonese): Madam President, being an enthusiast in the country style of living, I hope to take this opportunity to share with Honourable Members my personal experience in eco-tourism.

In my opinion, Hong Kong has adequate natural resources to develop eco-tourism. The scope of eco-tourism can be very wide. It may cover leisure eco-tourism and eco-tourism in the form of sports competitions. Let me start by saying a few words on leisure eco-tourism. Some people recently organize visits to the remote parts of Sai Kung by first doing some hiking, which is followed by appreciation of the ecological environment near the sea and taking a helicopter ride to tour around nearby scenic areas before returning to the urban

areas. This brand new activity is a far cry from the activities we used to have. I believe it will gain increasing popularity if we can make an effort to promote it. When it comes to eco-tourism in the form of sports competitions, the 100 m hiking competition organized by the Trailwalker annually has become an event not only locally acclaimed, but also known to people throughout the world. In recent years, it has developed into an international event, attracting teams from many overseas countries as well as tourists to Hong Kong. In my opinion, activities of this kind are worth promoting.

I would try to cite one or two eco-tourism routes for Members' reference here. The first one is a two-night-three-day itinerary, covering the Lantau Trail on Lantau Island, Mui Wo and Tai O. We may go there on our own, and no prior arrangement by tour agencies is required.

In the first morning, we may start by taking a leisure ferry ride to Mui Wo. We may then spend the morning touring about Mui Wo and have an early lunch before proceeding from Mui Wo along South Lantau Road, which will lead us to the Sunset Peak, also known as Tai Tung Shan. Ranking as the third highest in Hong Kong, the Sunset Peak is a gorgeous hill, where there is a wide diversity of flora. Starting from South Lantau Road, it will take us a several hours' walk before reaching the peak of the Sunset Peak, where there are a number of small houses built a long time ago. Preserved by large companies, these houses are now used by their employees for vacation purposes. With proper maintenance and development, I believe it is possible for these houses to provide lodging to tourists. The Sunset Peak is actually an ideal place for viewing sunset. After watching sunset, we can stay in the houses where we can chat, eat and have a good sleep.

In the next morning, we can start walking down the hill until reaching Pak Kung Au, which is opposite to Fung Wong Shan, also known as the Lantau Peak. It will take us just two to three hours to walk slowly from Pak Kung Au to the top of Fung Wong Shan. The landscape along the route is marvellous. Moreover, we can see the new airport as well as aeroplanes taking off and landing from the peak of Fung Wong Shan, the second highest in Hong Kong. It will then take us another hour or so to descend from the top to the Ngong Ping plateau, where the Po Lin Monastery is situated. It will be around lunchtime when we reach there. We can also take a break after lunch before visiting the monastery and the Big Buddha. After such an exciting programme, we may choose to spend the night there too. Now it is not easy for tourists to find lodging there because

some devotees will stay in the monastery overnight for spiritual training. It will be a pretty good idea if the authorities concerned can invest a little money to give tourists a chance or a place to stay there.

In the third morning, we will leave the monastery and continue our journey along the Lantau Trail. We will then pass by Kwun Yam Shan, Keung Shan and Ling Wui Shan until finally reaching Tai O. The whole journey will take approximately four hours. There are a lot of things we can do here, because Tai O is famous for being a waterfront village. There are a lot of attractions and places worth visiting. We can also buy some of its local specialties, such as salted fish, as souvenirs. After dinner, we may head for Tung Chung by car and make our way back home by the Mass Transit Railway. This two-night-three-day fun-packing programme can enable us to fully admire the landscape of Lantau Island. Although the cable cars proposed to be built to connect the Buddha are not yet completed, this walking tour is still highly enjoyable. Of course, I hope the cable cars can be built as soon as possible.

Another itinerary I would like to recommend to Honourable Members is a route covering Hok Tau and Pat Sin Leng. Dr Raymond HO has also mentioned this route earlier. To take a one-day trip to Pat Sin Leng, we can first drive to Lau Shui Heung, then straight to the V-shaped Hok Tau Reservoir, where the scenery is lovely, especially when the weather is fine and the sky is clear. Coupled with the reflection of trees on water, the scenery is really fascinating, and I would highly recommend this route.

Nevertheless, the most important message I would like to convey is that the presence of hardware does not necessarily guarantee we can promote eco-tourism. It is simply impossible for tourists to have faith in tour guides in Hong Kong who only care about making profit through offering free package tours just to attract them to shop in Hong Kong. The consequence will be equally serious if tourists attracted by free tours are brought by eco-tourism tour guides to some very remote places.

In order to promote eco-tourism, there must be reputable providers and adequately trained tour guides. The Government can definitely do its part in promoting eco-tourism. At the same time, it can consider strengthening safety measures along sightseeing routes and educating the public to cherish the natural ecology. In doing so, the quality of hardware will be maintained as well as upgraded constantly. Thank you, Madam President.

MR HOWARD YOUNG (in Cantonese): Madam President, in recent years, eco-tourism has become increasingly popular throughout the world. In spite of the size of Hong Kong, its geographical environment and climate have made it an ideal breeding ground for different species of minute organism, insect, bird and plant. Eco-tourism not only can create job opportunities, but also benefit the local economy, including tourism. The Financial Secretary has mentioned in his maiden budget that "to promote tourism, we must develop more attractions and improve our facilities. We must also develop different types of tourism, including eco-tourism".

At present, the spending pattern of inbound tourists is mainly oriented to shopping. The ratio of tourists interested in eco-tourism is small. We must however note that our neighbouring regions and countries, such as Taiwan, Japan and Thailand, are actively promoting eco-tourism. Faced with direct threats and challenges from these countries, Hong Kong must act promptly. We must enhance our tourism competitiveness through active development to explore new ways to lure customers. There is actually no lack of natural ecological resources in Hong Kong. It is estimated that up to 40% of land has been designated as country parks, which are all readily accessible by cars in a matter of one or two hours. These country parks are home to more than 450 species of bird, 200 species of butterfly, 100 species of dragonfly, and 2 700 species of flora. In addition, Hong Kong is endowed with an elongated and beautiful coastline and a wide diversity of marine life. These are all excellent requisites to developing eco-tourism. Actually, various recommendations with respect to developing eco-tourism have been proposed by members of the community to develop such places as Sai Kung, Sha Tau Kok, the southern district of Hong Kong Island, Lantau, Peng Chau and Tung Ping Chau into eco-tourism spots. As this year happens to be the United Nations International Year of Eco-tourism, the Government should concentrate more efforts on environmental protection, while strengthening its conservation policy and promoting local eco-tourism.

So far, eco-tourism has not been taken seriously by the Government. Neither has the Government fully utilized our unique natural resources. There is at present a wide variety of local tours, particularly eco-tourism tours. Tours organized for the purpose of viewing fireflies, marine ecology, dolphins, birds, coral reefs and rock are met with enthusiastic responses too. These tours are organized either by environment protection groups or voluntary organizations to promote education on the natural ecology. The Government has virtually done

nothing to provide appropriate supporting facilities for these attractions with ecological value. Earlier on, during the Question Time, Ms Miriam LAU asked the Government whether road improvement can be carried out in Sai Kung to help promote tourism. Actually, Hong Kong will no longer be a place lack of attractions if we can capitalize on and publicize to overseas countries these distinctive and varied tours.

It is also worrying that there is a lack of professional personnel who can promote eco-tourism in a systematic manner and explain the ecological characteristics. Many explorative tours have emerged in Hong Kong in the wake of increasing popularity of eco-tourism in recent years. However, most of the tour guides do not possess a good knowledge of environment protection and conservation. They have often failed to provide tourists with accurate information on the natural ecology. Sometimes, the information provided by them can even be misleading. Dr LO Wing-lok just mentioned that some tour guides might even bring tourists to some very remote places. I believe this is unlikely to happen. It is unlikely for tour guides to bring tourists to remote places since expensive goods not worth their prices will not be sold there. The Government should strengthen environment protection education and conservation publicity, and enhance training for tour guides to enrich their knowledge of the natural ecology and environmental protection. This will help boost the fun of appreciation and, at the same time, minimize unnecessary damages done to the environment by tourists when appreciating the natural ecology.

On overseas publicity, the Government has only concentrated its effort on such selling points as the evening scene of Hong Kong, Repulse Bay, Tsing Ma Bridge, Ocean Park and countless brand-name boutiques. What Hong Kong impresses tourists may just be confined to certain skyscrapers, bustling streets and a great place for eating, drinking and pleasure seeking. The other side of Hong Kong — our natural ecological scenery — is not necessarily known to most tourists because of the lack of publicity. I have to concede that there are at present just a few tourists who are interested in joining eco-tourism tours. But the crux of the question is: What should we do to convey the relevant messages to the market?

To successfully promote eco-tourism, we must put in place comprehensive supporting facilities through providing adequate transport connecting networks and widening road surface, provide parking spaces for tourist buses and mini

tourist coaches, erect more directional boards, publish leaflets or pamphlets in various languages to introduce the natural ecology of Hong Kong and relevant routes for tourists' information, explore new ecological trails in bushes on small islands to give tourists a chance to appreciate the natural ecology on land, set up resource centres to promote the natural ecology, and so on. In addition, the relevant authorities should step up inspection and prosecution, and strictly prohibit illegal fishing to avoid affecting the natural ecology of our coastline.

The Government must recognize the impact of developing eco-tourism on the local economy and tourism. As many departments are involved in planning eco-tourism, mutual co-operation is essential and communication should be strengthened to examine how we can exploit eco-tourism to tie in with the overall development of tourism. This is very important indeed. In the meantime, balance should be struck between the implementation of environment protection policies and the development of eco-tourism. Otherwise, the numerous constraints imposed as a result of implementing environment protection policies will only result in wastage of natural resources, thereby impeding the development of eco-tourism.

With these remarks, I support the motion.

MR LAW CHI-KWONG (in Cantonese): Madam President, the international community, including the IUCN (International Union for Conservation of Nature and Natural Resources) and the IES (International Eco-tourism Society), regards eco-tourism as a tool for the promotion of sustainable development. Hong Kong is endowed with the qualities to develop eco-tourism and the tourist industry in Hong Kong should strive to improve and become more self-reliant. Eco-tourism demands quality expertise and operation conduct. This should be regarded as more of an opportunity than a challenge. The SAR Government should formulate a policy on eco-tourism. We are not asking the Government to engage in eco-tourism activities but to study into the qualities for the promotion of eco-tourism and improve the infrastructure and matching facilities for it. Therefore, with respect to the development of eco-tourism, I think the Government may like to consider the following points.

The first point is a very basic issue. Many Honourable Members have dwelled on the basic requirement for eco-tourism, that is, the conservation of the

resources necessary for eco-tourism. The Government must work on the basics and formulate a comprehensive policy on the conservation of natural resources. It should also legislate to maintain the bio-diversity in Hong Kong, protect our natural landscape, such as mountain ridges, waterfalls and cliffs and so on, and to protect locations with high ecological value.

The second point is that a policy on exchanges and compensation arrangements for land with ecological value should be formulated without delay. There have been a lot of incidents in recent years where the ecology of a place is destroyed. Often times there is a lack of balance between conservation and the interests at stake in development. The Government should compensate people who are affected in the lands designated as conservation areas, such as by means of exchanging land or granting the owners the right to development. All these will protect the ecology and species living on privately owned land.

Third, to set up a working group on eco-tourism. This will pool the efforts of professionals scattered in various government departments in the areas of tourism, environment, land administration, urban planning, rural development and country park management. Moreover, the working group can be tasked with responsibilities like policy formulation, co-ordination in the management of natural resources and greening efforts. It should also be responsible for eco-tourism planning and in other matching facilities, including those which have been mentioned by many Honourable Members earlier, such as the erection of sign posts, route maps, signs and brief notes on the names of animals and plants, and facilities like washrooms and rest areas.

Fourth, to set up a database on eco-tours. I think this may be part of the work of the Tourism Development Board. The Board may forge co-operation with the universities to compile and manage information on eco-tourism. The information will be of help to local and foreign tourists as well as the operators.

Fifth, many Honourable Members have mentioned that there should be training programmes for guides of eco-tours. One of the ways is to add some training for eco-tour guides into the current vocational training programmes.

Sixth, to set up an authorization or monitoring system for eco-tourist products. Eco-tours which are well-planned are a profitable business. To prevent operators from adopting a practice of organizing eco-tours in name but without the substance, one of the ways is to authorize eco-tour products. Such a

practice is rarely found in other countries. The first country in the world to adopt an authorization system for eco-tours is Australia where the government will finance the expenses of authorization and the actual work is carried out by the Ecotourism Association of Australia. This kind of authorization is only targeted against some tourist products but does not include operators and guides for eco-tours.

Seventh, to promote community-based eco-tourism. Conservation efforts have often become an obstacle to community development and economic interests, leading to retaliations against the environment by extremists. In order to minimize such conflicts, the Government may adopt a community development strategy in communities with potentials in eco-tourism to involve the community concerned in the planning of eco-tours. The Government may also consider providing some incentives to property owners to make them more attracted to eco-tours. Some such incentives may be the giving of permission to these owners to build resort accommodation for people who take part in eco-tours.

The eighth point is of course, to work towards an integration of educational efforts in environmental protection with eco-tourism. When efforts are made to promote education in environmental protection, work can also be done to promote eco-tours and to engage in extensive publicity work in schools and community groups to send home the messages of eco-tourism.

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

MR HENRY WU (in Cantonese): Madam President, I speak in support of the motion on "Developing Eco-tourism". As a director of the Ocean Park and a member of the Environmental Campaign Committee, I am very concerned about both the environmental protection and the related conservation work. Today, I would like to talk about the significance of developing eco-tourism in Hong Kong and the difficulties that goes with it.

With the population explosion that is taking place, natural resources on the earth are fast depleting. And so the scanty natural resources that remain become particularly precious to mankind. The development of eco-tourism will help promote educational efforts on the conservation of natural resources and will enable us to make good use of the precious natural resources that we have.

Figures on tourism worldwide show a trend that by the year 2020, there will be 1.6 billion tourists who travel for leisure, learning and excitement. Eco-tours will meet these three requirements perfectly, for it can satisfy the desire of tourists to learn about nature and ecology and can also provide them with an itinerary which is packed with variety, fun and excitement.

Eco-tourism is an ideal way of travelling whereby the traveller obtains an appropriate balance between man and nature. As those who join eco-tours enjoy this refreshing experience of being part of nature, they will treat it with respect and appreciation. Not only will they refrain from doing anything to destroy the environment, they will also learn the important message of caring for natural resources. More importantly, they will not hesitate to pay more money to make nature stay on being beautiful.

Madam President, when Hong Kong is commonly regarded by people all over the world as a concrete forest packed with high-rise buildings, over 40% of our land is actually country parks and natural reserves. The Mai Po Marshes and the wetlands in the inner bay of the Deep Bay Ramsar Site are world-renowned habitats for migrant birds. The SAR Government should make good use of international interest in and concern for these ecological areas to further utilize our unique geographical advantages and build a base for the development of eco-tourism.

The SAR Government also plans to set aside \$520 million to build a 64-hectare wetland park towards the north of Tin Shui Wai. The park will serve the purposes of natural conservation, education and tourism and it is a theme park on the functions and value of wetlands. It is aimed to be a spot for eco-tours. This shows that the SAR Government is beginning to realize the importance of eco-tourism and this park is expected to promote educational efforts in natural conservation.

Having said that, there are still a lot of difficulties we have to face in developing eco-tourism in Hong Kong. The matching facilities to the infrastructure and professional tour guide services in particular, do have rooms for improvement.

With regards matching facilities for infrastructure, there is still a problem of providing transport services to a large number of tourists to the nature reserves without affecting the local environment. As for professional tour guide services, the authorities have not been able to provide adequate tour guide

services to people visiting the natural reserves or with fully qualified guides who have received professional training.

Therefore, the SAR Government must speed up the development of infrastructure projects while support should be given to training programmes in professional certificate for tourist guides. These will be of help to the future development of eco-tourism and ensure that tourists will be provided with professional tour guide services and that educational activities in conservation can be held successfully.

Madam President, with regard to environmental protection policy, when support is given to eco-tourism, it is essential that concepts of environmental protection can be put into the policy and form an indispensable part of it. Often times we think that strategies for economic development and environment protection should be separated. But in fact, for an environmental protection campaign to succeed, it must be backed up by clearly-defined economic policies. At the same time, we must make known to the public our unequivocal position that an appropriate policy in environmental protection will minimize the wastage of resources and will produce greater economic benefits.

The development of eco-tourism must be supported by matching efforts from the community. The SAR Government should continue its public education efforts on conservation and saving natural resources. It should also promote environmental protection themes like recycling, reuse and stop wasting resources, and so on. The right kind of ecological education should be given to the public and the people should be encouraged to savour the beauty of nature, hike in the country parks, embark on a dolphin-watch tour or roam through the greens on our countryside, and so on. All these will enhance the people's awareness of the need to protect the environment.

Madam President, we have a lot of ecological areas which are not far away from the city. They are the ideal destinations for eco-tours and environmental protection education outings. There are quite a number of books published here on eco-tour trips, one of these is called *Hong Kong's Wild Places*. The routes for excursions in the city areas of Hong Kong as suggested by this book are ideal for eco-tours and are especially suitable for students, members of the public and tourists. An excursion based on the routes suggested will help people to know about the interactive effects of urbanization and the natural environment.

In the long run, community activities are more effective in promoting a sense of environmental protection in the people. One of the recommendations is to expand the Environmental Protection Ambassador Scheme proposed by the Environmental Campaign Committee. The Scheme offers training courses on conservation and visits to ecological areas so that those who take part will be able to have a close encounter with nature and so help raise public awareness for the protection of the ecological environment.

Protecting the environment and developing eco-tourism of the right kind will bring great rewards that will benefit the generations to come. On the other hand, if the environment is destroyed and natural resources wasted, the kind of gains made are only very transient and will never last. So members of the public should all help to stop those encroachments and destructions made on our environment in the name of short-term gains, for they will pass on adverse effects on our next generation. People should try their best to promote environmental protection efforts.

Madam President, I so submit.

MR ALBERT CHAN (in Cantonese): Madam President, the motion for debate today is one of great value. I hope when the officials have listened to the speeches made by so many Honourable Members, they would come to realize that there are lots of valuable things here in Hong Kong that should not be regarded as things as cheap as "grass". Nor should they regard rubbish from overseas as things of great value.

In recent years, a lot of major projects have been undertaken by the Government to foster economic growth and tourism. For example, tens of billion dollars will be spent to build the Disney theme park and a replica Tang Dynasty garden is to be built in the Foo Shan Park. The latter project has been discussed in this Council and the cost of the garden is more than \$200 million, with government funding for more than \$100 million of the total outlay. In Hong Kong, there are actually some locations with great indigenous flavour and that applies especially to some scenic spots of natural beauty, but sad to say, many of these places have simply been neglected. The most obvious thing is that many of the trees in our country parks are killed by a parasite plant named *Mikania micrantha*. The Government has just sat back and done nothing, saying that it will conduct a study with the Guangdong authorities. Some of

these trees in the country parks have been planted there for almost 20 years or even longer, but they are strangled by these parasite plants every day until they die. Our ecology is constantly being destroyed, and I just wonder what our Government is going to do about it.

Under the direction for the development of eco-tourism, I think the Government should make efforts to co-ordinate the three areas of economic growth, planning and land administration. I also hope that a higher-level directive will be issued by the Government to make full play of the advantages offered by our natural scenery and scenic spots. That will, on the one hand, protect these scenic spots, while on the other hand, promote the growth of the tourist industry.

There are lots of scenic spots in the western part of the New Territories. The southern part of Lantau Island has been designated by international organizations as a valuable coastline. Along that stretch of coastline, there are lots of natural attractions and marine produce. However, with illegal fishing of the fishing boats from the Mainland, the marine produce in this area is all depleted. This loss of valuable marine resources can be attributed to the lack of co-ordination among the government departments. Despite the existence of quality marine produce and the natural scenery there, the lack of proper management will lead to their destruction. Some of the destruction is caused by the Government itself. The Home Affairs Department and other departments concerned would spend a lot of money each year to build paths for pedestrians. It is surprising to see such paths in the country parks are built in concrete and with railings in concrete as well. This will destroy the natural scenery in the country parks. Recently, I approached the Home Affairs Department in the hope that they could make some changes to the design, because man-made destruction is very quick, but it is not worth it and a lot of money would have to be spent. Therefore, there must be co-ordinated efforts between departments in this aspect.

Madam President, there is a place called Tai Long Wan at the western tip of Lantau Island and I am not sure if Members have heard of the place. The place is a beautiful beach without any sign of man-made alterations. Very few people would go to that place. The villagers there say that 10 to 20 years ago the sea turtles would still lay eggs there, but this has already become history, for the eggs laid by the turtles were all stolen. The turtles do not come there to lay eggs any more. A place with such a great ecological value is not well-known among the people and the Government has not paid much attention to it either.

There is another place on Lantau Island, and I am not sure if Members have been there before. Not very far from Tai O, in a place called Lung Chai, there is a private garden called Ng Yuen. However, the garden has become desolated for lack of management over a decade. The garden has got rare varieties of plants and flowers, like the extremely rare square bamboo, the beautiful camellia and a lot of others which are grown wild. But not many people visit the place. If the Government would like to develop the place, it may approach the owner and develop places like these. This will ensure that places of ecological value will be preserved and become widely known among the people.

It is a fact that the people of Hong Kong enjoy eco-tours, that is, green tours and green activities. But there is nothing done on the part of the Government to promote this and no assistance is given. In the large area of land in Tai Tong, Yuen Long, there are many green organizations which hold such green activities there. But about half of these activities are against the relevant laws and some of these are just tolerated by the authorities. Formal approval should be given to these organizations to carry out these eco-tours and green activities so that the people can enjoy more fun and excitement.

There are also many other spots such as in Deep Bay, the area near Mai Po, the southern part of Lantau Island and the northern part of the New Territories, and so on, where such activities can be organized. But the most important thing is that the Government should ensure that matching facilities such as traffic arrangements are available. It may be that traffic does not fall within the scope of responsibilities of the officials sitting in this Chamber right now, but the fact is that many people are prevented from going to these places unless they are prepared to walk a few hours because of the monopoly of some service providers and the rigid management of the Transport Department. So if there is no co-ordination among the departments, the people may not be able to visit some of the very attractive tourist spots. An inter-departmental group may help, but it must be given actual powers to carry out such work. Senior officials should also direct the relevant bureaux to take action, for if not, many recommendations will remain as they are and will never see the light.

Lastly, I would like to mention one more thing and that is, management is very important for eco-tourism. For example, many people would go to watch the white dolphins, but that disrupts the daily routine of the white dolphins. The people may just want to go on an eco-tour, but they are not aware of the

possibility that this may damage the ecology. So management is of vital importance for eco-tourism. Take the example of Jiu Zhai Gou, the famous tourist spot in Sichuan, the Chinese Government has begun to regulate the number of visitors going there. Likewise, the Hong Kong Government may consider imposing control on the number of vessels permitted in these waters during the peak season for dolphin watching in summer. This will prevent the white dolphins from being disturbed. Otherwise, this cherished symbol of our city may someday disappear from our waters.

MISS CHOY SO-YUK (in Cantonese): Madam President, ask anyone in Hong Kong, he or she will be able to narrate something out of the long list of our proud achievements in business, like Hong Kong being one of the freest economies in the world, being awarded many times the best place to do business, and so on. However, if the people are asked to say something about our natural environment, apart from being able to say that we have a natural deep water harbour that is unique in the world, it seems that not many people can say anything more. We cannot help but ask, in this place where business opportunities are so readily available, do we really have nothing to tell the world about our ecological environment?

The fact, however, is exactly the opposite. Hong Kong is situated in the subtropical region. Over 40% of our land are covered by vegetation. Our natural resources are rich and we have one of the most active eco-systems in Asia. We have forests, freshwater wetlands, seas and islands. There are great varieties of plants and animals in Hong Kong and this measures up very well with most other countries. Hong Kong is a breeding ground for 1 900 species of flowering plants, 450 kinds of birds, 225 kinds of butterflies, 107 kinds of dragonflies, 57 kinds of mammals, 23 kinds of amphibians, and 73 kinds of reptiles. Besides, in Mai Po alone, we know that 23 kinds of endangered species of birds are found there. In the eastern part of our waters, the great number of varieties of coral growing there is comparable to that in the entire Caribbean Sea.

It is an irony that we have been living in this treasure house of ecology for so long and yet we are still unaware of it. The cause for such an ignorance both among the Hong Kong people and people overseas can be attributed to the lack of government efforts in this aspect and they are singularly directed towards our business achievements. To put it bluntly, it is only because of the deficit problem which has appeared and is there to last for some time that in a desperate

bid to fill up the gaping public coffers, the Financial Secretary made use of the occasion of the United Nations International Year of Eco-tourism to present eco-tourism and tourist activities with other themes in his Budget speech as high-value-added economic activities and key promotion targets.

My reaction was mixed even after I heard about this. I was pleased to hear that the higher echelons in the Government were beginning to adopt a positive stand and attach more importance to ecology. But I was worried that the Budget only mentions the economic benefits of developing eco-tourism, for that is clearly not placing the emphasis on the right thing and is being too brief and lacking in substance.

Madam President, in the final analysis, the objective of eco-tourism is not in the increase of public revenue but in the provision of a huge financial incentive to induce the Government to make more efforts to protect the only ecological environment that is left in the territory. It is hoped that through this kind of tourism that the travellers would come to know the awesome magnificence and breathtaking beauty of the unspoiled and primal ecology around them and experience the sobriety of nature that transcends humanity and borders on the divine. It is hoped that through so doing, a love and respect for the environment can be fostered in the people. In other words, the core content of eco-tourism is conservation and so we cannot turn our eyes away from the frail and fragile nature of the ecology in the spots we visit. We can never set our eyes on the short-term gains brought about by bringing more tours to the spots without ever thinking of putting a brake on it. An even worse thing is when tours are recklessly held on ecologically sensitive spots, this will lead to the deplorable result of the destruction of the environment in places where it should be most urgently protected. This kind of reckless destruction of the environment in the name of eco-tourism is something which can never be forgiven, and is the kind of blunder that is the last thing I want to see.

To avoid all these, the Government in its attempt to develop eco-tourism must try its best to affirm the concepts of sustainable development so that precious ecological spots can stay on for good. As I pointed out in the speech I gave in the Budget debate in March, a protected ecological environment is the first and foremost requirement for the promotion of eco-tourism. A clear and well-defined conservation policy is essential to the effective protection of the environment. For in the absence of a set of criteria for the development of eco-tourism, all actions done in its name may turn out to be backfired. Another thing is that in the development of eco-tourism, the timing, tourist areas and the

number of tourists permitted should all be subject to rigorous planning, so that no disruption is made to the life of the plants and animals, and that the natural scenery will never get spoiled. Even as all these are done, the authorities should carry out regular inspections and seek to understand the actual impact of tourism on ecology and the environment.

Madam President, apart from having the right environment, another requirement for eco-tourism is to have available a group of professional tourist guides. They will serve to play a complementary role to make eco-tourism a success. It is sad that that due to years' of indifference to the need of such kind of tourist guides that we are seriously lacking in people who are well-versed in the local ecology and environment. In order to meet the demand in the foreseeable future, the Government should place more resources and assist all institutions concerned to organize related training courses. More importantly, the market of eco-tourism should be made attractive enough to the professionals so that they can make it their career. And the young people can also be attracted to join the ranks of eco-tourism guides.

We have only one earth. And for each second that ticks away, a forest equivalent to three soccer pitches will disappear because of human destruction. The operation to save our planet has become the most pressing task. The protection of nature is no longer purely done for the sake of making more money, but for the reason that we are left with no other choice whatsoever. The development of eco-tourism is an opportunity. If more and more people can make a living out of economic activities associated with ecology, then it is possible to tie in environmental interests with personal interests, and the two will not be always in conflict as they are now; then the positive forces for the support of environmental protection and love for the planet can grow and prosper in our society.

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

MR LAU PING-CHEUNG (in Cantonese): Madam President, as we all know, Hawaii in the United States, with its beautiful scenery, is a famous city for world tourism. Although I have not yet been there, a friend told me that there is a Pan-Asian culture theme park that introduces the cultural features of ethnic groups on different islands in the Pacific region. Some university students acting as natives would also demonstrate how to light a fire by drilling in wood. We learnt in primary school that we could light a fire by drilling in wood, but

have we tried to do so? The knack of it is that we have to use wood of equal hardness and it is best for us to split a piece of wood into two and rub one against another to light a fire.

Madam President, I have given the example to point out that we always come into contact with certain things in daily life but we have always overlooked them. However, they will be new delights to tourists.

The Hong Kong Tourism Board publicizes Hong Kong as a City of Life with a diversity of features. After all, travel agencies make arrangements for tourists to enjoy eating, drinking, playing and shopping in Hong Kong and they receive commissions in return. With increasingly intense competition, the charges for tours have reduced to become lower and lower, therefore, guides would try their best to bring tourists to free scenic spots with good transport services such as Wong Tai Sin, the Repulse Bay and the Man Mo Temple. They would then race against time and bring tourists to places for shopping. Of course, these scenic spots are quite attractive but, in the course of time, Hong Kong would no longer be attractive in the minds of tourists.

Thus, I agree to the motion proposed by Mr WONG Yung-kan in urging the Government to allocate resources for the development of eco-tourism. Tourists from different countries will naturally have slightly different interests. Taking buildings as an example, tourists from Europe and the United States may be interested in temples and ancestral halls with Chinese traditional features while tourists from the Mainland may be more interested in buildings with colonial colours such as the Legislative Council Building, the old Admiralty barracks reconstructed in Stanley as well as the Roman Catholic Cathedral on Caine Road.

I do not worry too much about the scenic spots above because most of them have been designated as declared monuments or private properties; thus, they would scarcely be damaged. As regards other scenic spots, I hope the Government would think of ways to preserve their original appearance and characteristics so that they would be in harmony with the surrounding environment. For example, the relics of ancient stone inscriptions are found in many places in Hong Kong such as Wong Chuk Hang, Shek O and the Po Toi Island. As these places are desolate and out-of-the-way, people have not damaged them though the stone inscriptions are not specially protected. However, the stone inscriptions in Cheung Chau are found below a hotel, but as they are incompatible with the hotel, and there are so many visitors to the hotel, a plastic cover is added to protect the stone inscriptions.

All in all, Madam President, it may be difficult to damage stone inscriptions, but the country parks and the animals and plants within areas of special scientific values may be damaged by the acts of visitors who discard water bottles, rubbish and so on. It is necessary to protect the habitat of these valuable animals and plants lest they should be damaged. Although I am not an expert in this respect, I know that the Agriculture, Fisheries and Conservation Department has put in a lot of efforts in country parks. For example, it has put up artificial bird nests as bird habitats and provided birds with food to attract more birds to inhabit there. These efforts are all worth supporting.

With these remarks, I support the motion.

MR IP KWOK-HIM (in Cantonese): Madam President, many Hong Kong people wish to enjoy their holidays overseas because they long for beaches with clear water and fine sand, set against a background of the blue sea meeting the azure sky over the horizon. Actually, in Hong Kong, there are also many scenic natural landscapes, only that we are much too busy to notice their existence. Currently, about 40% of the lands in Hong Kong are green zones such as country parks, where natural landscapes with immense eco-tourism value are located. The marine park off Tung Ping Chau is populated by coral reefs; if we have a chance to go swimming and scuba-diving there, we will certainly experience how wonderful it is when shoals of tiny, colourful fish glide right past us, and we will also marvel at all those strangely shaped rocks standing beside the crystal clear water of the shore. Mai Po is a world-famous nature reserve, and every year, as many as 3 million migratory birds belonging to 340 species, 23 of which are endangered, find their habitat in this piece of wetland. Besides, Mai Po is also a haven for bird photography.

As defined by the Environmental Projects Committee of the United Nations, eco-tourism should also cover the observation and understanding of local cultural traditions. This is an especially strong point of Hong Kong. Last Sunday, it was 23 March of the Chinese Lunar Calendar, the Tin Hau Festival¹. All over Hong Kong, in places with working fishermen and Tin Hau Temples, there were grand processions and parades. Of all these, the biannual

¹ 天后, transliterated as Tin Hau in Cantonese, literally means the Queen of Heaven. It is commonly believed by fishermen in Taiwan and Southern China, including Hong Kong and Macau, that she is the protector of all fishermen working at the rough seas. The Tin Hau Festival every year, dedicated to paying tribute to her, is marked by parades and rituals dated back to the ancient times.

Tin Hau Inspection Tour at Leung Shuen Wan would be the most special. Villagers participating in the inspection tour would all dress themselves in ancient costumes, with some carrying the sedan chair of Tin Hau, and others lining up for a respectful reception of her on board the inspection vessel. The inspection vessel would then go on an inspection tour in the surrounding waters under the convoy of some 10 boats, imitating the inspection tour rituals of government officials in ancient times. The rituals of the Tin Hau inspection tour are surprisingly similar to those of the Madonna sea parade held by fishermen in southern Italy. Such similar rituals, coming from the other side of the globe, testify mankind's common religious imagination.

Unfortunately, we could learn of such a special festival only in the evening news, only when all the tourists had gone. This is in marked contrast to the Madonna sea parade in Italy, a world-famous event which attracts hundreds and thousands of tourists. People simply have no way of knowing that the natural landscape of Tung Ping Chau is so wonderful unless they go to the library to search for information. It is small wonder that they often go to Kyushu of Japan to look at the Oni-no-Sentakuita, or "The Devil's Wash-board", without realizing that just on our Tung Ping Chau nearby, there is already an equally beautiful coastline.

One major principle of eco-tourism is the perpetuation of the ecological environment and cultural heritage. The Government should step up the education and publicity efforts in this respect, in order to make people aware of the fact that while they are having their outings, they should show their appreciation, love and care for the beautiful environment. That way, the message of environmental protection can be spread in the course of leisure activities. The most lacking in Hong Kong now are publicity and tour plans. The Tourism Development Council should make more efforts in this respect.

There are plenty of eco-tourism spots in Hong Kong, and the Government should learn from the successful experience of the Tourism Guides for 18 districts and continue to co-operate with the various District Councils, in order to find out from them and the people what kinds of tourists spots and traditional celebrations there are. It should then collate the information gathered and work out several territory-wide tour routes that can make both the local people and tourists feel that Hong Kong is a place full of fun and excitement. The District Councils may also improve the tourist spots in the districts, promote tourism and

play a more active role. For instance, the Tuen Mun District Council has approved a \$200 million, five-year development plan on improving and repackaging some of the existing tourist spots in the district. Early this month, the Islands District Council launched a programme called Islands Glamour, which aims to promote traditional celebrations and tourist spots in the district. This is a very good start and also a very special programme.

Part of the lyrics of the canto-pop song "Dreaming of Shatin" says: "Viewing the sunset amidst the evening breezes as I leaned against the window, I witnessed the slanting sun by the seaside waved goodbye to a sky of sunset clouds." This vividly describes the life we used to live, being so intimate with nature, and this is also the kind of life that we people living in a concrete jungle would long for. To better enable people to feel the extensiveness of nature, the Government should actively promote eco-tourism, continue to protect tourist spots with ecological value and preserve traditional celebrations as well as buildings with local colour, so that people can take a break from their monotonous life and upgrade their quality of life.

With these remarks, I support Mr WONG Yung-kan's motion.

MR WONG SING-CHI (in Cantonese): Madam President, after the scraping of the Municipal Councils on 1 January 2000, I did not serve in the Regional Council any more and only served as a member of the District Council and worked as a part-time social worker. So I had quite a lot of free time. Every Sunday I would go with my wife and my son to some of the places in Sai Kung or other rural areas for a trip.

Once we went to a place called Yung Shu O. The place was in Sai Kung and it was beautiful. I figure if Members drive by, they may miss the entrance to the place. That day, after we had parked our car, we walked for 45 minutes and found out that places like Kei Leng, Hoi Ha, and so on, nearby in Sai Kung were indeed very beautiful places. That was the first time I went there. Since we were there, we explored the place. The place was so beautiful that it could be said to be a paradise, for it was very clean and charming. We went there to dig for clams. After the tide had receded, the place was a large mud flat with a lot of interesting little creatures like clams, crabs and even some small shrimps. After we caught some of them, we let them go. For if not, we might be spoiling the natural ecology of the place.

As we were having fun on the mud flat, my son asked me, "Dad, why are we protecting these food from the ecology? And are they animals? Why do we not bring these shrimps and clams back home?" My wife said to him, "That will spoil the ecology. For there is something called the 'food chain' in nature and if the habitat of an organism or an animal is destroyed, or if it becomes extinct, that would affect the ecology of the place and some animals cannot live there any more. More things in nature may be destroyed and many problems would come up, in the end, even human lives may be affected as well."

After my son had listened to that, he realized that in a tiny creature like a clam or a shrimp, it could be seen that the life of every creature was so closely linked up with each other. So from that day onwards, he began to show a greater love for living things. Certainly, he has been like that before, but now he has a love for even living things like cockroaches, mosquitoes and flies. And that is something we have never expected from him.

Apparently, if we have a chance to go out and spend some time in nature with our family, not only can we feel relaxed, our stress and tension gone, for we can also make use of the chance to talk with our kids and friends things about the ecology and some other issues that are closely related to our daily life.

So I would think that eco-tourism is not just travelling. It may be some of the habits that we should have in our daily life, or even the things that we should do. All these cannot simply be overlooked. If promotion is given to this kind of ecological activities, I think we should all lend our support to it. For these activities are not just the ones we do when we have free time, they may even affect the future development of our world and our natural environment.

However, often times we can see that when the Government is making efforts to promote these activities, there would be some inadequacies, or there would also be some aspects which are affected by some other policies. And so the promotion of eco-tourism is greatly impeded.

First, let me cite an example. There are lots of places near our boundary where ecological activities and such ecological environment exist. However, an absurd thing appears and that is the people of Hong Kong have to apply for boundary permits before they can go to these places which are in fact within our territory. The people of Hong Kong do not have the freedom to enter these

places and enjoy the beauty of nature there. When Hong Kong people want to go to Sha Tau Kok, they will have to present their identity cards and boundary permit for inspection by the police. If they do not have the latter, they cannot enter Sha Tau Kok which is in fact a great park for nature-lovers.

As a matter of fact, we can see that there are lots of places in Hong Kong which are of great ecological value and we should go there to enjoy the ecology there. Many of these places are found in our boundary areas. So I hope that the Government would give serious thoughts to my point and see how the closed area along the boundary can be pushed further backwards. I do not think I should propose such a drastic move as to abolish the boundary altogether, for that may lead to many other problems. But at least we can push the boundary backwards a little bit and that will enable the Hong Kong people to go there more easily and enjoy a close encounter with nature. This can also allow our younger generation to go into this nature park and know more about the ecology there.

Second, we can see that vehicles are permitted in many of the country areas. I have no objections to vehicles entering these places. But it would be better if only private cars are permitted. If large vehicles are allowed, that would lead to a problem of exhaust emission which is not something desirable. It would be much better if only those means of transportation like bicycles which will not cause pollution are allowed to go into these places. Or can we be more creative in using electric vehicles to shuttle between these places to bring the visitors to these ecological parks so that the environment there can be better protected?

Sad to say, the cycling tracks that we have at present are narrow in the first place and second, they end abruptly and thus are prevented cyclists from touring around the entire New Territories. If in our future developments we can have some cycling tracks cutting through the ecological spots or even some of the tourist spots in these areas, that will enhance our efforts in protecting the environment and promote healthy activities like cycling and link them up with eco-tourism.

Besides that, we can see that we are in lack of a comprehensive policy on conservation. To put it simply, the Government is in complete ignorance of for example, how areas of ecological value like Long Valley are to be developed. So I hope that besides promoting eco-tourism, the Government should think

more on a comprehensive policy on conservation so that places of ecological value can be better protected and so that there will be more such places available to the public to go and enjoy the ecology there.

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

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

(No Member responded)

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, in his Budget speech of March 2002, the Financial Secretary identified tourism as one of the four high value-added economic sectors of particular importance to Hong Kong. He said that to further promote tourism, we must develop different types of tourism, such as business tourism linked with exhibitions and conferences, and family, ecological and cultural tourism. The Financial Secretary has been overseeing the work of government departments personally to co-ordinate efforts for tourism development on various fronts. That is why I am grateful to Mr WONG Yung-kan for moving this motion which gives us the opportunity to explain to Members our work in green tourism. My thanks also go to Members who have spoken in support of our orientation in this respect.

Our objective is to enhance the attractiveness of Hong Kong by developing a kaleidoscope of attractions for tourists' enjoyment and offering a wide variety of sights and sounds with something for everyone, thereby sustaining the development of tourism. This will not only attract more visitors, but will also encourage visitors to stay longer and visit Hong Kong again in future.

To this end, we must keep abreast of the development of the market. An evident market trend in recent years is that nature-based tourist activities have become increasingly popular. These activities are generally referred to as eco-tourism or green tourism. I am aware that some people are mindful of drawing a distinction between these two terms, but it is not my objective today to debate on terminology. Mr WONG Yung-kan pointed out that sustainable development and education are important components of eco-tourism. I cannot agree with this more. We think that green tourism and eco-tourism activities generally refer to hiking, cycling, visiting the countryside and participatory

activities, dolphin watching, and visiting museums relating to the nature and cultures and visiting natural conservation areas. We also consider that sustainable development and educational guidance should be our principles.

First, I would like to speak on the demand for eco-tourism in the market. The year 2002 is declared the International Year of Eco-tourism by the United Nations. This has underscored the importance and potentials of this global trend of tourism. However, we must understand that to many visitors, eco-tourism is just part of the tourist experience that they seek to obtain and so, it only adds value. As pointed out by Mrs Selina CHOW earlier in the debate, according to the Visitor Profile Report of the Hong Kong Tourism Board (HKTB), about 15% of in-bound visitors indicated interest in hiking in Hong Kong's countryside, and about 24% are interested in general eco-tourism activities. These two kinds of activities are among the 10 most popular feature activities for tourists, and hiking in the countryside is particularly attractive to visitors from the three long-haul markets, namely, America, Australia and New Zealand, and Europe. Among tourists from these markets, as many as over 25% have indicated interest in hiking. Indeed, hiking trails in Hong Kong reveal very beautiful scenery and are becoming internationally known in the hiking sector. We have also arranged special tourist activities for visitors who wish to go hiking in Hong Kong, and these activities are particularly popular with Japanese visitors. Some Japanese travel agencies have specifically organized hiking package tours to Hong Kong.

As regards the existing resources relating to eco-tourism, we are actively upgrading and promoting the existing facilities, and are studying and developing new eco-tourism products to cater for the needs in the market in respect of eco-tourism. As the Financial Secretary pointed out in his Budget speech, Hong Kong is endowed with scenic country parks, hiking trails and nature conservation areas. They provide a good foundation for the development of eco-tourism, and should be made the focus of our promotional endeavours.

As Dr Raymond HO said earlier on, while Hong Kong is renowned for being an advanced commercial metropolis, about 40% of land is protected by law. Currently, we have 23 country parks which are very popular recreational and tourism facilities. In 2001, they attracted over 11 million local and overseas visitors. These country parks are well-equipped with a variety of facilities for visitors, and there are education and tourists centres, as well as properly-managed and clearly-marked hiking trails, paths, and footpaths for family walk

for different people of varying abilities. These parks and other natural areas are habitat of a diversity of wild animals and natural vegetation, and it is indeed lucky for us to have species which are unique to Hong Kong. The Agriculture, Fisheries and Conservation Department (AFCD) spends as much as over \$320 million annually on protecting and managing natural areas, which include country parks and marine parks. Besides, our lush green countryside is within easy reach of the urban areas and hotels, and this is a feature not matched in other parts of the world. Added to this is a sound transport network which provides tourists with easy access to country parks in various parts of the territory. We are vigorously promoting these existing and usable resources both overseas and locally. The HKTB incurs an expenditure of about \$5 million yearly for the promotion of green tourism in major overseas markets.

Next, I will explain in greater detail the work of the AFCD and the HKTB in promoting and developing eco-tourism. The HKTB and the AFCD are currently promoting different types of tourism products and our attractive countryside features. Ongoing efforts will be made to study and develop new products, so as to satisfy the needs of local residents and overseas visitors.

To mark the International Year of Eco-tourism, the AFCD launched an eight-week activity called "Hiking For Fun" early this year, which saw 25 000 participants trekking through hiking trails in eight country parks. The AFCD will organize other activities, such as eco-tours to wetlands, and a two-month hiking festival to be launched at the end of the year in support of the International Year of Eco-tourism. Under a programme launched by the AFCD early this year to recruit volunteers for wetland parks in Hong Kong, about 300 volunteers have been recruited as assistants and tourist guides in wetland parks. Moreover, the AFCD has organized other activities to promote eco-tours to selected locations. As the manager of country parks, the AFCD has endeavoured to ensure that these quality resources are readily available for use by visitors and at the same time meet the demands and needs of visitors. Therefore, facilities such as hiking trails and directional signboards will continue to be provided and improvements will be made to the existing signage. In addition, the AFCD will continue to provide detailed information through its website and various publications in order to introduce Hong Kong's country parks and natural landscape. To implement these and other related activities, the AFCD has earmarked about \$2.5 million under its departmental expenditure for 2002-03, and will deploy two additional departmental staff and 70 part-time staff to carry out the relevant work.

As for overseas promotion, Mrs Selina CHOW has already introduced to Members a series of publicity publications by the HKTB which aim to promote green tourism products in Hong Kong, and I do not wish to repeat the details here. The HKTB has also published *Hong Kong Walks*, a do-it-yourself guidebook for tourists to explore scenic spots in Hong Kong at their own pace. Other than this, guided nature walks are also provided for tourists to explore selected nature trails accompanied by experienced tourist guides. Through its overseas offices and agency network, the HKTB has promoted bird-watching in Mai Po as well as dolphin-watching activities. It has also promoted green tours organized by commercial agencies, and has encouraged and assisted these agencies to organize more green tours. The HKTB organizes the International Hiking Day jointly with the AFCD every year, and this event is particularly well received by Japanese tourists.

Moreover, Mrs Selina CHOW suggested that some hiking trails in Hong Kong be registered as internationally recognized hiking routes to make Hong Kong better known to the international community and to attract people interested in hiking to come to Hong Kong for leisure. I wish to tell Members that we are currently looking into the registration of some hiking trails on Lamma Island as a hiking route, and some improvements have been made to these trails, such as providing signboards, labels and hiking guides, in co-ordination with this purpose.

To promote eco-tourism, apart from making continuous efforts to improve the existing resources and scenic spots, we will invest in the development of new tourist attractions in order to boost the strength of eco-tourism. The Hong Kong Wetland Park in Tin Shui Wai, which includes two phases of work, has been making good progress. Facilities in phase 1 were opened to the public in December 2000 and have since attracted 128 000 visitors. The entire project is expected to complete in 2005. By then, the Hong Kong Wetland Park will become another major facility for nature conservation and education in Hong Kong, complementing the adjacent world class natural heritage, the Mai Po Marshes. Early this year, the AFCD set up a website which introduces the Hong Kong Wetland Park so as to promote the Park worldwide through the Internet. The HKTB will also focus on the Hong Kong Wetland Park and the Mai Po Marshes and Country Park in its promotional and publicity campaigns for eco-tourism.

In line with our strategy to capitalize on the natural resources in Hong Kong, we are actively seeking new opportunities to develop places not being fully utilized for eco-tourism activities. These places include the Closed Area in northern New Territories. The Tourism Commission has commissioned consultancy studies on this issue and will work with District Offices, local communities, the academia and professionals to explore the potentials for tourism development in northeast New Territories and examine the feasibility of developing these places for tourism purposes.

When conducting these studies, we will keep a balance of the concerns raised by Members today with regard to ways of developing eco-tourism spots and products, including ways to ensure that sustained development will not do damages to the natural ecology as a result of an increased presence of visitors, and will provide co-ordinating measures through investment by the Government and the private sector.

Now I wish to turn to our efforts in promoting environmental education and facilitating economic development. To local residents and overseas visitors alike, the Hong Kong Wetland Park, country parks and other green tourism facilities are not only tourists attractions, but also important facilities for environmental education. In fact, people who take part in the activities organized by the AFCD are mostly local people. The purpose of these activities is to encourage participants to appreciate the scenery of our countryside in Hong Kong and to raise their awareness of environmental protection.

This shows that eco-tourism is not just a type of tourism. It also helps promote environmental protection. In fact, environmental education has already been incorporated into the curricula of primary and secondary schools, including the Travel and Tourism subject for secondary students. Green outings also serve as a major channel for teaching the subject on environmental protection. They include activities relating to eco-tourism, such as visits to Mai Po, country parks, nature trails, farms, environmental education resource centres, farmhouses, and so on. The Education Department has also published a series of reference materials, publications and manuals relating to green tourism. To promote environmental education, the Education Department will invest \$1.25 million in the two years between 2001-03 to provide training for 300 teachers, in order to help them organize such teaching activities as green outings. Furthermore, the Education Department will provide subsidies totalling about

\$1.7 million to 100 primary schools and 300 secondary schools for them to organize visits to Mai Po. This shows that eco-tourism can help promote environmental education by encouraging people to use our countryside as a lively classroom for environmental protection and can add value to our education resources.

From a direct economic viewpoint, eco-tourism is a potential area for tourism development and can generate tourist revenue for Hong Kong. Moreover, development projects relating to eco-tourism will also increase employment opportunities. For example, it is estimated that phase 2 of the Hong Kong Wetland Park project can create about 615 jobs and an additional of 9 300 man-months of work.

Many Members also mentioned the importance of professional tourist guides. This area of work is now taken up by professionals and volunteers from the AFCD, school teachers, and people with professional knowledge who operate commercial eco-tours. We agree that our next objective should be to provide knowledge of eco-tourism to more tourist guides. We will explore ways as to how we can do better in the context of the training currently provided for tourist guides.

In promoting eco-tourism as part of the overall development of the local tourism industry in the long run, our objective is to continue to develop tourism as a key economic driver in Hong Kong. Continued development of tourism is beneficial to the Hong Kong economy for this will, among other things, generate revenue and create job opportunities. Other tourism-related industries, such as the retail industry, air services and businesses linked with international business conferences will also benefit from this.

Mr WONG Yung-kan's motion today and the enthusiastic participation from Members reflect the importance and potentials of eco-tourism development. They also point to the need for all sectors in the community, including the local people, businesses and government departments, to work more closely and make greater efforts for this cause. We hope that we can obtain Members' support when we bring up new development projects before the Legislative Council in future.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr WONG Yung-kan, you may now reply. You have one minute and eight seconds.

MR WONG YUNG-KAN (in Cantonese): Madam President, I am very grateful to the 16 Members who have expressed support for this motion, and I also wish to thank the Secretary for putting forward her views on this occasion. Some are worried that the development of eco-tourism may adversely affect the work of environmental protection. However, as I pointed out in my speech earlier on, a sound and proper development of eco-tourism will not cast any negative impact on the environment; and quite on the contrary, the environment will be improved as a result, and this will in turn benefit the economy and the various parties. So, how can it be said that eco-tourism may adversely affect the environment? I therefore hope that those who think so can seek to understand the standpoint of eco-tourism advocates from a fresh perspective, and see that they share the same concern as environmentalists over the protection of the environment and the ecology. And, I really think that no harm will be done at all.

As such, I hope that Members can support the motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Yung-kan 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: Civil justice reform.

CIVIL JUSTICE REFORM

MISS MARGARET NG: Madam President, I move that the motion standing in my name in the agenda be passed. Hong Kong is proud to have a world class justice system: dedicated, impartial, with unquestionable integrity, and equal to dealing with any dispute among Hong Kong's sophisticated citizens and people who have come to do business among us. It enjoys great prestige and confidence. Its rules and procedures are familiar to anyone at home in the common law.

THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair.

However, like its peers in other jurisdictions, Hong Kong's civil justice system also has problems which are becoming more worrisome with time. As has happened before in history, the time is now reached for the system to review itself and perhaps to embark upon a course of self-renewal. It is in this spirit that I invite Honourable colleagues to take note of the Interim Report and Consultation Paper on Civil Justice Reform published by the Chief Justice's Working Party in November last year. The Panel on Administration of Justice and Legal Services (AJLS Panel) has held a special meeting on 14 March to hear views on the Report, and as Chairman of the Panel, I would like to thank the organizations and individuals, as well as Members, who contributed to the discussion.

So far from being dull and technical, the issues considered in this Report are of immediate concern to this Council, because they are about the efficiency and cost-effectiveness of the courts in delivering justice, and real access to justice for every level of the community.

The three problems of the present system identified from the outset are high costs, complexity of procedure, and delay. What the Report tries to do is propose reforms which will make the civil justice system cheaper, simpler, and faster, more user-friendly and in tune with contemporary life including the wide use of information technology. No less than 80 proposals have been made in

the Report. The Law Society has published a detailed critical examination. The Bar has yet to finalize its response, but a provisional view has been presented to the Panel. The profession is the most directly concerned and best equipped to comment on the technical aspects as to whether and how the proposals would work in practice. However, as the submission of the Consumer Council demonstrates, the proposals are not just technical, but aim at a new approach by the courts to litigation which could improve affordability and accessibility.

One central theme running through the proposals is the need to simplify the rules of the High Court, and remove as much mystique from them as possible by using plain language. Further, a radical change is proposed whereby the rules themselves are to be interpreted not textually, but purposively, according to the "overriding objective" to ensure that they are applied appropriately to the nature of the case.

Another major theme is a shift from letting the parties dictate the speed of progress to case management by the judge. This means a more active and interventionist role for judges from the very beginning. This new approach is coupled with a third major change: namely, the rules for awarding costs. The proposed changes aim at reducing costs as well as giving the judge more "teeth" in case management.

High legal costs is a common complaint, but the Report has also focused on disproportionate costs, particularly when the claim is relatively small. In those cases, although the actual sum for legal fees cannot be said to be unreasonable given the work done, they are disproportionate to the result the litigant obtains from it. The solutions suggested for disproportionate costs is to avoid litigation altogether if possible. The institution of "pre-trial protocol" aims at encouraging earlier settlement, for example, by requiring the parties to focus their minds more seriously on what the dispute really amounts to before they rush into litigation.

A fourth theme of the proposals is transparency, particularly when it comes to costs. Consumers have a right to know the price and what they are getting for it. People should not be inhibited from going to court because they cannot control their financial exposure. The Report makes several proposals, including requiring the parties to disclose their best estimates to the court and to each other periodically, and setting "benchmark costs" for different categories of work.

These broad themes are each of them generally supported in principle, but deeply controversial when it comes to the details of implementation. I feel sure that a progressive approach can be adopted, starting with the most clearly supported, and leaving the more controversial for another day after further review. I hope that the debate this evening will help towards crystallizing some of the issues.

However, I believe that together with the reform, several things must be done as a matter of priority. The first is measures to ensure the quality and calibre of our judges. Special resources should be provided. More judges of the right experience will be needed. The success of case management and in fact the prestige of and confidence in the civil justice system will depend on this. The AJLS Panel's recent study on the appointment of judges is relevant here and I look forward to the eventual reform of our present system of recruitment of judges. Second, more has to be done to promote public knowledge of the law and the system of justice. More practical advice has to be given to ordinary citizens when they need it. The Report discussed unrepresented litigants. I look forward to the recommendations of the working party of the Chief Justice on this matter. Another study of the Panel, on the review of Legal Aid legislation which includes looking into the concept of "unbundling", is relevant here. Third, the level of legal fees must remain a matter for the free market, but it is imperative for the profession to take steps to promote greater transparency of fees to the community.

I am personally most interested in the proposals on judicial review. I support these proposals. In the last few years, Hong Kong has witnessed the constitutional importance of the judicial review. We have made leading contribution to the development of administrative law, for example, in the recognition of substantive legitimate expectation. To provide for the participation of "interested parties" and Brandeis briefs will facilitate further development. I also support further proposals on multi-party litigation. This will be a very real help to enable individuals who are not wealthy to come together and assert their rights against big organizations.

Mr Deputy, in the concluding part of the Report, the question is raised as to whether the reforms should be implemented by amending the present High Court Rules, or by adopting a new set of rules altogether, similar to the Civil Procedure Rules in England and Wales introduced by the WOOLF reform. I understand that both the Bar and the Law Society favour the former, more

moderate approach. While I respect their proper sense of caution and their experience as practitioners, my own view is to favour the more radical approach. I believe by the time the broad themes I have outlined above are incorporated into the existing rules, the rules themselves will be radically different anyway, so that the old form may well become an impediment. Further, although I agree with practitioners that the same aims can be achieved to a great extent by just applying the existing rules with much more vigour, I believe real reform in spirit can only be achieved with a community-wide determination and sense of purpose, and that cannot be brought about by an exercise of amendment. That exercise, I am sure, will be laborious and costly in itself in any event.

The reform in the Civil Justice System is not an isolated event. It comes in the midst of other related efforts of self-renewal in the legal field: in legal education and training, in the provision of legal services and community action by lawyers to strengthen the rule of law. I urge colleagues to enter into the spirit, and assume the leadership that is expected of us.

Mr Deputy, I beg to move.

Miss Margaret NG moved the following motion:

"That this Council takes note of the Civil Justice Reform Interim Report."

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

MR MARTIN LEE (in Cantonese): Mr Deputy, the exorbitant costs and complicated procedures of our civil proceedings have gravely affected the competitiveness of Hong Kong as a regional legal services centre, and it is the consensus amongst members of the community that the civil justice system in Hong Kong is in dire need of reform. For this reason, I welcome the Civil Justice Reform Consultative Paper published by the Judiciary in October last year. However, in order to maintain the reputation of Hong Kong as a "metropolis upholding the rule of law", it is just not adequate to rely solely on reforming the civil justice system. In this connection, not only the court but also the Government as well as other non-government bodies should make their best efforts to work in line with the reform.

This time, the Interim Report has provided us with a great many invaluable information, in particular, it is disclosed for the first time that almost 50% of the cases heard in the High Court involved unrepresented litigants. To such litigants, procedural reforms probably will not be of much help.

The general public in Hong Kong really have too little legal knowledge. Many people do not even know what are the purposes of having the Deed of Mutual Covenant, while many others are not aware that they have the right to remain silent when being interrogated by the police. So, the problems facing these unrepresented litigants can hardly be resolved by just simplifying the relevant procedures. To enable people to obtain the legal services they need, it is not enough just to rely on the volunteer services provided by enthusiastic solicitors and barristers alone; the Government should set up a mechanism for helping the litigants concerned. To cite some examples, the Government may extend the scope of legal aid services, set up a community legal services centre, and so on. One way to immediately enable more people to have prompt access to legal services is to raise the financial resources limit of the Supplementary Legal Aid Scheme to enable more people in the "sandwich class" with greater chances of winning their cases to be given legal representation. The Supplementary Legal Aid Scheme is a self-financing scheme with its operating costs being met by the contributions from applicants and fees deductible from the compensation payment that the successful aided persons would receive. From 1997 to 2000, the Supplementary Legal Aid Fund has increased by more than 10%. Besides, as applicants have to satisfy the merit test of the Legal Aid Department, there is no question of the Scheme being abused. By raising appropriately the existing upper limit of \$471,600, more people can be benefited without adding to the burden on the Government. In addition, I hold that active consideration should be given to extending the jurisdiction of the Small Claims Tribunal and the Labour Tribunal, so that more litigants can benefit from the informal and less expensive procedures of tribunal hearings.

Lastly, I wish to stress that it would be more effective to take preventive rather than curative measures. In addition to advising these unrepresented litigants to promptly seek legal representation in the face of litigation, another measure to help these people is to provide legal knowledge courses through schools or community centres, with a view to enabling them to prevent problems from arising or to handle the problems when they arise. I hope the Government will co-operate earnestly with the legal profession and the Judiciary to enhance the standard of legal knowledge of the people of Hong Kong and to help

unrepresented litigants to find their way out of the terrifying labyrinth of legal proceedings.

The Report also seeks to solicit opinions from all sectors of society on the question of whether or not Alternative Dispute Resolution (ADR) processes should be mandatorily resorted to before court proceedings. It seems that ADR processes have become very popular these days. On the face of it, ADR does appear to be rather appealing, as it is a quick, effective, and efficient alternative for resolving civil conflicts, and may even bring about a win-win situation. For these reasons, I agree that active efforts should be made to look into the various modes and processes of ADR. Nevertheless, I do have much reservations about staying court proceedings to implement ADR processes mandatorily.

We have to bear in mind that the parties to the case concerned would surely resort to litigation should the ADR processes fail. In that case, the expenses on ADR would become an additional burden on them. Besides, for certain cases, such as those involving domestic violence, the best way to resolve the problem is to commence litigation immediately, so that the court can made judgement in respect of the rights and interests of the parties concerned. The ADR processes, on the other hand, may be used by the party applying violence as another venue to threaten the victimized party; and the conciliation agreement reached under such circumstances can hardly be fair. We should not force the disadvantaged parties to resort to ADR mandatorily just because we hope to end up their cases expeditiously; otherwise, the court and the entire legal process will be inflicting damages onto these persons as well. Moreover, to those litigants who are determined to achieve justice and realize their legal rights by way of litigation, it would be just a waste of time and money if they should be required to resort to ADR mandatorily before they could proceed in court.

Before I conclude, I should like to point out that the reform proposals, if implemented, will significantly enhance the powers of judges and change radically our system of litigation. Our present litigation system is the adversarial system, under which the litigating parties will each present their evidence before the Judge for his or her judgement. Under such a system of litigation, the Judge is more often than not playing the role of a passive referee, while the court proceedings can be easily abused by the litigants and their legal representatives. Hence, I consider it a step in the right direction to enable the judges to actively exercise their case management powers. However, judges in

common law jurisdictions are traditionally passive and impartial, and the people's confidence in the court is also rooted in their belief that judges are independent and impartial. But then, the present proposal is to shift the focus of litigation to the Judge, enabling the Judge to play an active role in case management by setting time limits on the adducing of evidence, cross examination and submissions. We must be very careful in implementing this proposal, or else the confidence of the public in the Judge and the impartiality of the Judge would be adversely affected. Everybody is talking about football these days. In a football game, the referee should not set any limit on the time that players spend on throwing out or kicking the football. Hence, I hope we will not be too anxious in this respect. Moreover, our judges may not necessarily have enough experience to enable them to perform case management duty in an effective manner. We must not forget that even judges have their own personal constraints and are limited by other constraints system-wise. Enhancing the case management role of judges is a correct orientation for development, but if judges are required to radically shift from their past passive role to an active one, the training provided for them may have to be strengthened. For any reforms to be introduced, they should be implemented under the major premise that the confidence of the public in the impartiality of judges must never be adversely affected.

Mr Deputy, I so submit.

MS MIRIAM LAU: Mr Deputy, our current civil justice system has always been under fire for being too slow, too expensive, too complicated and favours only wealthy litigants. In many cases, litigation involves complex procedures resulting in the incurrence of disproportionate costs. It is unfair that people should be deterred from taking legal action simply because of the possibility of facing financial ruin if they do so.

The civil justice reform is not just for legal practitioners but for everyone who lives on our land. People in Hong Kong should be able to conduct their affairs within a legal framework which is both fair and certain. Civil litigation must become more affordable and cases must move forward more swiftly once they have entered the court system. The purpose of the civil justice reform is one which the Liberal Party supports, that is, to make access to our civil justice system cheaper, quicker, simpler and in an environment which promotes co-operation and early resolution of disputes.

The Liberal Party welcomes the proposal of a civil justice reform to ensure that litigants, irrespective of resources, have equal opportunity to assert or defend their legal rights. There are, however, specific proposals in the interim report that warrant further careful consideration.

The extension of the role of judicial case management allows the Courts to take a much more pro-active approach in determination of how cases progress, the early identification of issues, the encouragement for early settlement, and so on. We agree that court process should not be allowed to be drawn out just for the tactical advantage of any of the parties. However, the underlying concern of this particular proposal is that the Judiciary and Judiciary administration as a whole, and not just a few judges, must be familiar with the technique of case management and capable of operating the system with uniformity and efficiency. Unless we can be sure that this criteria is met, the consequences of reform may be worse than what we have under the current system. A note of caution here is that, many litigation cases are by their nature complex and cannot be rushed through on an expedited schedule.

Secondly, the court's appointment of a single joint expert may not be desirable in some complex commercial cases. A single joint expert may not have thorough knowledge in all areas of expertise involved in the case. Furthermore, there is a potential danger that instead of the judge, the court appointed expert may become the arbiter. We take the view that the proposal of an appointed single joint expert can still be retained, but should be restricted only to simple cases where the issues and expertise involved are not very diversified.

Thirdly, the proposal to expand the court's power to exclude evidence that would otherwise be admissible and to limit the scope of cross examination could be prejudicial to the parties as this may give the impression that judges have already made up their minds and therefore prevent the parties from addressing the court on those points. To strike a balance, we suggest that the judge could be empowered, after having considered the totality of circumstances surrounding the case, to limit the time to be taken in cross examination and the number of witnesses to be called, thus avoiding time wastage but ensuring the parties' right to fully present their cases.

Fourthly, in respect of discovery of documents, the report proposed that it should be restricted to "directly relevant documents". We reckon that this may be too restrictive. Strictly speaking, all documents related to the case could be

used as evidence upon any issue and may either directly or indirectly enable a party to advance his or her own case or to damage the case of the adversary. By narrowing the scope of discovery, this provides latitude or excuse for parties to conceal relevant documents which may result in appeals once those documents come to light at a subsequent stage of the proceedings.

The Civil Justice Reform report is a valuable document as it outlines the failings of the existing approach and provides solutions to it. The majority of the proposals evolve around combating delay. However, not all delays are due to the defects in the existing system. Some may be due to inadequate or inefficient enforcement of the existing system. There are also other external factors such as the nature of the cases, the attitude of the parties, court administration, and so on, which may delay the progress of cases. Merely changing the system alone will not necessarily resolve all problems. Although the report correctly identified the problems, some of the proposals remain controversial. A great deal of improvement is required and we have still a long way yet to go before the system can be considered satisfactory.

MS AUDREY EU (in Cantonese): Mr Deputy, the civil justice system of Hong Kong has long been criticized for being too slow, too costly and too complex, as a result of which many people are unable to resolve their disputes through civil litigation. The Judiciary released a Consultation Paper on civil justice reform late last year, in which a total of 80 recommendations were made, all with the objective of reducing litigation costs by minimizing delay and simplifying procedures.

I am in total support of this objective, but I must also point out that since the essence of civil litigation is to enable the parties in dispute to seek the truth and come up with a fair solution, large amount of time and great patience are inevitably required. And, since time is money, I very much hope that mediation services can be expanded. When compared with litigation proceedings, this alternative approach is a less expensive way to settle disputes. That is why I hope that the Government can take active steps to promote a culture of conciliation, for very often a win-win settlement can thus be achieved. This is beneficial to all the parties involved in a dispute.

The Pilot Scheme on Family Mediation launched by the Judiciary two years ago has been able to attain a success rate of 80%, indicating that mediation

services are effective to a certain extent. But the successful implementation of mediation services will have to depend first and foremost on the training up of mediation personnel. In this connection, the Government must inject the resources required. With respect to the recommendation of the consultation paper that it should be made mandatory for a litigant to resort to mediation before he can be offered legal aid, I do have some reservations about this. Mandatory mediation may not necessarily be able to achieve the desired result, and on the other hand, a litigant who has a very strong likelihood of winning a case may thus have to accept an amount of compensation smaller than what he could otherwise obtain in winning the case.

The consultation paper also puts forward a number of recommendations on simplifying litigation procedures, such as the simplification of pleadings and other litigation documents and the reduction of interlocutory procedures. All these proposals should be supported. Mr Deputy, since the beginning of last year, I have been organizing various talks in which legal professionals are invited to explain the legal procedures involved. These professionals are very much used to the many different kinds of procedures and forms, however, when they are required to brief laymen audiences on all these, they all begin to feel the urgency of procedural simplification very deeply.

The consultation paper recommends the institution of pre-trial protocol which requires the various parties in a litigation case to seek a pre-action settlement, and to make adequate pre-trial preparation in case a settlement cannot be reached, so that the litigation case can proceed more quickly. The original intention of a pre-action protocol is to reduce delay, but the reform experience of England shows that with these pre-action protocols, lawyers have to do much more preparation work before the hearing, and this will only increase the costs at the initial stage of the proceedings. In a way, this will just shift the costs to be incurred to an earlier stage, while it cannot really reduce litigation costs.

Another important recommendation of the consultation is about the enhancement of judges' powers in case management, which will change the neutral and passive role played by judges. The legal sector is generally worried whether the existing judges are of the standard required to assume this new role. In particular, if there is too much inappropriate intervention from a judge, such as imposing too many limitations in respect of proof, interrogation and addresses, the various parties in a litigation case may well become unable to adequately present their proof and viewpoints, and legal justice may not necessarily be upheld as a result.

This means, therefore, that at present, the most important task of the Judiciary should be to enhance the training for judges. The relevant view of the Bar Association may be referred to in order that a specialist judge system could be implemented, under which judges are assigned to hear specific categories of cases. And, the enhancement of the case management powers of judges can be tried out for these cases.

The consultation paper also recommends the reduction on the chances of appeals, and I have some reservations about the proposal that a litigant involved in a case heard by the Court of First Instance should lodge an appeal only after obtaining approval. I wish to stress that while the Government implements civil justice reforms, it must never seek to sacrifice litigants' rights for the purpose increasing efficiency.

On the question of costs management, I agree with the recommendation of the consultation paper that there should be increased transparency for lawyer charges. Frankly speaking, it is only reasonable for solicitors or barristers to explain to their clients the criteria for their charges. The consultation paper further recommends the formulation of guidelines for fees chargeable on different types of civil litigation cases. Mr Deputy, I am worried that this may violate the principles of the market economy and lead us back to scaled fees. Besides, it will not be beneficial to consumers if fees collection criteria gradually degenerate into minimum fees chargeable.

According to the experience of England, civil justice reforms will indeed increase the efficiency of proceedings for simple litigation cases. But for more complicated cases, there is not yet any definite statistical proof that such reforms can reduce costs or bring about any marked changes. What is most important is that no matter how court procedures are simplified, unrepresented litigants would still feel helpless in court.

According to the statistics of the Judiciary, in 40% to 50% of the civil cases heard by the High Court, at least one litigant is unrepresented. This figure is very high, showing us that many people are not yet benefited by the existing legal aid system. There is thus a need for the Government to conduct a review and expand the scope of the existing legal aid system. Besides, it is also hoped that the Government can learn from the practice adopted in the United States and authorize the Consumer Council or other non-government organizations to institute legal proceedings for consumers or the people when

matters of major public interests are involved. That way, the people can have an additional channel to redress their grievances.

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

MR ALBERT HO (in Cantonese): Mr Deputy, before discussing the proposed reform to the legal system, I would like to start by saying a few words on three basic points for consideration.

First, the adversarial design of the existing system is characterized by the neutrality, supremacy and objectivity of judges. While this tradition has its merits, such a system is very much dependent upon the ability to defend by all parties concerned. Very often, the ability to defend hinges on the service provided by the lawyers engaged. As litigation fees or lawyers' fees in Hong Kong are very high (so is the case in many other places), many people are simply unable to afford legal proceedings. People might even find themselves facing inequality before the court. Litigation in Hong Kong is often considered as exclusive for the extremely rich or poor people (since the poor may apply for legal aid). There is even a joke saying that the rich and the poor can find equality only before a civil court. It is, however, difficult for ordinary people to resort to litigation.

Another point is that the system is also characterized by the uncertainty of the result of litigation. As Members should already know, this is also one of the reasons why people are afraid of litigation. While there are many factors contributing to the uncertainty of the outcome, one of them is the ability of judges to exercise discretionary power. Under the current system, it is generally accepted that judges must have discretionary power. However, disputes often arise in relation to the extent of discretionary power that a judge should be entitled to. From the perspectives of legislation and legal concept, this is still controversial. Today, in the face of the proposed judicial reform, a new dispute has arisen in relation to whether another form of inequality will be created in the event that courts are given more discretionary powers to handle cases to reduce inequality caused by financial constraints, so as to ensure all parties concerned are in a more proportionate position. In other words, another form of inequality may arise since discretionary power may lead to inconsistent decisions (which is also a matter of concern for many people), and thus result in uncertainty.

Third, the preliminary recommendations contained in the reform paper have focused on the Court's internal procedural reform, but failed to deal with some of the more important external factors in a comprehensive manner. These factors hinge on the amount of social resources the public is willing to invest in our legal and judicial systems to ensure the public's access to justice. Insofar as this point is concerned, an Honourable colleague has raised the point that legal aid reform and the scope of legal aid are of paramount importance. Of course, we may consider setting up more legal service centres to provide the public with various forms of so-called "piecemeal" legal service according to their needs. Furthermore, is it possible for judges to invite more organizations (even including the Bar Association) to be friends of the court, or *amicus curiae*, to help them in handling major cases or cases involving important principles?

I would like to raise another point concerning the court system and management reform. Very often, in order to resolve problems pertaining to litigation fees, we tend to adopt a summary procedure or system, including the adoption of a summary court to achieve so-called informal justice. Based on a so-called proportionate concept, many people will feel that informal justice is invariably more desirable than no justice at all. In certain small claims and labour courts, both parties are not represented. Such being the case, should we consider duly expand the usage of such procedures or systems? As Members should all know, litigation fees are, relatively speaking, lower in district courts. Can the authority of these courts be expanded or the procedures further simplified? All these are indeed worth examining.

Another point we should consider is: Should sufficient resources be provided to judicial organs? We should also consider: Are the judges' remunerations attractive enough to lure talents? In addition, the number of judges, training, and the support of legal research for judges are also of paramount importance.

When it comes to procedural reform, the Democratic Party has carried out relevant studies. We support the concepts of major and overriding objectives, and agree in principle a number of specific recommendations put forward in the reform paper. However, we are of the view that extra care must be exercised in handling matters in certain areas. To start with, in the area of case management, we note that the Court will play a more active role to avoid wastage, minimize delay and ensure both parties are put in a more equitable position. The Court will also have to apply the principle of proportionality to consider various overriding objectives when making decision with respect to case management.

We must stress that, as pointed out by Mr Martin LEE earlier, judges must be prevented from making undue interference into cases since both parties may be biased by the first impressions thus created. Sometimes, both parties may even be deprived of their opportunities to give statement on important matters for the sake of saving litigation fees. This is very important indeed. According to British tradition, the so-called orality is considered crucial. Excessive constraint will make people feel that judicial fairness is being undermined. At the same time, judges should, in exercising their discretionary power, adhere to more consistent principles. Of course, it is difficult for them to adopt the same principle. Nevertheless, I still think that they should take these principles seriously and try as far as possible not to create conflicts. Otherwise, respondents will find it difficult to follow.

Meanwhile, I share with the Bar Association that more complicated cases should be dealt with by more experienced judges. Furthermore, we support in principle the pre-action protocols. Previous guidelines, which have been put into implementation, have shown that they are conducive to pre-action settlement and reduction of litigation fees. Therefore, we are, in general, supportive of the recommendations.

MR AMBROSE LAU (in Cantonese): Mr Deputy, the rule of law is an important cornerstone of Hong Kong's status as a prosperous metropolis in the world. To uphold the rule of law, we need to improve the quality of legal services to ensure that they respond to the needs of society and economic development, and we also must not overlook the need to effectively give play to judicial justice before the people.

In recent years, reducing legal costs, simplifying litigation procedures and shortening the time required have been the common demands from the general public in respect of the judicial system. Under the Chairmanship of Mr Justice CHAN, the Working Party on Civil Justice Reform published the Interim Report and Consultative Paper consisting of 400-odd pages and made 80 proposals after many months of work and having made reference to relevant reform experiences of other common law jurisdictions.

The core of this reform precisely answers the aspiration of the people for judicial justice, and this is obviously the right way to solve the problem. Generally speaking, the proposals can live up to this spirit, and I strongly support them. Yet, I would like to express my views on the two proposals concerning

pre-action protocol, that is, proposals 4 and 5 of the Report. I hope that the authorities concerned will pay attention when they further look into the details for implementation of these proposals.

I do agree with the objective of the pre-action protocol as stated in the executive summary. But it is also mentioned in the Interim Report that such protocol, in most cases, requires litigants to do more preparation work before the start of proceedings and will thus result in costs to be front-end loaded. If both parties proceed to litigation, the Court still has the power to make an order on the costs, and such order will generally be made against the loser. But what if both parties agreed to settle the case before the start of proceedings? The Court does not have jurisdiction over this and cannot make any order on the costs. However, if both parties are made to bear their own costs incurred at the early stage, will this deter the public from bringing their case to court due to considerations of costs, thus impeding public access to justice?

From a technical viewpoint, under the Limitation Ordinance (Cap. 347), there is a time limit for filing a case in court. That is to say, if the legal rights of a party are infringed, he must take actions to institute litigation within a statutory period, or else no action can be taken after the period has expired. Therefore, the formulation of pre-action protocol for any particular type of case must take account of the relevant time limit for actions, so as to prevent the situation in which one party can take advantage of the requirement to comply with the over complicated pre-action protocol by using the time limit for actions to bargain in his own favour in the process of settlement.

Moreover, proposal 5 proposes that when making an order on legal costs, the Court may take into account the parties' pre-action conduct and may penalize unreasonable non-compliance with pre-action protocol. Obviously, this is understandable given the need to effectively put the pre-action protocol into practice. But where the line should be drawn is apparently a concern of the general public. This involves the implications of parties' pre-action conduct on costs, the severity of penalty and criteria for its imposition, and the definition of the term "unreasonable non-compliance" which will have an impact on the other two points. What circumstances will constitute unreasonable non-compliance? For example, if a lawyer is forced to ignore or violate the pre-action protocol because the time limit will soon expire and he is worried that the validity of his client's legal rights will then lapse, that would seem to be reasonable. But which point in time should the baseline be set? Will it be abused? Will this give rise to another point at issue in the proceedings, thus wasting the valuable

time of the Court? How should a balance between the legal rights of the parties be struck?

Reform of the civil justice system is imperative. It will directly facilitate the impartial administration of justice and therefore should be supported. I hope that all relevant organizations and sectors, when further studying the details for implementation of the reform, will not only work in concert, but also extensively participate in the process and draw on collective wisdom, in order to strive for excellence in Hong Kong's civil justice system.

Mr Deputy, I so submit.

MR ANDREW CHENG (in Cantonese): Mr Deputy, my speech will focus on the legal costs under the civil justice system.

Legal costs in Hong Kong are so expensive that the costs to settle problems by legal means are unaffordable to most people. Although Article 25 of the Basic Law guarantees that "All Hong Kong residents shall be equal before the law", the reality is that before the law, rich people can often enjoy more equality and more access to legal services than the poor.

Mr Justice CHAN of the Court of Final Appeal pointed out in the Interim Report on Civil Justice Reform that in many cases, the litigation costs are so high that they are disproportionate to the sums claimed. He cited an example that a case with a claim of \$1 million could end up with litigation costs as high as 500% to 600% of the value of the claim, which is, indeed, disproportionately high. In this Interim Report, we are given lots of important information on litigation costs. We found that the lower the value of the claim, the greater the disproportion between the litigation costs and the sum claimed. For instance, a case involving an average claim of \$62,700, the lawyers' fees are as high as \$46,400 on an average, or 74% of the claim. This information does not only reveal the reality that court proceedings are beyond the reach of the ordinary people, but also reflect another point, that is, for cases of small claims, litigation is not necessarily the best way to settle disputes. Lawyers and clients need to actively explore other alternatives, such as mediation, or other forms of solution to the problem.

Mr Deputy, on the lack of transparency in litigation costs, it is now difficult for the public to predict the costs involved in litigation, and this has indeed given cause for concern.

Lawyers' fees are charged on a time basis and so, lawyers cannot provide their clients with an accurate estimate of the costs. Is there a need to change this practice of charging on a time basis? Are there lawyers who purposely prolong the case by abusing interlocutory activities and thus wasting the costs? Lawyers should provide their clients with more specified information on costs to enhance the transparency of legal costs, so as to enable their clients to predict more accurately how much they need to pay. I also agree that the Court's power to make wasted costs orders against lawyers should be expanded and this power be further extended to cover barristers.

Barristers generally charge fees on a time basis. But unfortunately, clients cannot have a full picture of the range of charge rates by different barristers. They can only obtain information from barristers through solicitors to draw a comparison. However, the legal profession takes a conservative attitude towards making public barristers' fees. The Bar Association has raised objection on two occasions against making public their scale of fees. I hope that barristers can come down off their high horse and consider this issue more from the consumers' viewpoint.

In this report, the Court has also consulted the community on whether benchmark costs should be introduced as a basis to assess whether the costs payable to a party's lawyer are reasonable. While benchmark costs can improve the transparency of litigation costs, we should pay attention to the fact that this benchmark may impede market competition. As the Consumer Council has said, benchmark costs may become the minimum rather than maximum costs, which would defeat the purpose of suppressing costs. Meanwhile, benchmark costs may be more beneficial to better-off litigants, for they can afford the differences between benchmark costs and the actual costs, and can employ more experienced solicitors and barristers. Nevertheless, the less well-off litigants may be deterred from employing more experienced lawyers even if they stand a chance to win, because they may be unable to recover the litigation costs from the loser even if they win.

Mr Deputy, even when transparency in litigation costs has been enhanced and procedures simplified, filing a case in court may remain a heavy burden to many ordinary citizens. So, I think apart from the need to review the civil proceedings, it is also imperative for the Government to review the legal aid service. Legal aid is part and parcel to ensuring public access to justice, that is, no one will be deprived of access to justice due to a lack of means to retain the

service of lawyers. I urge the Government to expeditiously conduct a comprehensive review of the legal aid service in Hong Kong, particularly in respect of the scope of legal aid, the ceiling of financial resources, and the relaxation of eligibility for the Supplementary Legal Aid Scheme.

Mr Deputy, the Interim Report did not discuss the feasibility of implementing conditional fees in Hong Kong. Conditional fees are known as "No win, No pay" in Britain, which is an audacious charging system. This audacious charging system is gradually gaining popularity in Britain and in the United States, particularly for personal injury cases. By and by, this charging system of "No win, No pay" is becoming the mainstream. Yet, we certainly understand that the conditional fees system has its pros and cons. Its merit is that as long as a case stands a chance to win, even if legal aid is not granted and the client is not rich, the client still has the chance to settle the problem through court proceedings. More importantly, this charging system will enable more people to have access to legal services, which will help upgrade the quality of the rule of law in society as a whole.

However, its drawback may be this: Since the risk of losing a case is shifted to the lawyers under this mode of "No win, No pay", it may lead to a situation where the clients, in some cases, attempt to institute proceedings even for extremely trivial matters, thus creating an even greater number of litigations. Moreover, if the client lost his case, he still has to pay for the litigation costs for the opposite party.

From the perspective of access to justice, conditional fees do have its merits. At least, the aggrieved party can be given a chance to seek legal advice on the merits of his case. A more flexible charging scheme will facilitate access to legal services by the public. I think the Judiciary should expeditiously look into the feasibility of implementing conditional fees and other charging modes in Hong Kong.

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

MR IP KWOK-HIM (in Cantonese): Mr Deputy, as a well-known legal saying goes, "justice delayed is justice denied". Therefore, we absolutely cannot sit by when there are problems within the judicial system, for it will prevent the public from upholding and safeguarding their rights in a timely manner and from

seeking justice by law. It is also not our wish to see that members of the public are refused access to court to resolve disputes or redress injustice for reasons of financial burden, the lengthy waiting time or cumbersome court procedures.

Obviously, the Court of Final Appeal is concerned about the many problems that exist in the current judicial system and therefore set up the Working Party on Civil Justice Reform in February 2000 to review the current judicial system and propose reforms in respect of the problems. The Democratic Alliance for Betterment of Hong Kong (DAB) welcomes the formation of a Working Party by the Court of Final Appeal, and agrees with the objective of setting up this Working Party, that is, to ensure and improve access to justice at reasonable cost and speed.

The consultative paper made a total of 80 proposals. The DAB would like to give our views on a number of them.

With regard to reforms in respect of "multi-party litigation", the Working Party proposes that studies be conducted on the introduction of "group litigation scheme". The DAB considers that if this group litigation scheme can assist the many people whose rights are infringed to seek compensation and justice with the use of minimal legal resources, then the scheme is well worth pursuing. But as pointed out in the consultative paper, multi-party litigation procedures may give rise to other complex issues. Therefore, the Working Party should study this very carefully.

In respect of reforms concerning litigation costs, the DAB adopts an open attitude towards the principles of costs "following the event" (which means depending on the result of litigation) and costs "in any event" (which means being paid only at the end of the case), so long as the Court can ensure that the party whose rights are infringed will obtain compensation to which he is entitled irrespective of whoever may ultimately win the case.

On the proposals of requiring lawyers to provide their clients with specified information on litigation costs, and to provide information on the charge rates of barristers or solicitors as well as their expertise and experience to people who plan to institute legal proceedings or are in the course of such proceedings, the DAB considers that as long as it facilitates public access to information of the relevant professionals so that the public can choose the suitable legal representatives for their cases, then the proposals are worthy of implementation.

The civil justice reform covers a wide range of issues. It has received views from many organizations, and many of such views are, in DAB's opinion, valuable suggestions. We hope that in drawing up the final report, the Working Party can consider these suggestions in detail. For instance, the Law Society's proposal to introduce the "inquirer pays" concept, under which the party who asks for abundant documents that bear no major relevance to the case is made to pay for the costs involved; the proposal that the Court should arrange for separate counters to be set up where professionally-trained personnel will provide assistance for unrepresented litigants in respect of their cases; the proposal to introduce more flexible office hours of the Court by, say, deploying staff to provide service during lunch time and extending the time for delivery of documents, to make it easier for the public to utilize court resources.

The DAB appreciates that the consultative paper has, to a very large extent, made reference to the civil justice reform proposals initiated by Lord WOOLF in Britain. The British Parliament has, on basis of these proposals, formulated relevant rules which came into effect in 1999. The rules have now been implemented for two years. According to the summary of the review of the civil justice reform by the Lord Chancellor's Department in Britain, many reform proposals have found to be working well. Yet, we are still worried about one point. That is, after the introduction of the new rules, litigation involving small claims will take a longer time than before. The DAB is gravely concerned about this, because most clients involved in small claims disputes can neither afford the expensive litigation costs nor stand the long and complicated litigation procedures. They are precisely the group of people who need legal reforms most urgently. As the reform proposals made by the Working Party are based on the present circumstances in Britain, it is necessary for the Working Party to look further into the procedures for small claims cases in detail.

Finally, we note that the Chairman of the Working Party, Mr Justice CHAN, announced days ago that the consultation period would be extended until the end of June, and the DAB welcomes this.

Mr Deputy, as Mr Jasper TSANG is unable to attend this meeting because he has fallen sick, I have delivered the above speech on his behalf to state the position of the DAB.

MISS LI FUNG-YING (in Cantonese): Mr Deputy, the Interim Report and Consultative Paper on Civil Justice Reform published by the Chief Justice's Working Party points out the various defects of the civil justice system and puts forward many reform recommendations. I am in total support of the directions of these recommendations. In the following part of my speech, I shall express some views about the Interim Report mainly from the perspective of workers.

As a trade unionist, I have come across numerous labour disputes and claims connected with occupational injuries and deaths. For precisely the reasons mentioned in the Report, many victims are unable to bring their cases to court and cannot instigate any legal proceedings. Therefore, I support the overriding objective stated in the Interim Report, and I quote, " 'an overriding objective' which sets out the system's basic principles of procedural justice and economy ". End of quote. But can the recommendations of the Interim Report relieve the pressure on the common masses who are experiencing difficulties in claiming their rights and interests through the law, or will these recommendations increase the pressure instead? We still have to wait and see before we can answer this question. For instance, let me quote paragraph 26 of the Executive Summary of the Interim Report: "It may often be difficult to tell whether overall, savings have resulted from changes." And, in regard to the proposal on pre-action protocols, it is stated as follows in paragraph 27 of Executive Summary of the Interim Report: "This means however that costs have to be incurred at an earlier stage of the proceedings than previously". For these reasons, I do not think that the Report can give people any assuring answer.

The statistics of the Labour Tribunal show that the success rate of the Tribunal in handling labour disputes is quite high. Excluding the number of reviews, the number of cases filed with the Tribunal in 1999 and brought forward from 1998 was 12 236, and the number of cases disposed of was 11 242. As at the end of September last year, the Tribunal handled 8 323 cases, and 8 276 of these were disposed of. As defined by the Tribunal, "disposed of" refers to claims that were successful, claims dismissed or hearings concluded.

Statistically, the Tribunal seems to be operating with great success, being able to resolve most of the labour disputes filed with it. But I wish to point out that what lies behind all these appealing figures is the great pressure coming from high litigation costs, delay and incomprehensibility of the system, which have often forced many employees to accept a discounted settlement. This is one of the factors accounting for the success of the tribunal.

The proposal on pre-action protocols made by the Interim Report, when viewed positively, may reduce the litigation work after the commencement of formal legal proceedings; but, when viewed negatively, it is a proposal that may cause a litigant to suffer a loss before an uncertain gain and may increase the pressure on those litigants who do not wish to reach a settlement. The pressure is especially obvious in the case of employees who are in urgent need of compensation to support their living.

The Executive Summary of the Interim Report also makes a recommendation on the making of an offer of settlement "which puts a defendant who unreasonably rejects it at risk as to costs and further financial penalty", and "..... which, if rejected, can be taken into account by the court in relation to pre-action costs." I am sure that most employees will not deliberately stir up any trouble and file unreasonable compensation claims against their employers. But it must be noted that in many cases, it is not so immediately clear as to who is right and who is wrong. Employees who are not so familiar with the law may thus be scared by the proposed penalty, thus causing many more cases of reluctant acceptance of settlement offers.

Paragraph 48 of the Interim Report also refers to "rules giving flexibility in the making of admissions and proposals for the defendant making payment by installments". I am of the view that a decision concerning payment by installments must be made by the litigants themselves. If not, if legal proceedings allow the employer involved in a labour dispute to pay the wages in arrears and compensation owed to his employees by installments, I fear that employers may well be induced to delay the payment of their employees' rightful entitlements. The reason is that for the cases now handled by the Labour Tribunal, once an employee wins his case, his employer is required to pay the amounts of money specified in the ruling to the Tribunal within one to two weeks. But in practice, in many cases, employers are still reluctant to make payment, or they may simply default in payment. If the employee wants to recover his rightful entitlements, his only recourse will be to apply for a writ of *feri facias* or lodge an appeal with the High Court. That is why I am worried that the introduction of payment by installments may induce employers to ignore the rulings of the Tribunal.

"Everyone is equal before the law". But it is not at all easy for employees to resort to the law. The Interim Report no doubt pinpoints many defects of the existing civil justice system in Hong Kong, but I am worried that

the solutions recommended may not really be able to tackle the problems, at least in respect of labour disputes. That is why I hope that proper attention can be paid to this.

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

MR NG LEUNG-SING (in Cantonese): Mr Deputy, the Interim Report and Consultative Document published by the Working Party on Civil Justice Reform is targeted at one integral part of the Hong Kong's existing judicial system. The implications are far-reaching, so it is very useful for this Council to hold a debate on the relevant issues.

The legal system is very sophisticated and complicated, especially in respect of civil proceedings, hence the question of reform will inevitably involve two fundamental perspectives of consideration. One perspective is that of the common masses, who will look at the merits, defects and future development directions of the existing system as users, or users of legal services. They may not understand many of the complex and technical details of civil proceedings, and also they may not realize how these technicalities can ensure legal justice, but obviously, they will admit the defects of the existing system outlined in the Interim Report, such as high litigation costs, slow process, incomprehensibility, susceptibility to manipulation, and so on. On the other hand, on the part of legal professionals, they would have a deep understanding of how the existing system operates and how the many complex and technical procedures can ensure legal justice. For this reason, they usually have their own way of looking at how fairness and impartiality can be achieved. Very often, their way of thinking is quite different from how the public generally look at the entire judicial system.

Faced with the fundamental differences between these two perspectives, reformers of the judicial system will inevitably have to take sides and make a choice, or else their reforms may simply fail to make any headway or even lose their directions. In the final analysis, the judicial system is meant to serve the common masses, which is why more consideration should be given to their perspective. Since the existing system is marked by so many defects as outlined in the Interim Report, and also since such problems have posed so many difficulties to them in the course of seeking legal justice, the reform of the judicial system should be accordingly focused and really respond to the needs of

the people as users of legal services. If not, all talks about the fairness and impartiality of the law will become mere theories. In the course of doing so, there may arise needs for simplifying or changing those traditional concepts and practices relating to procedure justice, one example being the enhancement of the positive role of judges to achieve better case management. Another example is the simplification of appeal procedures and the imposition of restrictions. All such changes are urgently required. As a matter of fact, an over-emphasis on the sophistication and complexity of legal procedures will only achieve the opposite result — the aim of achieving procedural justice will become incomprehensible to people, and the entire legal system will be distorted, with the result that the chances of people being able to seek justice will instead be very much reduced. There are inevitably conflicts between procedural precision and judicial efficiency, and it is only reasonable to strike a balance on the basis of practical needs. After all, judicial efficiency is also one aspect to the realization of legal justice. And, there is also a need to review with an open mind some of the deep-rooted concepts under the common law system, because common law institutions, concepts and principles have never in fact been unchanging; they have been undergoing constant development through changes over the past few hundred years. The common law can be given renewed strengths and stamina only with the introduction of new concepts and essence, or in other words, only when it can keep abreast of the times.

From the perspective of consumers, enhancing the transparency of the legal profession in terms of fees and charges, expertise, experience, and so on, is definitely worth consideration and welcome. It is believed that this can enable legal services to perfect themselves in a market economy environment, foster healthy competition and protect the rights and interests of consumers.

Mr Deputy, the reforming of the civil justice system has become an irresistible trend. I hope that the legal profession and the Judiciary can make joint and positive efforts to bring forward the reforms required. It is also hoped that they can plan and implement the relevant reforms in future with the promotion of people's access to judicial justice in mind, on the basis of practical problems and needs, and with an open and adventurous attitude. I so submit.

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

(No Member responded)

SECRETARY FOR JUSTICE: Mr Deputy, I have listened with great interest to this evening's debate.

As Members would know, the Interim Report and Consultative Paper on Civil Justice Reform is a product of the Chief Justice's Working Party. The Government fully recognizes the importance of the issues raised by the Working Party. However, the document before us is clearly described as an Interim Report and Consultative Paper. At this stage, the Government has not yet formed a view on the detailed proposals that have been put forward by way of consultation. As with many other law reform projects, it will await the final report of the body responsible for the proposals before deciding whether or not to support them. In this way, it can benefit from a wide debate in the community based on the Interim Report, and will not pre-empt the debate. Let me assure Members that the Government has both an open and an inquiring mind on this important subject.

As Secretary for Justice, I have a special interest in access to justice. The Department of Justice (the Department) has already made a submission to the Chief Justice's Working Party. However, in speaking today, I will not be stating the views of either the Government or the Department on the proposals for consultation. Instead, my remarks will concentrate on the broader themes raised by the Interim Report.

The Interim Report referred to perceived defects in our civil justice system. In particular, it stated that litigation is commonly considered to be too expensive and too slow, and that the system is incomprehensible to many litigants, particularly litigants in person.

THE PRESIDENT resumed the Chair.

According to the Working Party, reforms to the High Court's system of procedural rules are a vital element of any attempt to cure the defects in our civil justice system. However, the Working Party emphasized that changing the rules alone cannot be a sufficient response. It considered that the institutional, professional and cultural framework within which the rules function must undergo complementary and supporting changes if the reforms are to succeed.

It is therefore incumbent upon all of those who are involved in that framework to consider what changes they can bring about to complement and support the civil justice reform. Fortunately, there is a growing awareness that measures need to be taken on a number of fronts to improve access to justice, and that alternatives to litigation need to be explored.

I respectfully commend the Council for playing its part in this process. For example, the motion on "Upholding the rule of law", passed on 7 November 2001, identified a number of measures that the Government should take to improve access to justice. These included promoting reforms in legal education, reviewing the demand for legal and related services, and promoting awareness of knowledge of the law in the community. The Administration is actively pursuing these measures and will provide progress reports from time to time.

Research has demonstrated that legal problems in the community can often be prevented from escalating if those involved receive early legal advice. This being so, I welcome the steps that have recently been taken to improve the provision of free legal advice in the community through the establishment of a Community Legal Services Centre (the Centre). The Centre will build on the existing Free Legal Advice scheme of the Duty Lawyer Service by creating a new partnership with non-governmental organizations.

The Centre also proposes to conduct outreach programmes, comprising talks, seminars and training about the law, legal procedures and the legal system in Hong Kong. The Department applauds that initiative, and has offered to contribute some seed money to assist in launching a pilot scheme of the programmes. Officers of the Department will also be able to participate, on a voluntary and personal basis, as speakers within the outreach programmes, in addition to their current activities to promote the rule of law and the Basic Law.

The Department is considering another way in which access to justice could be increased for those who cannot afford to retain a lawyer and who are not eligible for legal aid. That is by permitting lawyers to enter into a conditional fees arrangement. Under such an arrangement, a lawyer does not charge fees for his services if he loses. However, if the lawyer wins the case, he will receive a success fee from his client on top of his normal fee. At present, lawyers in Hong Kong are not permitted to charge conditional fees.

In 1995, the Attorney General's Consultation Paper on Legal Services recommended that conditional fees should be available in certain types of proceedings. There was a mixed reaction to this proposal, and the subsequent Report on Legal Services suggested that the recommendation should be reviewed at a later stage, after the new English scheme of conditional fees could be properly assessed.

In January this year, in response to a recommendation of the Audit Commission, the Director of Legal Aid and I agreed that the issue of conditional fees should indeed be reviewed. The Department is therefore conducting a thorough study of the issue and, when the study is completed, will consult the Director of Legal Aid on the proposed way forward. The Council's Panel on Administration of Justice and Legal Services will, of course, be consulted on the issue in due course.

If conditional fees were introduced, this could help many members of the community to gain access to the Courts. However, there are other ways of resolving disputes apart from by litigation in the Courts. The recently reported success of the Pilot Scheme on Family Mediation is most encouraging, and is a credit to all those involved in its administration. In the United Kingdom, civil justice reform has already taken place in accordance with Lord WOOLF's recommendations. It is nevertheless being increasingly emphasized there that the Courts are a forum of last resort. Other strategies are being developed to enhance the community's knowledge of legal rights and responsibilities, to avoid disputes, and to resolve those disputes that do arise — otherwise than through the Courts.

The Department will monitor the developments in the United Kingdom and elsewhere, to see whether they are successful and, if so, to consider whether they might be appropriate for Hong Kong.

In conclusion, I would like to thank those Members who, during this debate, offered suggestions on these broader issues of access to justice. I am sure that we all share the same desire to improve access to justice in Hong Kong, and I welcome an ongoing debate on how this can best be achieved. The Interim Report and Consultation Paper has provided some thoughtful and very worthwhile stimulation to this important process. May I suggest that the Hansard on this debate be forwarded to the Chief Justice's Working Party, as I am sure the Working Party will find Members' contributions valuable.

PRESIDENT (in Cantonese): Miss Margaret NG, you may now reply and you have five minutes 22 seconds.

MISS MARGARET NG (in Cantonese): Madam President, this Council has recently spent an extensive amount of time on studying the accountability system for senior government officials, and all of us have been overwhelmed, so out of a momentary confusion, I thought that the system of political appointment had already been implemented, and that the Judiciary had been put under the charge of the Secretary for Justice. I was so terrified as a result. I just come to notice from the speech of the Secretary for Justice that she actually shares our views, that she also calls upon people to express more opinions, and that she supports the ideas of better enabling people to have access to judicial justice (including the one on setting up a Community Legal Services Centre). And, she even says that there should be financial support for this Centre. For all these, I feel very grateful.

Madam President, nine Members have spoken on this issue today. Their opinions are all extremely valuable, and they have shown such placidity in their speeches, expressing a general welcome to the reform proposed by the Judiciary.

Madam President, when Lord WOOLF put forward a similar reform some years ago, heated controversies at once arose in the United Kingdom, and the entire legal profession, which reacted very strongly, expressed vastly divergent views. In contrast, our debate today has been conducted under a much more serene atmosphere.

Madam President, although only nine Members have spoken, they have touched upon a wide range of issues, including some alternative ways to resolve legal disputes. All of us agree that studies should be conducted, and we also think that training is very important, but we are against any mandatory measures. This is a very clear viewpoint expressed by us all.

The second point is about the power of case management on the part of judges. Many Members have expressed concern about this, and they generally support the idea, but despite their support, they also have some reservations at the same time. They are worried that if judges play too active a role, they may lose their neutrality, so these Members have reservations about the restrictions in respect of evidence. However, with respect to the training for judges, and even

a review of their remunerations to ascertain whether they are at appropriate levels, Members are all in support.

In regard to the transparency of litigation fees, many have expressed the concern that these fees are now disproportionately high. That is why they all wonder whether steps should be taken to deter over-charging, whether the Bar Association should reconsider the idea of disclosing to the public how fees are charged. Many people have expressed reservations about the various points (including the one on benchmark litigation fees). All such viewpoints should merit consideration by the Judiciary.

Many Members have also commented that the procedural reforms put forward may not necessarily be able to cut down on litigation fees. In particular, they are worried that the introduction of pre-action protocols may well increase litigation fees instead. Many problems which may be brought about by pre-action protocols, such as the time limits for instigating litigation, the effects of pre-action acts on the making of litigation costs orders and the clarity or otherwise of the definition of unreasonable rejection of settlement offers, should be carefully and seriously studied.

Some Members even look at the entire reform proposal from the perspective of the labour sector. They are of the view that though parts of the reform proposal may well be of some help to the general public, other details may not be necessarily beneficial to workers.

Madam President, many Members have pointed out that apart from procedural reforms, we should also consider other external factors such as a flexible system of fees. The Secretary for Justice has put forward the idea of conditional fees today. I hope that Members can conduct further discussions on this idea.

The idea of representative action is also supported by quite a number of Members, but we must note that the effectiveness of such a new system as implemented in the United Kingdom has not yet been confirmed. The Hong Kong Judiciary has adopted a very prudent attitude, as can be reflected by the publication of this Interim Report. What is more, even the deadline of consultation on the Interim Report has been deferred to the end of June. I think such an attitude should well be supported by Members of this Council.

Madam President, I am grateful to Members for their careful handling of the issue under discussion. I hope that they will support this motion later on. Thank you, Madam President.

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.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 15 May 2002.

Adjourned accordingly at ten minutes to Eight o'clock.

Annex I

WRITTEN ANSWER

Written answer by the Secretary for Housing to Mr CHAN Kam-lam's supplementary question to Question 1

As regards the annual revenue figures for the Housing Authority (HA)'s commercial facilities, the requisite information is attached for Members' reference.

Appendix

Annual Revenue generated by
the HA's Commercial Facilities

	<i>2000-01</i> <i>(Actual)</i>	<i>2001-02</i> <i>(Revised Budget)</i>	<i>2002-03</i> <i>(Budget)</i>
Revenue	\$5.2 billion	\$5.2 billion*	\$4.9 billion*

- * If the effect of the recent rent re-assessment carried out by the HA, which has resulted in an average rental reduction of 19%, is discounted, the revised revenue forecast for 2001-02 would become \$5.4 billion while the revenue forecast for 2002-03 would become \$5.5 billion. Hence, if there were no rent re-assessment exercise, the revenue for the HA's commercial facilities would have enjoyed annual increases.

Annex II**WRITTEN ANSWER****Written answer by the Secretary for Housing to Mr Henry WU's supplementary question to Question 1**

The Honourable Henry WU asked about the fee for a consultancy report on the Housing Authority's commercial facilities and whether the report could be made public.

The consultancy fee was about \$3.2 million. As regards the report, as I pointed out in my letter of 9 May to Mr WU, since it contains commercially sensitive information, I regret that I cannot provide the report to him.

Annex III**WRITTEN ANSWER****Written answer by the Secretary for Transport to Mr CHAN Kam-lam's supplementary question to Question 2**

On traffic accidents, there were a total of 47 accidents happened on the section of Hiram's Highway between Ho Chung and Sai Kung town centre and 44 on the sections of Sai Sha Road and Tai Mong Tsai Road between Nai Chung and Sai Kung town centre in the past year.

Annex IV**WRITTEN ANSWER****Written answer by the Secretary for Transport to Miss CHOY So-yuk's supplementary question to Question 2**

As regards the impact on trees, the various road projects underway in Sai Kung District do not involve the felling of any trees of rare species. For those trees affected by the projects, we will try to preserve and transplant them. To make up for the loss of the trees being felled, we will plant more trees on roadsides and provide green belts so as to minimize the impact of the works on the environment.

Annex V**WRITTEN ANSWER****Written answer by the Secretary for Home Affairs to Mr HUI Cheung-ching's supplementary question to Question 5**

The police have, since May 2001, mounted a series of intelligence-led anti-soccer gambling operations, collectively known as the Operation Crowbeak. As of 17 June 2002, the police have seized betting records in the amount of \$3.38 million and arrested 23 persons at 11 different entertainment establishments in the Operation. Apart from Operation Crowbeak, every Police District and Region also conduct checks on entertainment establishments and take enforcement actions against illegal gambling where necessary.

Annex VI**WRITTEN ANSWER****Written answer by the Secretary for Housing to Mr Frederick FUNG's supplementary question to Question 6**

Public housing resources are scarce, and should only be allocated to those in genuine need. Under this principle, we implement the Policy on Safeguarding Rational Allocation of Public Housing Resources so that well-off tenants who can afford alternative housing have to surrender their flats for re-allocation. This policy is an integral part of public housing provision and must be persistently implemented. It is not appropriate to judge the value of the Policy simply by the administrative costs involved and the number of flats recovered, without considering the important principle and aim behind the Policy.

The staffing and administrative costs for implementing the Policy on Safeguarding Rational Allocation of Public Housing Resources in 2001-02 amount to \$6.1 million. At the same time, the policy has generated an additional income of \$2 million for the Housing Authority, and saved the opportunity costs of constructing 151 flats. Based on current average construction costs, the opportunity costs amount to roughly \$48.62 million.