

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 12 May 2004**

**The Council met at forty minutes past Two o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

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

DR THE HONOURABLE ERIC LI KA-CHEUNG, G.B.S., 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, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KWOK-KEUNG, J.P.

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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.

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., 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, J.P.

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.

DR THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

DR THE HONOURABLE LO WING-LOK, J.P.

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

THE HONOURABLE MA FUNG-KWOK, J.P.

**MEMBERS ABSENT:**

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

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

THE HONOURABLE HUI CHEUNG-CHING, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

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

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

**PUBLIC OFFICERS ATTENDING:**

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

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.  
SECRETARY FOR HOUSING, PLANNING AND LANDS

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

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.  
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE FREDERICK MA SI-HANG, J.P.  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE AMBROSE LEE SIU-KWONG, IDSM, J.P.  
SECRETARY FOR SECURITY

**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>
Education (Exemption) (Private Schools Offering Non-formal Curriculum) Order .....	76/2004
Application for New Identity Cards (Persons Born in 1952 to 1957 and Cross-boundary Drivers) Order.....	77/2004
Companies Ordinance (Amendment of Eighth Schedule) Order 2004 .....	78/2004
Dangerous Drugs Ordinance (Amendment of Second Schedule) Order 2004 .....	79/2004
Particulars Relating to Candidates on Ballot Papers (Legislative Council) Regulation (L.N. 263 of 2003) (Commencement) Notice 2004.....	80/2004
Stamp Duty (Specification of Instruments) Notice.....	81/2004
Stamp Duty (Amendment) Ordinance 2003 (21 of 2003) (Commencement) Notice 2004.....	82/2004

**Other Papers**

- No. 82 — Audited Statement of Accounts of the Language Fund for the year ended 31 August 2003, together with the Director of Audit's Report
- No. 83 — Audited Statement of Accounts of the Quality Education Fund for the year ended 31 August 2003, together with the Director of Audit's Report
- No. 84 — Securities and Futures Commission  
Annual Report 2003-2004

## ORAL ANSWERS TO QUESTIONS

**PRESIDENT**(in Cantonese): Honourable Members, thank you for your waiting. Due to the absence of a quorum, the meeting is late for 10 minutes. We will start the meeting now.

**PRESIDENT**(in Cantonese): Questions. First question.

### Drying Racks in Public Housing Estates

1. **MR IP KWOK-HIM** (in Cantonese): *Madam President, regarding the "laundry-pole-holder" type drying racks in public housing estates, will the Government inform this Council:*

- (a) *of the number of accidents involving people falling from heights while using this type of racks in the past three years;*
- (b) *of the measures in place to prevent such accidents; and*
- (c) *given that each household in the estates concerned still has to pay \$200 for the replacement of such drying racks despite the Housing Department (HD)'s proposal to bear half of the replacement cost, starting from June this year, whether the authorities will consider bearing the full cost; if not, the reasons for that?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, my reply to the three-part question is as follows:

- (a) In the past three years, there were two accidents involving people falling from heights, which were suspected to be associated with the use of "pole-socket" clothes-drying racks. The two accidents occurred in the public housing estates of the Housing Authority (HA) and the Housing Society respectively.
- (b) All of the HA's rental flats equipped with external "pole-socket" drying racks are also provided with alternative indoor laundry

facilities, for example, racks installed on the balcony ceilings or in the bathrooms. Tenants in Harmony blocks are also permitted to install drying racks complying with approved designs outside the living room at their own expense. Tenants can therefore choose to use the kind of laundry facilities which best meet their need and preferences.

To enhance tenants' awareness of home safety and prevent accident, from time to time the HD posts up notices and distributes leaflets to educate tenants on the proper use of drying racks. Other types of drying racks are also introduced so that tenants may replace the existing "pole-socket" design to meet their actual need. In addition, front-line staff of the HD also explain to tenants the proper use of drying racks through estate newsletters and day-to-day contacts.

- (c) The HA always seeks to adopt proactive and pragmatic measures to enhance the living standard of tenants whenever resources permit. Although tenants of flats with "pole-socket" drying racks are already provided with other indoor laundry facilities, some still prefer to use the external "pole-socket" laundry racks for clothes-drying because of better sunshine and ventilation. Due to their physical limitations, some disabled and elderly tenants may experience difficulties in using "pole-socket" drying racks. Since 1995, the HD has been installing aluminum laundry racks with cord pulleys free of charge for these tenants upon request as replacement of the "pole-socket" design. As regards other tenants, the HD will propose to the HA later this month to subsidize, on tenants' request, half of the cost for installing aluminum racks with cord pulleys. The cost to be borne by each tenant is about \$200.

Since tenants are provided with alternative indoor laundry facilities in addition to "pole-socket" drying racks, in practice not all tenants like to dry their clothes at the location where "pole-socket" drying racks are currently provided. Therefore, we only propose to subsidize tenants to upgrade the racks, which is entirely optional. Tenants can decide whether to upgrade the existing laundry facilities having regard to their own circumstances. The proposed subsidy arrangement seeks to respond to tenants' aspirations, ensure public safety and optimize the use of public resources.



**MR IP KWOK-HIM** (in Cantonese): *Madam President, in the second paragraph of part (b) of the main reply, the Secretary said that from time to time, the HD would post up notices and distribute leaflets to educate tenants on the points to observe when using "pole-socket" drying racks ( which are generally referred to as "three joss sticks"). Does this in fact prove that there is potential danger in the "three joss sticks" design of drying racks? The Secretary also mentioned the risk factors that might associate with the use of such drying racks due to the users' physical limitations. Under such circumstances, will the Secretary consider replacing all such "three joss sticks" or "pole-socket" type drying racks on safety grounds so as to ensure tenants' safety?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): *Madam President, we have considered this issue twice. As I have made it clear in my main reply, undoubtedly the majority of housing estates have installed "three joss sticks" type of drying racks, but all flats are also provided with alternative laundry facilities for tenants' use. As the "three joss sticks" type of drying racks are installed outdoors, they bring about a much better effect in clothes-drying because of sufficient sunshine and good ventilation. As for other indoor laundry facilities, perhaps due to insufficient air ventilation, some of them are either inaccessibly located or comparatively small, rendering them quite inconvenient to use. As a matter of fact, the "three joss sticks" type of drying racks are not the only facilities, most of the households can choose to use other installations. Besides, tenants in the more modernized Harmony blocks are permitted to install a newly designed drying racks by means of leverage principle outside the living room. Therefore, it is not true that there is no other laundry facilities for tenants' use except the "three joss sticks" type of drying racks.*

When we say that the "three joss sticks" type of drying racks is proper in terms of design, we refer to the structural safety of the buildings, meaning that the weight of these racks will not undermine the structural safety of the buildings. Of course, many people will wonder if these drying racks are installed at a position which is too high to reach, causing danger to the users who may easily lose their balance as a result. This depends on the user's height and physical fitness. Generally speaking, there is no problem. But for the disabled and elderly tenants, it will certainly cause some inconvenience. Accidents may occur if the user is not physically fit enough to handle these poles. In view of this, the Government has adopted some measures and installed other facilities for these high-risk tenants free of charge since 1995.

At present, in view of other existing options of laundry facilities, the Government has proposed a subsidy arrangement which seeks to respond to three different aspects of concern including tenants' aspirations, the need to ensure public safety and to optimize the use of public resources, as pointed out in my main reply. The Government will subsidize half of the cost so that when tenants consider it necessary to upgrade the racks, the Government will bear the other half of the cost. As to whether the Government will bear the full cost, the problem lies in the fact that if we do so, we will also have to take up the maintenance responsibility and the cost involved will be very substantial.

**MR JASPER TSANG** (in Cantonese): *Madam President, the Secretary said that tenants had the right to choose. But has the Secretary considered that problems will occur to those who lack safety awareness or who do not attach importance to safety? If they are expected to replace the drying racks at their own expense and on their own initiative, will it actually leave the potential danger remained unsolved?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, such problem will certainly exist and we have taken some measures specifically for the disabled and elderly tenants. The Government has, since 1995, started to install other laundry facilities for those who may face inconvenience or potential danger due to their physical limitations. The remaining households that are still using this type of racks are mainly those who are physically fit to make use of them. Usually, we instil into tenants knowledge in this aspect through the distribution of leaflets and day-to-day contact. We should not ignore the fact that these facilities have been in use for four decades. Of course, we are not saying that accident has never occurred. For instance, two accidents have occurred recently. But we are of the view that it will help resolve the problems if they are categorized and dealt with separately according to the degree of seriousness.

**MR ALBERT CHAN** (in Cantonese): *Madam President, perhaps architects and senior officials have never hanged out the laundry themselves throughout their life and do not understand the impact of such drying racks on the tenants. In fact, many public housing tenants are feeling disturbed and distressed every day due to the poor design of the drying racks. My ward office has received a lot of*

*such complaints. Some tenants are so distressed by the laundry problem that they even shed tears.*

*Madam President, the Secretary's reply sounds as though the problem has been resolved by the Government in a generous way. But in fact, tenants are required to pay half of the cost so as to shoulder the full responsibility of poor design by the HD. Does the Secretary consider it fair? Since the drying rack problem is basically due to an erroneous design, even though a new type of drying racks designed by the Government has been installed, many residents still cannot use them. Because of environmental restriction, the drying racks cannot be used for hanging out big pieces of articles such as padded quilts and sheets. Moreover, these drying racks are located right outside the kitchen, the exhausted fumes have deterred some tenants from using them. Will the Secretary consider: first, whether the Government will shoulder the due responsibility of the poor design; second, with a view to improving the tenants' living standard, whether additional places in each housing estate will be regularly designated for clothes-drying purpose, particularly for hanging out big pieces of articles?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese):

Madam President, the situation mentioned by Mr Albert CHAN is special. There is always one to two times in a year when tenants would seek to expose their big padded quilts to sunshine before putting them in proper storage during summer. This is, however, not an everyday situation. Some tenants would very often put their clothes and quilts in the open space under the sun. If it is only for one or two days, we will exercise our discretion and stretch the rules.

Regarding the laundry facilities for daily use, the modern housing estates certainly do not have "three joss sticks" type of drying racks because they all have adopted the nylon-line type laundry racks with cord pulleys. We are now talking about the old housing estates. As I just said, residents in these estates are provided with other laundry facilities and can just ignore the "three joss sticks" type of racks. I recall that in August 2002 when I answered questions in this Chamber in a new capacity for the first time, I said that a new design had been adopted in Harmony blocks and residents were permitted to install an additional horizontal frame outside the living room, not the kitchen, for clothes-drying purpose. Replacement of the old facilities with this new one for all households will cost around \$200 million. It may not be necessary to replace the old facilities for all residents because some of them are provided with other

facilities which can serve the same purpose. Furthermore, as I just said, apart from installation cost, the annual maintenance cost will also be very substantial. So, in our opinion, the present arrangement has struck the best balance among three considerations including tenants' aspiration, public safety and optimum use of public resources.

**MR ALBERT CHAN** (in Cantonese): *The Secretary has not answered my supplementary question. Maybe he has misunderstood it. I suggested that some additional places in the housing estates be designated regularly for clothes-drying purpose instead of just allowing tenants to hang out their laundry for one or two days in a year.*

**PRESIDENT** (in Cantonese): Which part of your supplementary question has not been answered by the Secretary? You may only refer to that part.

**MR ALBERT CHAN** (in Cantonese): *Madam President, I suggested that some places in the housing estates be designated as permanent clothes-drying areas, but the Secretary misunderstood that what I said was for one or two days.*

**PRESIDENT** (in Cantonese): You think the Secretary has misunderstood your meaning. Has he really misunderstood it? Secretary, do you have any point to add?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, if that is his question, then I certainly have misunderstood it. I think it is not necessary to provide regular clothes-drying places outside the tenants' own residence because each household has been provided with laundry facilities. Whether or not they are sufficient is another question. I thought he was talking about the inconvenience in hanging out big pieces of articles in one's own place and so I have misunderstood the point.

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, there are flaws in design, be it "three joss sticks" type of drying racks or laundry racks with cord*

*pulleys installed in Harmony blocks, and such facilities have caused difficulties to tenants. But now tenants are required to share the cost with the Government. Is this too unfair? What significant conclusions and lessons has the HD drawn from them? What experience has the HD gained in respect of designing the laundry racks?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, regarding the flaws in the design as pointed out by Mr TAM Yiu-chung, it is a pity that we could not have exchanged our views regarding his main viewpoints and arguments beforehand. We think places designated for clothes-drying purpose in public housing estates are really quite few because of their design. But at present, there are some places in public housing estates which obviously can be used for such a purpose. For instance, we now permit tenants to hang out laundry outside the living room after it has proved that to let them do so outside the kitchen is a failure. The relatively simple installation we now have adopted is acceptable to all. Perhaps I can exchange views with Mr TAM Yiu-chung to see whether there are other better alternatives for my consideration and reference.

**PRESIDENT** (in Cantonese): This Council has spent more than 16 minutes on this question. However, only three Members have been able to ask supplementaries. I will allow one more supplementary question. But I hope Members will refrain from expressing too much opinion when asking the supplementary questions.

**MR FRED LI** (in Cantonese): *Madam President, this "three joss sticks" type of design has in fact been the subject of criticisms for more than two decades. Is it true that the HD has come to realize the problem only after an accident involving a tenant falling from heights occurred recently, showing that its lacking in perception? Is it true that improvement would only be made after a fatal accident has occurred? Why is improvement not made earlier?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I would like to correct Members' misconception in this aspect. As I pointed out in my main reply, the Government, in view of the problem and

the safety of the high-risk tenants such as the elderly and the disabled, has already taken the initiative to install alternative laundry facilities for them in 1995. We had also consulted tenants as regards the different methods in improving the facilities. In 2002, we also took the initiative in improving the facilities in Harmony blocks. So I do not accept Mr LI's comment that we are lacking in perception. We have immediately tackled the problem when there is a sign indicating the existence of such a problem and when we think it should be dealt with.

**PRESIDENT** (in Cantonese): Second question.

### **Retail Bonds**

2. **MR AMBROSE LAU** (in Cantonese): *Madam President, regarding the Hong Kong Link 2004 Limited Retail Bonds, will the Government inform this Council:*

- (a) *of the experience gained in the first issuance of such bonds; and*
- (b) *whether it will continue to issue government bonds of this type; if so, of the details and how it will proceed with future issuance work by reference to the above experience; if not, the reasons for that?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President,

- (a) The Government is committed to developing the local bond market to consolidate Hong Kong's position as an international financial centre. The offering of \$6 billion securitization bonds backed by revenues to be generated by government-owned toll tunnels and bridges has turned a new page of the development of our financial industry by being not only the first securitization bond offering by the Government, but also the largest securitization bond offering ever in Hong Kong, and amongst the largest in the region. In addition, it is the first securitization bond offering to local retail investors, with the retail bonds being distributed through the largest

retail distribution network ever established for a bond issue in Hong Kong. Over 800 branches of 23 placing banks were involved, along with 89 brokers who participated via the Central Clearing and Settlement System (CCASS) of the Hong Kong Stock Exchange.

The Government has gained invaluable experience from this offering, including:

- (1) Hong Kong investors in general are very interested in retail bonds and their oversubscription by more than two times reflects the significant development potential of the local retail bond market. This has important implications for the Government and other public and private entities when deciding their future financing plans.
- (2) Retail investors have demonstrated that they are adequately familiar with the investment risk (interest rate risk in particular) through their participation in this offering. Their relatively greater demand for bonds of shorter maturity reflected their consideration of future interest rate movements on the bond price. Indeed, the Government and other concerned parties, such as the Hong Kong Capital Markets Association, have put in a lot of effort in educating our investors in the past. I have explained bond market development in my regular column and also reminded the public that they should pay attention to the interest rate risk and credit rating of the bond issuer. In my speech at the launching ceremony of this offering, I also reminded investors that they should seek advice from their financial adviser before making any investment decision. In addition, we also organized several educational seminars on bond investment for Chairmen and Vice Chairmen of the District Councils as well as other local participants with the goal of enhancing public knowledge of bond investment.
- (3) About 5% of the subscription amount was received from brokers through CCASS, as part of our wide distribution network. This has laid down a good foundation for further participation of brokers in future retail bond offerings.

- (4) Response from institutional investors to this offering was overwhelming and the notes were oversubscribed by three times, indicating their demand for this type of bonds.
- (b) We have no immediate plan to issue another securitization bond. Our focus now is to plan for the issue of government bonds within 2004-05. We will certainly build on the invaluable experience just mentioned to ensure that we can successfully implement the plan to issue government bonds and further widen the distribution network. This will further develop our bond market and encourage private entities actively to consider bond issuance as a funding alternative. Ultimately, this will propel forward the development of Hong Kong's financial industry and even our economic development as a whole.

**MR AMBROSE LAU** (in Cantonese): *Madam President, in the main reply, the Government mentions its "glamorous achievements", saying that the current securitization bond offering is the "No. 1" in three respects. And, the Government thus concludes that there are great development potentials for the local retail bond market, and this will carry important implications for future financing plans. But then, in part (b) of the main reply, the Government says, "We have no immediate plan to issue another securitization bond." Why is it that despite the avowed success and "glamour", the Government does not plan to carry on?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I wish to thank Mr Ambrose LAU for his supplementary question. As mentioned in the main reply, our focus now is to plan for the issue of government bonds. It is hoped that after the completion of this task, we will have time to explore what other government assets can generate revenue. Such studies are required because the issue of government bonds requires much more than a simple desire on our part. The issue of securitization bonds, in particular, must be backed up by stable revenue. There must be a very high credit rating in terms of revenue stability before such bonds can be issued. Therefore, we must consider what types of government assets can fulfil such a special requirement on bond issuing. I can, however, assure Members that we will definitely keep up our efforts in this respect.



**MR BERNARD CHAN** (in Cantonese): *Madam President, it is mentioned in point (4) of part (a) of the main reply that the response from institutional investors was overwhelming. The insurance sector, which I represent, for example, very much welcomes the issue of such bonds. But it also hopes that there can be longer maturity in order that some hedging could be provided in respect of our liability. Bonds of longer maturity will thus be more suitable for us. May I therefore ask the Secretary whether products of longer maturity will be considered when similar securitization bonds are issued in the future?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): *Madam President, many thanks to Mr Bernard CHAN for his very good advice. The securitization bonds offered to institutional investors this time around are of a 12-year maturity period. But we are permitted to effect early settlement before the expiration of the 12-year period. Why is there such a structure? The reason is that we estimate that the revenue generated by the tunnels and bridges will be sufficient to enable us to effect early settlement in less than 12 years. Such a maturity period may not be very suitable for insurance companies, but we do note the voices of the insurance sector. So, with the permission of the Legislative Council, we will certainly consider this point the next time when any government bonds are to be issued.*

**MR MA FUNG-KWOK** (in Cantonese): *Madam President, it is mentioned in part (b) of the Government's main reply that there is no immediate plan to issue another securitization bond. But I note that the Government has recently announced the construction of Route 8 connecting the Stonecutters' Island. A total of \$2.7 billion will be spent on constructing the longest cable-stayed bridge in the world. As announced by the Government, the use of some sections of this bridge will be toll-free, but tolls will be charged for at least one section (the tunnel). This means that revenue will be generated. Since there will be revenue, why did the Government say just now that no project with revenue can be identified for the issue of securitization bonds? The fact before us is that there is a project that would generate revenue. Furthermore, if bonds have already been issued for a new project that is not yet developed, and if the bonds can sell well, it will prove that the new venture is feasible. This is actually a very important means to improve the governance of the Government.....*

**PRESIDENT** (in Cantonese): Mr MA Fung-kwok, I see that you have made a very good proposal. But it is the question time now, so.....

**MR MA FUNG-KWOK** (in Cantonese): *I just wish to ask the Government why it does not consider this readily available venture.*

**PRESIDENT** (in Cantonese): A straightforward question like this will be good enough.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, this is a very good supplementary question, one which brings us back to the reason why investors want to purchase securitization bonds. The reason is that they are certain that they will be able to recover their costs. The bridge mentioned by Mr MA Fung-kwok will be a new bridge, and no revenue has yet been generated. It is therefore impossible for us to obtain any credit rating to convince others that its revenue will be sufficient to cover its costs. The success of the "Hong Kong Link" this time around is very much due to the fact the revenue of the tunnels has been very steady over the years; the annual revenue of the "Hong Kong Link" is about \$1.5 billion. This therefore gives investors confidence. But investors may not have any confidence in a new project, and may not be sure whether there will definitely be any revenue.

As for the proposal on issuing bonds for this project, I must say that the proceeds from the \$20 billion bonds will also be used for the project. In a way, the proceeds from issuing bonds will already be used for the bridge, though we cannot say very directly that the money is raised for this particular project.

As for why bonds cannot be issued for this project, I should say that if the bridge can yield steady revenue after its completion, we will not rule out such a possibility. However, since the question is on whether there is such a plan now, we can only answer that there is no such a plan for the time being.

**MR CHAN KAM-LAM** (in Cantonese): *Madam President, the Secretary says that a lot of valuable experience has been gained. Since there is an oversubscription by more than two times, may I ask whether the Government has*

*ever thought, while deciding on the interest rates and prices of bonds, that it should offer less to investors due to huge oversubscription?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, frankly speaking, the pricing of bonds is not decided by any single hard-and-fast formula, but by a variety of factors, including the credit rating of the bond-issuer (which, in this case, is quite high), the types of bonds to be issued (the prices of securitization bonds, for example, are lower than those of ordinary bonds), interest rates and the prevailing market conditions. In this respect, there can be a great difference. In the case of institutional investors, we will first ascertain the rate of oversubscription before setting down an interest rate. This time around, after announcing the price, we noticed that there was huge oversubscription, so we lowered the interest rate; this means that we will not have to pay so much in interest. This mechanism of course worked to the advantage of us as a bond-issuer because once we knew that there were so many people who wanted to purchase our bonds, we could narrow the interest rate differential. But the case of retail bonds is a bit more difficult, because under the existing mechanism of retail bonds, as soon as the issuing of bonds is announced, we have to set down an interest rate differential (which is several points above that of Exchange Fund Bills). Since the interest rate differential has to be fixed right at the beginning, there may be no purchaser if it is not set at an appropriate level; and, there may be many purchasers if it is set too high. All this required good judgement. We therefore have to count on professional experience, meaning that we have to count on the arrangers to tell us what the price should be.

We have gained some experience this time around. But we also have to admit that the pricing of retail bonds was not as flexible as that of bonds for institutional investors. This time around, we in fact narrowed the interest rate differential by many points before concluding our deals with institutional investors. There was, however, no such flexibility for retail bonds. But we are still pleased to see that most people in the market felt that we had done well in pricing.

**MR JAMES TIEN** (in Cantonese): *Madam President, it is mentioned in the last paragraph of the Secretary's main reply that "we have no immediate plan to issue another securitization bond" (similar to the "Hong Kong Link", that is), but that their "focus now is to plan for the issue of government bonds within 2004-05".*

*Madam President, I remember that when the issuing of bonds was discussed in the Legislative Council in the middle of last year, there was the SARS outbreak, and caught in financial difficulties, the Government said that it would not be able to make ends meet without borrowing money. As recently announced by the Financial Secretary, the fiscal deficit last year has come down drastically from \$78 billion to \$40 billion. We must congratulate the Government on doing so well, on saving \$38 billion. But I wish to ask the Government whether it is still necessary to issue \$20 billion of government bonds?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, since there is a deficit in the Capital Account under the Budget this year, we intend to issue \$20 billion of government bonds to make up for this deficit first. So far, we have been proceeding with the scheme set down by the Financial Secretary in the Budget he announced on 10 March. As Members are aware, the formulation of the Budget was based on quite a number of assumptions, and we may not necessarily receive some of the expected revenue as scheduled. And so, judging from the current situation, the \$20 billion bonds scheme will proceed as scheduled.

**DR LAW CHI-KWONG** (in Cantonese): *Madam President, it is mentioned in point (1) of part (a) of the main reply that the oversubscription this time around will have important implications for the Government when deciding its future financing plans. Will the Secretary please share with Members of this Council what these implications are? Does he mean that securitization bonds will also be issued as a means of financing for long-term infrastructure projects expected to yield reasonable returns in the future?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I believe Dr LAW Chi-kwong also knows that the Government has been making great efforts to promote the bond market, especially the local bond market. The experience this time tells us that there are substantial market prospects for retail bonds in Hong Kong, and people are completely aware of the risks involved. The retail bonds issued this time amount to roughly \$2.2 billion, but a total subscription of \$7.7 billion has been received. This shows that Hong Kong people do have plenty of money and wish to look for investment opportunities.

I would also like to take this opportunity to say that retail bonds are not issued only in Hong Kong, but also in many other countries. In countries such as Canada and Japan, such an investment tool is also available to the people. Public corporations have also issued plenty of retail bonds; in fact, the Government, the Kowloon-Canton Railway Corporation, the MTR Corporation Limited and the Airport Authority have also issued retail bonds. I hope that more private institutions can make use of retail bonds as a means of raising capitals. That way, investors can be offered an additional choice, and besides turning to banks and the bonds market, bond-issuers can also have one more channel to raise capital.

**DR LAW CHI-KWONG** (in Cantonese): *I am sorry, but the Secretary has not answered my supplementary question. His reply is about the financing strategy of the Government and other public institutions. But my question is not about the market, but about the financing implications to the Government.*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I am sorry that I could not quite catch the focus of Dr LAW's question just now. On financing strategies, with respect to the issue of \$20 billion bonds this times, the implication is that even if we try again to raise capitals in the retail bond market, there will not be any problems.

**PRESIDENT** (in Cantonese): The Council has spent more than 17 minutes on this question. We will now proceed to the third question.

### **Hikers in Need of Emergency Assistance**

3. **DR TANG SIU-TONG** (in Cantonese): *Madam President, recently, some hikers in need of emergency assistance were unable to call the emergency hotline immediately because they were located outside the coverage of mobile telephone service networks, or they failed to tell the personnel of emergency service departments their exact locations owing to the absence of distinct geographical features. As a result, rescue workers took a long time to reach the scene. In this connection, will the Government inform this Council:*

- (a) *whether a performance pledge has been made for the lead time from the receipt by emergency service personnel of calls for assistance made by people at remote locations (in particular country parks and hiking trails) to their arrival at the scene; if so, of the basis for making the pledge; if not, the reasons for that;*
- (b) *of the number of emergency calls for assistance received from people at remote locations in each of the past 12 months, and the respective average time taken by the personnel of various disciplined services to arrive at the scene; and*
- (c) *whether measures will be taken to facilitate emergency service centres and rescue personnel in finding the exact locations of the help seekers and keeping contact with them while coming to their rescue?*

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

- (a) At present, hikers may call the police or the Fire Services Department (FSD) at the 999 Emergency Hotline for assistance in case of emergency. The Government Flying Service and the Civil Aid Service (CAS) will also be deployed to assist in rescue operations as necessary.

Given the remote locations, varied geographical conditions, extensiveness and low accessibility of country parks or hiking trails, we have not specifically set any performance pledge for responding to emergency calls from such areas. However, appropriate deployment will be made upon receipt of emergency calls so as to ensure that emergency service personnel will arrive at the scene at the earliest possible time to render assistance to those in need.

- (b) We do not have statistics broken down to emergency calls from remote areas. But according to the FSD, the department received 624 mountain rescue calls in the past 12 months (April 2003 to March 2004) and the average response time was one hour and 21 minutes.

- (c) On receiving an emergency call from the public, officers at the 999 control centre and the Fire Services Communication Centre will, through questioning on the basis of their professional judgement, assist the caller in providing useful information. The officer will ask the caller to indicate his/her exact location. If the caller fails to do so, the officer will ask him/her to give a detailed description of the surrounding areas and identify some noticeable landmarks. The officer will also advise the caller, if circumstances permit, to move to a conspicuous position, such as open space or high ground, and make signs that can draw the attention of rescuers. If the call is made from a fixed line telephone or an emergency telephone help-line installed in a country park, the caller's location can be identified through the caller-number display function. The caller will also be asked to provide his/her contact telephone number so that rescuers can liaise with him/her direct.

Separately, the Agriculture, Fisheries and Conservation Department (AFCD) has set up signposts and boards displaying location maps in country parks and along hiking trails. Distance posts, at intervals of 500 m, have also been erected along the four long-distance hiking trails and all the scenic trails in the country parks. In case of emergency, hikers may inform the rescue centre of the number and grid reference of the nearest distance post to assist rescuers to reach the scene. The police, the FSD and the CAS all have information on these distance posts. In addition to launching publicity to educate the public on how to make use of the distance posts, the AFCD has uploaded the information onto its website for easy reference by the public.

**DR TANG SIU-TONG** (in Cantonese): *Madam President, with regard to the distance posts mentioned in the last part of the main reply, I would like to ask what distinct features are there on these posts? Is there any information that can help identify their locations, and as the distance posts are erected at intervals of half a kilometre, is such an interval too long?*

**SECRETARY FOR SECURITY** (in Cantonese): Distance posts are erected at intervals of half a kilometre, that is, a distance post is erected every 500 m.

Since distance posts are directly erected on hiking trails, people who often go hiking will find it very easy to identify them even from a distance. There is a special number on each distance post. Once this number is read to us, our colleagues at the 999 Emergency Hotline will be able to identify the location of the distance post represented by this number.

**DR YEUNG SUM** (in Cantonese): *Madam President, recently, hikers have been frequently robbed. I would like to ask the Secretary, in part (b) of the main reply, it is mentioned that officers of the FSD take an average of one hour and 21 minutes to reach the location of help seekers. I would like to ask the Secretary whether this lead time is acceptable? If the Secretary thinks that this is not acceptable, are there ways for further improvement?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, of course we strongly hope that relevant rescue workers, be they officers from the police, FSD or CAS, can reach the locations of help seekers as soon as possible. However, do not forget that country parks in Hong Kong cover a total area of nearly 40 000 hectares. They are usually situated in remote locations and cannot be accessed by any mode of transport. Therefore, officers from the police or FSD usually have to arrive at that specific country park first, and then proceed to the location of help seekers on foot. Regarding the question of whether we are satisfied with the present average time of arriving at the scene in one hour and 21 minutes, we of course hope that we could reach the scene in each case in the shortest possible time. However, as I have just said, if the hikers have been hiking at a place far away from the highways, and our fire officers have to carry some heavy rescue tools to render assistance, under the present manpower constraints, it is only after we have exercised the best of our abilities then the present lead time could be achieved.

**MR HOWARD YOUNG** (in Cantonese): *Madam President, very often, hikers going to country parks will consult maps. The Secretary just says that there is a unique serial number on each distance post. Does the Secretary know whether this so-called unique number is the same as the grid reference assigned in a map of Hong Kong? Hikers usually make it a rule to use this grid reference, and this grid reference is a unique six-digit figure. Can we make use of this grid*



*reference to determine the exact location of hikers? Or another book has to be consulted before the exact locations can be confirmed?*

**SECRETARY FOR SECURITY** (in Cantonese): The AFCD would assign a unique number to each distance post, and both the 999 Emergency Hotline of the Police and the Fire Services Communication Centre have access to information on the exact locations represented by the numbers of these distance posts. After the number is read to us, we shall immediately know the location of the help seeker.

**PRESIDENT** (in Cantonese): Secretary for Security, what Mr YOUNG wants to ask is, are the other grid reference and this number belong to the same system?

**SECRETARY FOR SECURITY** (in Cantonese): I am not sure on this point, but the number is unique.

**PRESIDENT** (in Cantonese): Can you provide us with a written reply?

**SECRETARY FOR SECURITY** (in Cantonese): Yes, I can. (Appendix I)

**DR LUI MING-WAH** (in Cantonese): *Madam President, the main question asks about cases in which emergency assistance could not be provided to help seekers immediately because they are located outside the coverage of mobile telephone service networks. However, the reply of the Secretary mainly covers cases in which help seekers can call the police for assistance through telephones. I would like to ask the Secretary, are all the present country parks and hiking trails within the coverage of mobile telephone service networks? If some places are not yet covered, can the Administration ask mobile telephone service providers to add more repeaters to such places?*

**SECRETARY FOR SECURITY** (in Cantonese): As the mobile telephone network market has already been opened up now, the coverage of mobile

telephone networks is a commercial decision made by the service providers. Propelled by competition and market forces, we believe service providers would adjust their services so as to satisfy the market need as closely as possible in the light of their respective business strategies and they will keep improving their network coverage. Apart from mobile telephones, 102 emergency telephone help-lines and other fixed-line telephones have been installed to provide convenience to hikers and tourists in seeking assistance.

**DR LUI MING-WAH** (in Cantonese): *Madam President, the Secretary has not answered my question on whether some country parks and hiking trails are not yet covered? The Secretary has not answered this point.*

**SECRETARY FOR SECURITY** (in Cantonese): I do not have such information at hand. Insofar as the coverage of mobile telephone services is concerned, it is better for you to make enquiries with mobile telephone network service providers. As I have just said, since the mobile telephone market has already been opened up, with the urge of market forces, mobile telephone service providers will try their best to extend their coverage, so as to serve the needs of the market more closely according to their own business strategies.

**PRESIDENT** (in Cantonese): Secretary for Security, will you make enquiries with these service providers, and provide Members with a written answer afterwards?

**SECRETARY FOR SECURITY** (in Cantonese): I shall contact the relevant Policy Bureau to see if we have such information. If such information is available, I will provide a written reply to Members. (Appendix II)

**MR LAU KONG-WAH** (in Cantonese): *Madam President, regarding this question, in fact, today's newspapers feature a report in which some people familiar with mobile telephone services are quoted as estimating that 50 spots along hiking trails are blind-spots for mobile telephones, which are also blind-spots for rescue. Therefore, when negotiating with service providers, the*

*Administration should provide them with suggestions from the police or the Security Bureau. In your answer to the question raised by Dr LUI Ming-wah, the Secretary says that there are only 102 emergency telephone help-lines in the country parks of Hong Kong. If mobile telephones could not be used, these emergency telephone help-lines will be very important. But the amount of 102 help-lines is grossly insufficient. Will the Secretary propose to increase the number of such telephone help-lines substantially?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, I must stress one point, these fixed-line telephones do not belong to the Government. Instead, they are installed by the telephone service providers. With regard to the present 102 emergency telephone help-lines, most of them are installed by PCCW on a voluntary basis. This is also a commercial decision.

**MR LAU KONG-WAH** (in Cantonese): *Madam President, as far as I know, this type of.....*

**PRESIDENT** (in Cantonese): Mr LAU Kong-wah, please do not tell me what you know. All you have to tell me is, which part of your supplementary question has not been answered?

**MR LAU KONG-WAH** (in Cantonese): *I am sorry. The Secretary has not answered whether he will request for the installation of more telephones, on top of these 102 emergency telephone help-lines?*

**SECRETARY FOR SECURITY** (in Cantonese): As the areas of country parks account for 60% of the total area of Hong Kong, and all along such fixed-line telephones have been provided by private service providers for use by hikers, so the Government does not intend to install such fixed-line telephones on its own initiatives for hikers.

**MR AMBROSE LAU** (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary says that when hikers require assistance, they may seek help*

*from the police or the FSD by calling the 999 Emergency Hotline, and then the Government Flying Service and CAS will be deployed to assist in rescue operations as necessary. I would like to ask the Secretary, how should "as necessary" be defined?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, help seekers often cannot provide us with the exact locations or positions where assistance is required, and the areas of country parks usually stretch across highly extensive areas and the locations are relatively obscure and hidden. As such, we feel that it is more suitable for FSD personnel to conduct searches so as to identify the exact location of the help seekers. Then, in the light of the situation at the scene, the Administration will assess whether it is necessary to call for the assistance from helicopters of the Government Flying Service. In cases of emergency, we may consider deploying helicopters directly to participate in rescue operations. For example, if a help seeker has suffered serious injuries or is in critical conditions, like having a heart attack or excessive bleeding, and so on. Or the help seeker is located in a highly dangerous position, or his/her life is being threatened, such as he is on a high point of a dangerous cliff.

**MR BERNARD CHAN** (in Cantonese): *Madam President, as hikers, we all in fact know which are the places not covered by mobile phone service providers. Instead, I would rather ask the Secretary this: In part (b) of the main reply, I am slightly surprised that the number of rescue calls received by the FSD within a year was as high as 624. I believe most of the cases did not occur on weekdays, and a large proportion of them would have taken place during the weekends. In other words, rescue support services would be heavily stretched during weekends. Does the Secretary have some figures to show us what are the reasons for most help seekers in making such calls, for example due to injuries or other reasons, thus necessitating the calls for FSD services?*

**SECRETARY FOR SECURITY** (in Cantonese): With regard to the breakdowns for these 600-plus cases, I do not have such information at hand. Maybe I can provide a written supplementary reply afterwards. (Appendix III)

**PRESIDENT** (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question now.

**MR WONG YUNG-KAN** (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary mentions that the average lead time for FSD personnel to arrive at the scene is about one hour and twenty-one minutes. I would like to ask, what is the most significant consideration of the Secretary after a rescue call is received? For example, the Government Flying Service could arrive at the scene in the quickest possible time, will the Government consider deploying the Government Flying Service to the scene to perform the rescue operation? The help seekers must have encountered difficulties or problems before they make the rescue calls, and such places could be quite inaccessible, so it may take very long for rescue personnel to arrive at the scene if firemen are deployed. Will the Secretary adopt the fastest method to rescue such people who are in urgent need of assistance?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, I have already said that since the areas of country parks are usually very extensive, and for places that would be visited by hikers are sometimes quite obscure and hidden. If there is no accurate landmark, it will be very difficult to identify these help seekers even if the Government Flying Service is deployed. We all know that on all the Saturdays, Sundays and public holidays, there must be a lot of hikers. According to our colleagues in the Government Flying Service, if helicopters are deployed to those locations, many people will wave at them. They absolutely do not know who are the genuine help seekers. *(Laughter)* This is the realistic situation. Our colleagues responsible for receiving calls at the 999 Emergency Hotline will also try their best to ask help seekers questions in order to identify the correct locations. If the callers were experienced hikers, they would be able to tell us the relevant landmarks as well as the numbers on distance posts. Besides, if the conditions of help seekers are relatively urgent, such as a heart attack or bleeding cases, instead of some simple cases of losing the way, we would be very willing to deploy the Government Flying Service to rescue the help seekers. However, the most important part of the operation is to identify the correct locations.

**PRESIDENT** (in Cantonese): Fourth question.

## Child Abuse Cases

4. **DR LAW CHI-KWONG** (in Cantonese): *Madam President, it was reported that last year, a seven-year-old girl was taken to hospital for medical examination after falling unconscious from excessive hunger on the street. Doctors found that she suffered from severe malnutrition and detected on different parts of her body multiple bruises which had not been caused by accidents. Subsequently, the parents of the girl were both sentenced to imprisonment for 20 months for child abuse offences. It is understood that while the Social Welfare Department (SWD) has taken up this child abuse case since 1999, it failed to spot the girl's plight of being abused for a prolonged period. In this connection, will the Government inform this Council:*

- (a) *whether the Administration has, in view of the abovementioned case, reviewed the existing mechanism for identifying and handling child abuse cases; if it has, of the review results, including improvement measures to be put in place;*
- (b) *among the suspected child abuse cases reported to the police over the past three years, of the number of cases which had previously been handled by the SWD; and*
- (c) *whether the Administration will consider setting up review mechanisms, such as multi-disciplinary review committees, on those child abuse cases in which family violence has caused serious injuries or deaths?*

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

- (a) In view of the case mentioned, the SWD has revisited the mechanism for handling the child abuse case, with a view to identifying improvement measures for handling similar cases in future. Initially, we see scope for improvement in terms of further enhancing the skills of front-line workers in the welfare, medical and educational sectors in the handling of child abuse cases through future training programmes, and strengthening multi-disciplinary collaboration. In particular, the SWD and the Education and

Manpower Bureau will step up the training for social workers and school personnel to enhance their knowledge and skills in identifying and handling child abuse cases.

From a macro perspective, in the light of the service developments relating to child protection in recent years and with a view to better meeting the needs of the abused children, the Committee on Child Abuse set up under the SWD, which comprises representatives from relevant government bureaux, departments and non-governmental organizations decided in January 2004 that the Procedures for Handling Child Abuse Cases, which embody the existing mechanism in preventing, identifying and handling child abuse cases, should be reviewed in 2004-05. The SWD has already started an internal review and would consult relevant government bureaux/departments and non-governmental organizations in July or August this year to take forward the review. We will take into account the lessons learnt in this particular child abuse case in reviewing and updating the Procedures.

- (b) According to the police, the numbers of suspected child abuse cases reported to the police over the past three years were 1 078, 1 044 and 1 028 in 2001, 2002 and 2003 respectively. As regards how many of such cases had previously been handled by SWD, we have not captured such statistics in our database.

That said, the police is one of the sources for referring suspected child abuse cases to the SWD, and follow-up actions such as joint investigation, multi-disciplinary case conferences, and so on, would be taken as appropriate, irrespective of whether the cases are newly-reported cases or previously-handled (active or inactive) cases.

Concerted efforts of different professionals (such as teaching personnel and medical practitioners) and members of the community are crucial in facilitating early detection and intervention of child abuse incidents.

The SWD has commissioned a study on child abuse and spouse battering. The findings of the study will facilitate further

development of strategies and services to combat family violence. Local assessment tools for early identification of child abuse and battered spouse cases will be developed to facilitate timely intervention. Part one of the study which contributes to effective prevention and intervention will soon be completed, and we will examine the feasibility of the recommended measures as a matter of priority.

- (c) It is a standing practice that multi-disciplinary case conferences will be convened to handle suspected child abuse cases. We are mindful of the call for setting up post-event multi-disciplinary review committees on child abuse cases in which family violence has caused serious injuries or deaths for the purpose of identifying improvements. I have asked the Director of Social Welfare to examine this proposal in the light of the recent events, and the related technicalities such as when and how such post-event committees should be convened, having regard to relevant considerations, including the need to ensure that the investigation conducted by the police and any subsequent court proceedings would not be prejudiced during the process.

**DR LAW CHI-KWONG** (in Cantonese): *Madam President, I do not quite understand the underlying meaning of part (c) of the main reply. In this part of the reply, it was mentioned that the Government is mindful of the call for setting up post-event multi-disciplinary review committees on cases involving serious injuries or deaths, and the Director of Social Welfare has been asked to examine this proposal and the related technicalities. Madam President, the SWD is an executive department. Now that the Secretary has asked the SWD to examine this issue, does it mean that the Secretary agrees with this direction in principle insofar as the policy is concerned and has therefore asked the SWD to look into it? Otherwise, how can the SWD, being an executive department, effectively consider other policy matters involved, say, in the judicial, enforcement and medical aspects, in its studies?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I agree that there is a need to conduct a review in principle. My discussion with the Director of Social Welfare does not only focus on serious



child abuse cases. I think in handling these cases, the SWD must have in place a mechanism for conducting reviews, such as reviewing the ways the cases are handled. That is why I have asked the SWD to hold discussions and conduct reviews on its own to identify the best approach. The setting up of committees as proposed by Dr LAW is one way of doing it. As for other options, the SWD will follow them up and then report to me, in order to identify the best method. Insofar as policy is concerned, I believe most of the issues are operational in nature. I have asked the SWD to look into this proposal because as far as inter-departmental work is concerned, much of the investigation work would involve the operational aspect. It is, therefore, appropriate for the SWD be tasked to conduct a review. Certainly, if many policy matters of other bureaux are involved in the review, making it necessary for the Bureau to take charge, we will duly follow this up.

**MR NG LEUNG-SING** (in Cantonese): *Madam President, in part (b) of the main reply it was mentioned that the SWD has commissioned a study on child abuse and spouse battering. The Secretary mentioned earlier that the SWD is an executive department and has good understanding of many operational matters. Why does the SWD not conduct the study by itself direct but have to commission consultants to do it? The former should be better, for it obviates the need to go through the procedure of examining the consultancy report before finding out what measures are viable.*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, the SWD is indeed quite experienced in its work or operation. But nowadays, demands have been changed and in respect of research studies on skills or techniques, there are also ample experiences in the international community. So, it will be more objective to engage consultant — in fact, the University of Hong Kong in this case — to conduct the study for us, and this will enable us to find out from their angle what areas warrant improvement. After the consultant's recommendations are submitted, both the SWD and the Bureau will examine the feasibility of the recommendations. Some of the proposals may not be related to investigation. But if the work of the police or prosecution by the Department of Justice is involved, sometimes we may have to consider other arguments before reaching a decision. We will further examine the consultancy report and the recommendations as soon as possible, and if we can find viable proposals therein, we will implement them immediately.

**MR JAMES TO** (in Cantonese): *Madam President, the child abuse case mentioned in the main question has been taken up by the SWD since 1999 but the case was revealed only in 2003. I would like to ask the Government this: Whenever some relatively serious cases occur, no matter whether they are handled by the SWD or other institutions, will there finally be a review — perhaps not a review, but investigation — conducted to find out whether in these cases the evidence or the process of abuse was covered up very well or whether professional misconduct and misjudgement have actually been involved? Not only this case in question. The case in Tin Shui Wai is also the same. Whenever the SWD was asked about these cases, it invariably said that we must look forward. But the files will never be revisited to look into whether anyone should be made responsible. If that is not the case, I am not saying that this case.....*

**PRESIDENT** (in Cantonese): Mr TO, you have already stated your supplementary question, and we all well understand what you mean. Secretary, your reply please.

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, as far as I understand it, the SWD itself would try to further review some of the serious cases. The SWD has reviewed this case to see what lessons can be drawn from this experience, so that other colleagues can understand the details of the case. This relates to the supplementary question asked by Dr LAW in respect of part (c) of the main reply. That is, a sound mechanism must be put in place, so that when a serious case happened, senior SWD officers or the headquarters will immediately conduct a review or arrange for a multi-disciplinary review. This is what I am currently discussing with the Director of Social Welfare.

Moreover, I talked to the Director of Social Welfare and colleagues in the SWD yesterday, and we agreed that it is worthwhile to share not only the experience in serious cases, but also that in cases which were appropriately handled. So, we have to look at these processed cases in various aspects and see what experience can be drawn from them and then share it with other colleagues. Only in this way can improvement be made. The handling of child abuse cases is actually very complicated and in many cases, judgement is

difficult. In this particular case, I understand that colleagues in the SWD initially found it difficult to ascertain whether abuse was involved. When the SWD has doubts over whether abuse was involved, there was no evidence to prove who the abuser was, so the follow-up procedures were quite difficult. Therefore, after the cases are studied, they decided that when cases are considered to entail high risks or to be highly doubtful, measures must be taken immediately, instead of waiting until the case is ascertained. So, it requires a relatively high level of skills to judge and identify whether abuse is involved. In this connection, the SWD has consistently provided much training. I agree that the relevant procedures should be reviewed, with a view to helping colleagues to handle these problems more properly.

**MR JAMES TO** (in Cantonese): *Madam President, my supplementary question is: Insofar as this case is concerned, do the professional superiors think that there was professional misjudgement?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, actually, multi-disciplinary discussion and review have been conducted on this case, and the case was not handled by one person only. Normally, these cases will be discussed by different professionals together to see if there is sufficient evidence or suspicion of abuse. Even when abuse is suspected, sometimes it is unknown as to who the abuser is, because the children normally do not want to reveal their experience of being abused by their parents. So, there will be great difficulties. In this case, for example, after the parents are put behind bars, great difficulties are envisaged if the child is to return home later. To the child, the pressure and contradictions will be enormous. Therefore, in handling these problems, social workers of the SWD must know how to identify such cases first and then they must take appropriate measures to deal with the cases. That is, they must decide on whether or not to take the children away from their home in order to protect them, or whether or not to institute prosecution. These are no easy tasks, and we should not be blamed for not taking action afterwards when something has happened. We must balance the risks at that time and study the case to find out the appropriate time for prosecution and determine whether or not the children should be taken away from their families to facilitate prosecution. Once the parents are prosecuted, their views on children in the future may not be the same as before.

**MR JAMES TO** (in Cantonese): *Madam President, in his reply the Secretary explained the viability of taking appropriate actions, the kinds of such actions and the difficulties involved. But my question was that from his professional viewpoint, insofar as this case is concerned, was it their misjudgement, whether it be misjudgement by one person or by a group of people? All the Secretary said was that the case was very complicated, that many possibilities are involved, and that a decision was made by many people. But was there misjudgement or was there not? Or was the case so complicated that it is difficult to judge whether or not there was misjudgement?*

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

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I have nothing to add.

**MR WONG SING-CHI** (in Cantonese): *Madam President, according to the Secretary's reply earlier, it requires a relatively high level of skills and much professional input to judge whether a case is a child abuse one. But the fact is that this case was revealed as a result of a passer-by on the street discovering the problem with the child and hence bringing the case to light. Obviously, an ordinary citizen can judge whether or not a child has been abused using common sense. After he had reflected the case to the SWD, the SWD took follow-up actions. I would like to know whether the Government has considered stepping up publicity or education, so that members of the community can help professional social workers or the Government identify abuse cases. Will this be more effective?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in fact, we can see from many aspects that the way the SWD handled this case was not as simple as such. According to the records of the SWD on its handling of this cases, while there were signs showing that the child had been abused, it was difficult to collect evidence to prove by whom the child had been abused. The SWD certainly had doubts after following up the case. In this case, a child had fallen unconscious from hunger and a citizen had kindly reported the case to the police. It was only after the child was sent to hospital

that doctors found on her body bruises which might be caused by abuse. While we have carried out a lot of work in publicity, we will continue with our efforts. Regarding the abuse of infants and young children, obviously there have been more cases reported to the police in recent years.

**PRESIDENT** (in Cantonese): We have spent over 17 minutes on this question. Last supplementary question now.

**DR LO WING-LOK** (in Cantonese): *Madam President, in part (b) of the main reply the Secretary said that concerted efforts of different professionals, such as teaching personnel and medical practitioners, and members of the community are required for handling child abuse cases. This, I agree. I would like to ask the Secretary how is the co-operation between different professionals and members of the community in this regard now? Has the Government any plan to foster co-operation between them so that child abuse can be prevented more satisfactorily?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, the problem of child abuse is in fact an issue of concern to every sector of the community. Various departments will actively address the problem, and inter-departmental meetings have also been held to discuss this problem. As far as I remember, an inter-departmental group already started to work on this problem several years ago, and every department has also drawn the attention of their own staff to this problem. On the levels of hospitals, the Hospital Authority and the Department of Health, I have also issued clear guidelines for paediatricians and nurses on how to identify abuse cases or suspected cases, and a mechanism has been put in place for reviewing the ways the cases are handled. All these are ongoing tasks. I trust that every sector will very seriously study ways to prevent child abuse and to protect children. We have been carrying out a lot of work in public education to enable members of the public to understand and identify child abuse cases and to tell them what alert and reporting mechanism are in place or how they can notify the SWD or the police. These are also part of our ongoing efforts. But we also consider it necessary to review the existing mechanism, in order to explore ways to further facilitate collaboration, publicity or training. Our work in these areas should be reviewed regularly and improved continuously.

**PRESIDENT** (in Cantonese): Fifth question. As Dr David CHU is unable to attend this meeting today, I have given leave for Dr TANG Siu-tong to ask this question on behalf of Dr David CHU.

### **Smuggling of Protected Animals into Hong Kong**

5. **DR TANG SIU-TONG** (in Cantonese): *Madam President, regarding the smuggling of protected animals into Hong Kong by lawless elements, will the Government inform this Council:*

- (a) *of the number of detected smuggling cases in the first four months of this year, and whether the number exceeds that for the corresponding period last year;*
- (b) *of the number of pet shops prosecuted by the authorities for illegal sale of protected animals in the past year; and*
- (c) *whether it has plans to launch large-scale education programmes to promote the public's knowledge of the protected animals of endangered species, and advise them not to buy and keep such animals; if so, of the details of such plans?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**  
(in Cantonese): Madam President,

- (a) Under the Animals and Plants (Protection of Endangered Species) Ordinance (Cap. 187), any person who imports, exports or possesses any scheduled endangered species, except those with exemptions, shall obtain a licence from the Director of Agriculture, Fisheries and Conservation in advance.

According to the record of the Agriculture, Fisheries and Conservation Department (AFCD), seven seizures of live endangered animals smuggled into Hong Kong were made in the first four months of this year. The number is lower than that in the same period last year in which 11 seizures were made.

- (b) Last year, a total of 10 pet shops were prosecuted for and convicted of illegal possession of live endangered animals. Among these shops, three were retail shops selling reptiles, four were retail shops selling birds and the other three were aquariums. The animals involved in these cases included true tortoises, sea turtles, iguana, monitor lizard, pythons and parrots.
- (c) The AFCD has been organizing various educational and publicity activities to strengthen the public's understanding about protection of endangered species and the related legislation. These activities include broadcasting Announcements of Public Interest through television and radio; organizing exhibitions, school talks and competitions on drawing, sand sculpture and photography. It is estimated that more than 83 000 people participated in these activities last year. The AFCD has also published more than 10 types of posters and leaflets for distribution to trade associations and shops and at various locations, including exhibition and competition venues and airline check-in counters. Moreover, to enhance public awareness of the protection of endangered species, the AFCD has set up an Endangered Species Resource Centre. In addition to an array of information about the subject, the Centre has some 500 exhibits of about 100 endangered species, including live animals and plants, as well as products made from these species, such as fur and leather products, and medicines. The Centre is open to groups and individuals. Since its establishment in mid-2001, an average of 7 000 visitors visit the Centre every year. The majority of the exhibits in the Centre were confiscated items in previous enforcement actions. The purpose of displaying these items is to strengthen the public's knowledge about endangered species and the related controls.

**DR TANG SIU-TONG** (in Cantonese): *Madam President, it is mentioned in part (c) of the main reply that the AFCD has set up an Endangered Species Resource Centre. Since its establishment in mid-2001, an average of 7 000 visitors visit the Centre every year. Is this figure rather low? How can the Centre be promoted? Will arrangements be made so as to encourage students to visit the Centre?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, the setting up of an Endangered Species Resource Centre in Cheung Sha Wan by the AFCDD is just one of the measures to promote the public's understanding about endangered species. Arrangements have been made for visits by various schools and groups. In fact, the 7 000 visitors mainly comprise students and groups. Through the environmental education project, ongoing promotions on the activities of the Centre are conducted. At present, members of the trade, such as pet shop owners or sellers of imported species, have also been invited to visit the Centre. However, apart from this Centre, as I just mentioned, various publicity programmes are also conducted to attract public's participation in our activities so as to arouse their awareness of the protection of endangered species and the related legislation.

**MR HENRY WU** (in Cantonese): *Madam President, according to the Secretary's reply, there are two kinds of situations, one is smuggling of endangered species and the other one is illegal possession of endangered species. In the Secretary's reply, it is mentioned that seven cases of smuggling of endangered animals occurred in the first four months of this year. May I ask the Secretary whether prosecution has been taken out against the parties concerned in these cases and what the penalties are? As regards illegal possession of endangered species, what are the penalties imposed on pet shops which have been successfully prosecuted and convicted of the relevant offences?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, under the Animals and Plants (Protection of Endangered Species) Ordinance, the maximum penalty for any person who contravenes the law, including those who are found to have contravened the law outside Hong Kong upon seizure of endangered species on the high seas for importation to Hong Kong, will be firstly, a fine of \$5 million and two years' imprisonment if the offence involves the importation of a highly endangered species for commercial purpose, or a fine of \$500,000 and one year's imprisonment if the offence involves the importation of a general endangered species for commercial purpose. In the second scenario, the maximum penalty will be a fine of \$100,000 and one year's imprisonment if the offence involves the importation of a highly endangered species for non-commercial purpose, or a fine of \$50,000 and six months' imprisonment if it involves the importation of a



general endangered species for non-commercial purpose. As regards the law enforcement situation currently, the fines imposed range from several hundreds to several thousands dollars. However, if it involves one that is for commercial purpose, the maximum penalty imposed is a fine of several hundred thousand dollars plus a sentence of imprisonment.

**MR HENRY WU** (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. In respect of smuggling of endangered animals such as the seven cases being detected this year, what are the actual penalties imposed? And what are the actual penalties imposed for illegal possession of such animals?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, I do not have such breakdowns of information right now. With your permission, I shall give a written reply to Mr WU. (Appendix IV)

**MR SIN CHUNG-KAI** (in Cantonese): *Madam President, from part (b) of the main reply, it can be seen that a larger number of cases involved pet shops and aquariums. I would like to ask whether AFCD has made regular inspections on these shops? What is the number of inspections made in the past year? Besides, it is also mentioned in the main reply that some endangered animals are under illegal possession for commercial purpose. Is it an offence if the animals are under possession by individuals?*

**PRESIDENT** (in Cantonese): In fact, you may raise one supplementary only.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, let me quote some figures in reply to Mr SIN's supplementary question. In respect of pet shops, including aquariums and pet shops selling snakes and other reptiles, 988 inspections had been conducted and such were conducted daily; in respect of restaurants, 1 219 inspections had been conducted; in respect of market stalls, 2 477 inspections had been conducted; in respect of Chinese medicine shops, 4 414 inspections had

been conducted; as for the others such as flower shops, tailor shops, trading firms and optical shops (because they might sell turtle-shell frames), 5 020 inspections had been conducted. In all the above cases, the endangered species were kept for commercial purpose. The second situation is concerned about individual possession, including ivories, lizards, sea turtles and alligator tortoises, a total of 604 inspections had been conducted. Others subject to inspection include government departments, non-governmental bodies, trading organizations, airlines and temples, to which a total of 2 452 inspections had been conducted. All in all, a record of 17 174 inspections had been made in a year.

**MR AMBROSE LAU** (in Cantonese): *Madam President, in the main reply it is pointed out that any person who imports, exports or possesses any scheduled endangered species shall obtain a licence from the Director of Agriculture, Fisheries and Conservation in advance. What are the criteria for licensing by the authorities?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, in processing the applications for licences, the AFCD will scrutinize the information submitted by the applicants according to the provisions laid down in the Animals and Plants (Protection of Endangered Species) Ordinance and the requirements stipulated in the relevant convention when deciding to grant a licence or not. For instance, regarding the country of origin of some species, the signatory may be required under the convention to prohibit trading of endangered species with certain countries. So it depends on whether the sources of the species are from those countries, or whether the species concerned are subject to trade restriction because sometimes it may be provided in the convention that certain species are prohibited from being traded for commercial purpose or being exported from certain country. We will make a thorough check to see whether a country has been specifically prohibited from exporting certain species under the convention before deciding to grant a licence or not.

**MR HOWARD YOUNG** (in Cantonese): *Madam President, I note that the Secretary mentioned in the main reply that publicity would be made through airlines. Will the Secretary consider to have further publicity efforts made*

*through travel agents? Many people would have known where the endangered species come from, but they may not come to the airline check-in counters. However, a tea party will often be held before a tour is to set off. If publicity effort is stepped up in respect of training for tourist guides, it is likely to be effective.*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, travel agents have already been included in our publicity programmes, which will further be enhanced in the future. Perhaps we will by then invite Mr YOUNG to provide assistance in our promotions.

**MR HENRY WU** (in Cantonese): *Madam President, when live endangered animals, including those under illegal possession by shops, have been seized, it is necessary to dispose of them in an appropriate way for these are endangered animals and certainly precious. May I ask the Secretary how will these endangered animals seized be disposed of? Will they be sold? Or will there be other expenses incurred leading to an increase in government expenditure?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, according to the legislation, upon conviction of the parties concerned after being prosecuted, the endangered animals seized will be forfeited without further order. If the parties concerned are not prosecuted due to special reasons such as insufficient evidence, the authorities may apply to the Court for an order of forfeiture in respect of the endangered species seized. Consequently, a definite number of species have been forfeited. In disposal of endangered species forfeited, the AFCD will make different arrangements for different species, including to cause release in the territory on condition that the species concerned can survive in our ecology or is an endemic species. Or the species will be given away to suitable local or overseas bodies which may keep it, release it, breed it or use it for other conservation purpose. Or the species will be given away to schools or educational bodies as a gift for educational purpose. Besides, if it is a commodity which is perishable or cannot be stored for long, it will be disposed of at the landfills. The above procedures are implemented in strict compliance with the guidelines under the convention.

**MR HENRY WU** (in Cantonese): *The Secretary has not answered my supplementary question. I ask about the cost of disposal, for instance, the cost incurred in giving them away. Can the Secretary provide the relevant figures?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, we do not specifically separate such expenditure from the others at the moment because the staff of AFCD is already regarded as fixed costs and we do not allocate a specific sum of money for taking care of the species after being given away.

**MR HENRY WU** (in Cantonese): *Madam President, I am not asking about the cost of taking care of the species. When the Government gives them away, they may be transported for instance, by aircraft. I am asking how much such cost would be.*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, I do not have such figures at the moment. I will give a written reply in this regard. (Appendix V)

**PRESIDENT** (in Cantonese): Last oral question.

### **Illegal Workers in Construction Industry**

6. **MR TAM YIU-CHUNG** (in Cantonese): *Madam President, I have repeatedly received complaints from trade unions and workers of the construction industry alleging that the problem of illegal workers in the industry has been worsening, which affects the employment of local workers. In this connection, will the Government inform this Council:*

- (a) *whether it has, in the past three years, found any cases in which persons who came to Hong Kong in the name of receiving training or on business visas taking up illegal employment in the construction industry; if it has, of the respective numbers of illegal workers involved in each of these years;*

- (b) *of the measures in place to step up actions against illegal workers engaging in renovation works in private residential premises; and*
- (c) *whether it has plans to reinforce efforts in combatting the employment of illegal workers in the construction industry, such as raising the penalty for employing persons not lawfully employable and aiding or abetting them to work in Hong Kong, so as to safeguard the job opportunities of local workers; if it has, of the details; if not, the reasons for that?*

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

- (a) Most of the people found illegally working in violation of the Immigration Ordinance are visitors or illegal immigrants. In the past three years, the Immigration Department (ImmD) has not found holders of training permit working illegally in the construction industry. Holders of business visit endorsement found taking up illegal employment in construction sites stood at 26 in 2001, 191 in 2002 and 166 in 2003. Four such holders were found in the first quarter of this year. The ImmD does not have statistics on holders of business visit endorsement engaging illegally in renovation works in private premises.
- (b) The Government of the Hong Kong Special Administrative Region (SAR) has always been vigilant against illegal employment. The departments concerned have adopted the following measures effectively to combat the employment of illegal workers to carry out renovation works in private premises:

First, to set up an Inter-departmental Task Force. To combat crimes and illegal employment more effectively, an Inter-departmental Task Force was set up in April 2003 to devise specific strategies, co-ordinate joint operations amongst various departments and enhance the gathering and exchange of intelligence. The Task Force is chaired by a Deputy Commissioner of Police (Operations). Its membership includes the Security Bureau, the ImmD, the Labour Department (LD), the Customs and Excise Department, the Correctional Services Department and other departments concerned.

Since mid-January 2003, the ImmD has been carrying out on an ongoing basis a series of operations code-named "Contribute" to crackdown on illegal workers engaging in interior renovation or building maintenance works as well as on their employers. The scope of these operations also covers small houses under construction and on-site maintenance works. As at 30 April 2004, the ImmD has conducted a total of 478 operations and arrested 395 illegal workers and 46 employers.

Apart from arresting lawbreakers on-the-spot at workplaces, the law enforcement departments also collect intelligence and conduct raids on the hideouts and places frequented by illegal workers. From January 2003 to April 2004, the ImmD and the police conducted 19 joint operations code-named "TAGUS" against illegal workers in suspected gathering places in Yuen Long, Sheung Shui and Tin Shui Wai. In those operations, 1 051 mainlanders suspected of working illegally were arrested.

All front-line police officers, whether patrolling in buildings or on streets, will in appropriate circumstances intercept suspicious persons and remain alert on dubious flats, including those under refurbishment. If illegal workers are found, the police will take appropriate action, make arrest and refer the cases to the ImmD for follow-up.

To more effectively deter mainland visitors from entering Hong Kong for illegal employment, the law enforcement departments concerned will continue to strengthen exchange of intelligence with mainland authorities. Particulars of mainland visitors who were found or suspected of having worked illegally in Hong Kong will be passed to mainland authorities so that mainland authorities can more strictly scrutinize their subsequent applications to visit Hong Kong. Consideration may be given by mainland authorities to refusing issuing visit endorsements to these persons for a certain period of time.

Apart from intensifying law enforcement, the ImmD and the LD have stepped up publicity and education against illegal employment.

The ImmD met the Hong Kong Association of Property Management Companies last year to work out guidelines on preventing illegal workers from taking up decoration works in housing estates. Management offices of housing estates were requested to issue decoration workers with permits bearing the seal of the office and the photograph of worker concerned. Since the implementation of this measure, the number of complaints and illegal workers found engaging in decoration works in large housing estates has decreased. The ImmD is progressively extending this measure to single-block buildings. With the assistance of the Home Affairs Department, the ImmD has organized seminars for and distributed guidelines to owners' corporations and property management officers in various districts. Furthermore, the ImmD has briefed safety officers and sub-contractors of construction companies about the security features of identity cards so as to prevent illegal workers from seeking employment in construction sites with forged identity cards.

Separately, the LD distributed leaflets to over 167 000 households and shops in residential buildings, as well as contractors of minor demolition works early this year. The leaflets quote actual cases of imprisonment of employers of illegal workers to generate deterrent effect. Extensive publicity is also given to the LD's complaint hotline to encourage reports on illegal employment.

- (c) The SAR Government has been tackling the problem of illegal employment at various levels. As far as illegal workers in construction sites are concerned, with vigorous enforcement efforts by relevant departments and related legislative amendment in 1999, the number of illegal workers arrested in construction sites has been significantly reduced, dropping from an average of 29 per month in 2002 to three per month in the first quarter of this year. Nonetheless, the departments concerned will not be complacent and will keep up their relentless efforts to combat illegal workers.

Since the law was amended in 1999 to stem illegal employment in construction sites, many developers and contractors have been taking proactive and effective measures to prevent illegal workers from entering construction sites. Most illegal workers found in

construction sites in recent years have been holders of forged identity cards or individuals found working illegally in construction works for small village houses. This is a big improvement over the situation in the past. To deal a further blow to illegal workers holding forged identity cards, the SAR Government started the territory-wide smart identity card replacement exercise in mid-2003 issuing to all Hong Kong residents a smart identity card bearing the biometric data of its holder. This makes the detection of illegal workers holding forged identity cards much easier.

At present, there is comprehensive legislation guarding against illegal employment and the maximum penalty under the law carries substantive deterrent effect. For example, an illegal worker is liable to a maximum fine of \$50,000 plus two years of imprisonment and the employer concerned is liable to a maximum fine of \$350,000 and three years of imprisonment. If illegal immigrants or illegal workers are discovered in a construction site, the construction site controller (including the contractor) is liable to a maximum fine of \$350,000.

The Court will impose an appropriate sentence after considering all the relevant factors. As records show that the sentences imposed in most cases are below the maximum penalty, the SAR Government has no intention at this stage to seek amendments to the law to raise the maximum penalty for illegal workers and their employers. However, we would closely monitor whether the sentences imposed by the Court are inadequate and apply for sentence reviews or lodge appeals in appropriate circumstances.

Our law also contains adequate provisions on intermediaries for illegal workers. Any person who aids, abets, counsels or procures someone to breach the condition of stay is liable to a fine of \$50,000 and two years of imprisonment.

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, I am very grateful to the Secretary for providing us with such a detailed reply. Nevertheless, I wish to raise a question in relation to part (c) of the main reply concerning the severe punishment of employers of illegal workers. According to our*



*understanding, the maximum fine imposed on such employers in the past was very often around \$6,000 only, and imprisonment was extremely rare. We cannot see any deterrence achieved by such penalties. Last year, the Government undertook to examine certain administrative measures, including prohibiting such employers from participating in various government tenders, and so on. In this respect, what specific measures has the Government adopted? Has the Government refused the tenders submitted by these employers for government works because of their past history of employing illegal workers?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, according to the Government's policy, sub-contractors or construction companies having the record of employing illegal workers will be subject to a points system when applying or bidding for government works in future. As regards the number of contractors having been refused for their adverse records, please allow me to refer to the relevant statistics before providing Mr TAM with a written reply. (Appendix VI)

**MRS SELINA CHOW** (in Cantonese): *Madam President, the main reply mentioned the strengthening of liaison with the Mainland. Very often, the problem stems from supply. We would have to make more efforts in interception if there are so many channels through which illegal workers can enter Hong Kong. Is it possible for a closer link to be forged with the relevant mainland departments to intercept the supply of such illegal workers to prevent them from entering the territory?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, Mrs Selina CHOW is perfectly right. We have started combating illegal workers in three aspects. First, to intercept them at source by refraining from issuing the necessary documentation for them to visit Hong Kong. In this respect, we have established very close liaison with the relevant mainland issuing authorities, particularly the public security bureaux, in the hope that they can conduct more stringent check for us. We note that, among all the mainland tourists visiting Hong Kong, the number of visitors travelling under the "individual visit scheme" who have violated the law was relatively low, mainly because of the more stringent check conducted by units issuing documents for visitors travelling individually. We therefore hope that mainland issuing units can, when issuing

other travelling documents such as business visa endorsement and visit visa endorsement, exercise the same degree of strictness in conducting check for us so that illegal workers can be intercepted at source. Second, during immigration clearance, officers of the ImmD will apply their expertise to detect illegal workers having been granted travel documents without being detected. Finally, crackdown efforts will be made after the entry of illegal workers into Hong Kong. The police have set up an interdepartmental working group to coordinate joint efforts among several departments in this respect. We are making crackdown efforts in three aspects, namely at source, during immigration clearance, and after entry.

**MR LEE CHEUK-YAN** (in Cantonese): *Madam President, it is evident from part (a) of the main reply that many illegal workers engaging in the construction industry in the past were holders of business visa endorsement. One figure that we spotted earlier also showed that half of all the illegal workers were holders of business visa endorsement. May I ask whether the Secretary is confident that these illegal workers can be eliminated at source or, in other words, whether he has discussed with mainland departments ways to prevent these people from entering Hong Kong for employment by purchasing business visa endorsement (it was said that it cost more than \$10,000) on the Mainland? I would like to know the progress in this respect because I believe it is most important for the problem of illegal employment to be resolved at its source.*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, Mr LEE has explained very clearly earlier that last year's statistics showed that violation of law by two types of visitors was found to be particularly serious. Visitors belonging to the first type are holders of business visa endorsement, to which Mr LEE referred. Visitors belonging to the second type are those holding visit visa endorsement. As the issuance of business visa endorsement has at one point been less stringent, holders of business visa endorsement were able to acquire a multiple business visa endorsement allowing them to travel to Hong Kong for a two-week stay for an unlimited number of times in a year. These people might return to the Mainland upon the expiry of the two-week stay and return to Hong Kong again. Numerous violations have been found. Furthermore, holders of visit visa endorsement can generally stay in Hong Kong for a longer period ranging from one month to three months.

Last year, out of their concern about this situation, officers of the ImmD discussed with the relevant units on the Mainland, particularly the departments of the public security bureau, ways to assist us to be on guard. First, we will send information to the units concerned in the public security bureau on the Mainland. After inspecting the information, the latter will identify the departments in the public security bureau or the units in the public security bureau in counties or cities which have issued travel documents indiscriminately and suspended their power of issuing travel documents.

Second, in order to guard the bars more stringently they have devised new initiatives to prevent mainlanders from entering Hong Kong to take up illegal employment on the pretext of visiting relatives or conducting business trips. Starting from 19 February, mainlanders residing in Guangdong cities where the Individual Visit Scheme is implemented (the scheme has now been extended to all Guangdong cities) and wishing to visit their close relatives in Hong Kong are encouraged to apply under the Individual Visit Scheme, except for those over 60 years old or under 16. This is because, as mentioned by me earlier, control under the Individual Visit Scheme is very stringent, and visit visa endorsement will no longer be issued. In other words, these people can no longer obtain one-month visit visa endorsement as they were able to do so before. This new measure will not affect mainland residents wishing to apply for entry into Hong Kong to visit their relatives because they can still visit their immediate family members through another channel, namely the Individual Visit Scheme.

Besides, from 1 March this year onward, the public security bureau in Guangdong Province has started to issue new seven-day single-journey business visa endorsement in order to tighten the power to examine and approve applications for six-month or one-year multiple business visa endorsement, which were easily approved previously. At present, people visiting Hong Kong to take part in commercial activities will be issued single-journey business visa endorsement allowing them to stay here for seven days only. This is in line with the requirements of the endorsement. As these applicants have investments on the Mainland as well as business dealings in Hong Kong, the issuance of business visa endorsement can encourage them to take part in business activities in Hong Kong. Tightening the issuance of business visa endorsement can prevent people from abusing the endorsement to make repeated trips to Hong Kong to take up illegal employment.

**PRESIDENT** (in Cantonese): As the Secretary has twice given a very detailed reply to the questions raised by Members and there are a number of Members waiting to raise their questions, I will exercise discretion to lengthen the question time allowed for this question.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, it was mentioned in part (b) of the main reply that 19 operations had been conducted on the hideouts and places frequented by illegal workers, and more than 1 000 people had been arrested. However, the number of enforcement actions at workplaces was, relatively speaking, more frequent, while the number of people arrested was relatively few. Will the Secretary inform this Council whether an in-depth analysis has been conducted to examine whether arrests made at workplaces have encountered any special problems so that the number of arrested people was not necessarily high, whereas on the contrary, actions taken at the gathering places of illegal workers were more effective? Will the authorities concerned analyse the distribution of the people arrested at the gathering places by sectors to help making further arrests?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, the answer should be very obvious. The number of people arrested in each operation at their gathering places was more numerous because the arrests were made at the places where they gathered. On the contrary, illegal workers work in different places. Only a few people would be arrested if action was taken at a factory or restaurant. As illegal workers are arranged to reside in "illegal immigrant hideouts", more people will be arrested should arrests be made in these places.

(Mr LEUNG Yiu-chung rose from his seat and raised his question before the Secretary sat down)

**PRESIDENT** (in Cantonese): Secretary, you may sit down first. Mr LEUNG, please repeat your question.

**MR LEUNG YIU-CHUNG** (in Cantonese): *I just wish to ask whether the Secretary has analysed the distribution of illegal workers arrested at their gathering places by sectors to help the authorities concerned to take action at their workplaces?*

**PRESIDENT** (in Cantonese): Secretary, you have not answered this question yet.

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, I do not have such breakdown figures at the moment. Perhaps I should learn more of the matter with my colleagues back in the office and if such figures are available, I will provide Mr LEUNG with a written reply. (Appendix VII)

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, this question has been raised in this Council and answered by the Secretary repeatedly. However, the effectiveness appears to be doubtful. Just now, the Secretary raised such points as liaison with the Mainland, fines, and so on. However, as pointed out by Mr TAM, the amount of fine is merely around \$6,000. Will it be necessary for the Secretary to make extra efforts in addition to the original tactics and method? Madam President, in a discussion held between the labour unions of the construction industry, the Secretary and me last year, the unions asked whether the Government could consider such proposals as offering awards for reporting, setting up hotlines, increasing penalty, improving liaison between the two places, and so on. I was told that, in some cases, the issuance of identity cards in the Mainland was not interconnected. In other words, it might be possible for a person to make more than one application for travel to Hong Kong at different villages. Confronted with such a situation and an issue as thorny as this, what will the Secretary do? Not only have we raised this issue repeatedly here in this Council, construction workers are extremely upset because illegal workers have deprived them of their jobs. May I ask the Secretary to examine the matter to see if there are any new "tactics"?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, I do not think the "tactics" should necessarily be new; what matters most is they work. As I said earlier, it is most effective for interception to be made at source. Should the issuing departments on the Mainland take a more stringent approach in guarding the bars, less efforts will be required on the part of Hong Kong. As I said just now, we have truly made some efforts. As pointed out by me in replying to the question raised by Mr LEE Cheuk-yan, we have taken specific actions. Last year, for instance, after noticing that most illegal workers

travelled to Hong Kong by virtue of business or visit visa endorsement, we discussed with the public security bureaux on the Mainland and the latter tightened its issuance requirements and guarded the bars more stringently. I do hope these measures work. As for the imposition of fine and sentences, we have expressed great concerns about whether the sentences imposed by the Court are clearly inadequate. If this is found to be the case, we will discuss with the Secretary for Justice to lodge appeals or apply for judicial review to the Court. I understand that the sentences imposed by the Court have been heavier than before, and some non-complying employers have been sentenced to imprisonment by the Court.

(Miss CHAN Yuen-han rose from her seat as the President invited Mr Andrew WONG to raise his question)

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, the Secretary has still not answered my question. It has been a long time since the labour unions made the suggestion of offering awards for reporting. Yet, it seems that the Secretary has so far failed to respond to this suggestion.*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, we have considered this suggestion before. We have no intention to award people for providing information on illegal workers for the time being. There is no such plan for the time being.

**MR ANDREW WONG** (in Cantonese): *Madam President, insofar as the issue of illegal workers is concerned, today's question is related to the construction and decoration industries. It seems that Members have focused their attention on these two industries as well. I do not know whether the Government itself is taking this issue so seriously that all its efforts are concentrated only on these two industries. Will other problems relating to illegal workers be neglected as a result? A member of the public who lost his job recently complained that his employer had hired a holder of business visa endorsement to replace him as a foot massager. Despite his report of the case, no action has been taken by the authorities concerned. Is the Government merely concerned about the construction and decoration industries whereas other industries are completely neglected?*

**SECRETARY FOR SECURITY** (in Cantonese): Madam President, the answer is definitely "no" because we attach great importance to all illegal employment issues. Mr WONG said that we had failed to follow up the case cited by him. I hope he can provide me with the relevant information. I will follow up the matter back in the office.

**PRESIDENT** (in Cantonese): We have spent more than 24 minutes on this question. Last supplementary question.

**MISS CHOY SO-YUK** (in Cantonese): *Madam President, since the law was amended to enable prosecution to be instituted against persons in charge of the construction sites where illegal workers are employed, the ImmD has so far been able to make one successful prosecution only. On the other hand, according to the information provided by the ImmD, more than 8 000 reporting telephone calls have been received in last year alone. There was such a huge gap between the number of reports and the number of successful prosecutions. May I ask the Secretary whether this is because the legislative amendment is ineffective, or because the ImmD has not made adequate efforts to follow up reported cases?*

**SECRETARY FOR SECURITY** (in Cantonese): First of all, the reports we have received were not solely related to construction sites. Therefore, it is not appropriate to treat this as the base number by saying that only one out of more than 8 000 reports has been sentenced. Under section 38A(2) of the Immigration Ordinance, where it is proved that a person to whom section 38(1) applies, that is, an illegal immigrant, was on a construction site, the construction site controller of that construction site commits an offence and is liable to a fine of \$350,000. However, some of the proceedings for an offence under this clause seek to protect a person being charged. It is a defence in proceedings for an offence for the person charged to prove that he has taken all practicable steps to prevent persons to whom section 38(1) applies from being on the construction site. Since the enactment of this provision, there has indeed been a decline in the number of complaints received in connection with construction sites. At the same time, there was a decline in the number of illegal workers found on construction sites. Why was there a decline in the number of persons being sentenced? First, employers have very often endeavoured to fulfilled their legal

responsibility by attempting to prove the persons hired by them are not illegal immigrants or prohibited from taking up employment. It has recently come to our notice that some illegal workers used forged identity cards when applying for jobs. If employers have fulfilled their obligation by inspecting the identity cards produced by job-seekers, they will be considered as having fulfilled their civic responsibility, even though they did not notice that the identity cards inspected were forged. This is already an excellent defence for them. Therefore, despite the fact only one person has been sentenced lately, it does not mean that we have not enforced the law properly or employers of construction sites have not discharged their civic responsibility.

**PRESIDENT** (in Cantonese): Oral question time ends here.

## WRITTEN ANSWERS TO QUESTIONS

### Professional Jobs Created by West Kowloon Cultural District Development Project

7. **MR LAU PING-CHEUNG** (in Chinese): *Madam President, the Administration is now inviting proposals for the development of the West Kowloon Cultural District. The Administration has estimated that the development project will create 500 professional jobs. In this connection, will the Government inform this Council:*

- (a) *whether it will adopt measures to ensure that these jobs will be taken up by local professionals as far as possible; if it will, of the details of such measures; if it will not, the reasons for that;*
- (b) *given that the Government does not prohibit developers from forming consortia to bid for the development project, whether it has assessed if the number of these professional jobs will be affected if the successful proponent is a consortium of several developers; if it has, of the assessment outcome;*
- (c) *of the measures it will adopt (such as imposing restrictive clauses in the invitation of tenders) to ensure that the number of jobs for local*



*professionals (including those in building design, construction and supervision) provided at the time of project implementation will match the original estimate; and*

- (d) *whether it will consider splitting the development project into several smaller ones to enable participation by more than one consortium, so as to increase the overall social and economic benefits as well as the number of local professional jobs; if it will not, of the reasons for that?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese):

Madam President, my response to the four parts of the question is as follows:

- (a) The Government estimates that the West Kowloon Cultural District development project will create about 500 professional/technical jobs. In line with the usual practice, the Government will not adopt any measures to ensure that these jobs will be taken up by local professionals. Depending on the requirements of the development project, recruitment arrangements are to be decided by the selected developer. However, the Government believes that based on practical needs, the developer will certainly employ a large number of local professionals to ensure smooth implementation of the construction works.
- (b) Although the Government's Invitation for Proposals does not prohibit developers from forming consortia to bid for the development project, the number of professional jobs to be created mainly depends on the scale and requirements of the development project, rather than on the number of developers participating in the project. The Government therefore does not consider that the number of those professional jobs will be significantly affected if the successful proponent is a consortium of several developers.
- (c) In the Invitation for Proposals, the Government requires proponents to provide detailed specifications regarding the architectural and building designs of all the facilities, completion dates, operation, management and maintenance of facilities, and so on. These requirements will be included in a Project Agreement to be signed

between the Government and the selected developer. After commencement of the construction works, the Government will monitor closely the progress of the works to meet the specified requirements. However, since recruitment of professional staff depends on the requirements of the final design and facilities of the project as well as market supply and demand, and is to be decided by the developer, it is difficult at this stage for the Government to ensure that the number of professional jobs provided at the time of project implementation will match the original estimate. We believe that the professionals in the relevant sectors will understand this.

- (d) The West Kowloon Cultural District is conceived as an integrated development of arts, cultural, entertainment and commercial facilities to be designed, built and operated by the private sector. Dividing the project into smaller packages and inviting tenders would first require the Government to draw up a master layout plan based on uncertain assumptions of what would be commercially viable. At the same time, as the Government cannot fund construction of the arts and cultural facilities, they would have to be distributed among different packages, thereby losing the opportunity for integrated and complementary design of these facilities. Also, the Government would have to design the canopy, the automated people mover and other infrastructural features that serve the whole development without knowing how they would interface with the design of buildings in the district. Conducting multiple tender exercises would also leave us with the extremely difficult task of drawing up multiple sets of complex interlocking land leases, which may lead us into costly litigation in future. And the Government would have to allocate substantial additional resources to project management and, in due course, venue operation.

The Government is satisfied that dividing the project into multiple packages is an undesirable way of implementing it. The result would simply be a cacophony of separate facilities, and serious delay for them to come into operation which will risk our objective of creating a new architectural icon for Hong Kong. The prospect of securing public funds of the size required for providing these arts and cultural facilities is remote given the many other competing

claims. Splitting the development project into several smaller ones will not increase the overall social and economic benefits. Neither will it increase the number of local professional jobs. The Government therefore considers that the single package approach is the optimal way forward and in the wider public interests of Hong Kong.

### Stray Dogs

8. **MR LAU KONG-WAH** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *whether members of the public have complained to the authorities about nuisances caused by stray dogs in the past year; if so, of a breakdown of such complaints by district;*
- (b) *whether it will deploy officers to areas frequented by stray dogs to catch them; and*
- (c) *how the stray dogs caught will be handled, and the number of stray dogs put down by the authorities in the past three months?*

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

- (a) In 2003, the Agriculture, Fisheries and Conservation Department (AFCD) received 9 619 complaints concerning nuisances caused by stray dogs. There were 2 264 cases from Hong Kong Island and outlying islands, 2 177 cases from Kowloon region including Sai Kung and Tseung Kwan O, 2 360 cases from New Territories South region including Sha Tin, Ma On Shan, Kwai Chung, Tsing Yi and Tsuen Wan, and 2 818 cases from New Territories North region. The AFCD does not routinely collate statistics of the complaint cases against stray dogs by district.
- (b) In response to public complaint, staff of the AFCD will visit the locations concerned and catch the stray dogs found.

- (c) When a stray dog is caught, it will be detained for four days allowing its owner to reclaim it. If the dog is implanted with identification microchip, the AFCD will try to trace the owner so as to reunite the dog with its owner. In this case, the dog will be detained for a longer period. If the dog does not have an owner or is unclaimed by the owner, consideration will be given to the suitability of adoption by members of the public through animal welfare organizations. Other dogs not suitable for rehoming will be humanely destroyed. In 2003, a total of 11 771 dogs were humanely destroyed.

### **Quality of Dongjiang Water Supplied to Hong Kong**

9. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, regarding the supply of Dongjiang water to Hong Kong, will the Government inform this Council:*

- (a) *as the Water Supplies Department (WSD) has undertaken to supply water in compliance with the international standards for potable water recommended by the World Health Organization, whether the quality of Dongjiang water for use in Hong Kong, including its content levels of bacteria, mercury and other chemical compositions and so on, has been improved as a result of the commissioning of concealed piping; if so, of the details;*
- (b) *whether the water treatment costs required to upgrade the current quality of Dongjiang water to meet the above standards is more costly or otherwise compared to those before the commissioning of concealed piping, and the difference in the amounts thereof;*
- (c) *whether it will consider discussing with the Guangdong provincial authority the setting up of a "Dongjiang water savings account", so that when the demand of Dongjiang water by Hong Kong is lower than the supply volume stipulated in the water supply agreement, the difference of the volumes concerned will be recorded in that account and be supplied to Hong Kong in future as necessary, so as to avoid wasting water; if not, the reasons for that; and*

- (d) *as there are frequent changes in the Dongjiang River course, whether it knows the frequency of inspection on the flow direction of the rivers near Taiyuan Pumping Station carried out by the Guangdong provincial authorities, as well as the date of the last inspection?*

# SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President,

- (a) Since the full commissioning of the Dongjiang-Shenzhen closed aqueduct in June 2003, the quality of Dongjiang water as monitored and received at the Muk Wu Pumping Station has witnessed significant improvement. Data on bacteriological quality, mercury and other chemicals in the raw water, before and after the commissioning of the closed aqueduct are shown below to illustrate the improvements.

	<i>Total Coliforms</i>	<i>E. coli</i>	<i>Mercury</i>	<i>Ammonical nitrogen</i>	<i>Total Phosphorus (as P)</i>
<i>Unit</i>	<i>no./l</i>	<i>no./l</i>	<i>mg/l</i>	<i>mg/l</i>	<i>mg/l</i>
1 January 2003 to 31 May 2003	4 550	2 130	< 0.00005	0.81	0.2
1 July 2003 to 31 March 2004	2 830	1 080	< 0.00005	0.14	0.09
GB3838-88 Type II Standard	No standard set	No standard set	= < 0.00005	No standard set	= < 0.1

Full set of all the monitored parameters on Dongjiang water received at Muk Wu Pumping Station from 1 October 2002 to 30 September 2003 is available at the WSD's website < [www.info.gov.hk/wsd/](http://www.info.gov.hk/wsd/) > . The updated data for 1 April 2003 to 31 March 2004 will be published in end May/early June 2004.

- (b) An annual saving of approximately HK\$9 million in water treatment costs can be achieved after the commissioning of the closed aqueduct.

- (c) At present, the Government would only draw the required quantity of Dongjiang Water according to actual demand and there is no discharge of any surplus quantity as such. We are contractually bound to pay for the full amount of the agreed supply even though the actual consumption may be lower. We would continue to negotiate for greater flexibility in the supply quantity, taking account of our actual demand and mission on water conservation.
- (d) The Environmental Protection Bureau of Guangdong undertakes bimonthly monitoring in the vicinity of the Tai Yuen Pumping Station since July 2003 and the last monitoring was conducted in March this year. The results indicate that the water quality complies with the national standard. The 2003 data provided to the WSD was uploaded to the WSD's website on 26 March 2004.

### **Proceedings Involving Travel Agents**

10. **MR HOWARD YOUNG** (in Chinese): *Madam President, it is reported that the High Court has recently ruled that a travel agent has to compensate a man who lost his wife and his son in a shipwreck in the Philippines. In this connection, will the Government inform this Council:*

- (a) *of the number of criminal and civil proceedings involving travel agents and the compensation amount over the past five years;*
- (b) *whether it has issued guidelines to travel agents operating outbound and inbound tours, specifying the codes to be complied with in respect of itinerary arrangements so as to ensure the safety of travellers and avoid unnecessary proceedings;*
- (c) *whether it will consider amending the existing legislation to set up another fund or utilize the Travel Industry Compensation Fund (TICF) with a current balance of \$300 million to assist travel agents which have been sued for negligence in dealing with the proceedings concerned, in order to prevent consumers from suffering losses because of the closing down of these travel agents; and*

- (d) *of the measures in place for assisting travel agents so that they will not be liable for compensation in future incidents or accidents similar to the above shipwreck arising from negligence of a third party?*

**SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR** (in Chinese): Madam President,

- (a) We do not have statistics on the number of criminal and civil proceedings involving travel agents and the compensation amount over the past five years.
- (b) The Travel Industry Council (TIC) issues and revises from time to time, directives to remind its members of issues to be addressed when organizing outbound tours. These directives include the need to monitor the quality of the tour coaches and drivers, to pay attention to driving safety, to appoint only licensed or registered service providers overseas, and so on. Outbound tour escorts are also required to attend training courses, during which they are reminded of the importance of monitoring the service quality of overseas service providers.

To enhance travellers' safety and improve travel agents' knowledge of possible legal liabilities due to negligence, the TIC is working on a new "Code of Best Practice" for its member travel agents. It will also organize training programmes to provide advice and guidance to the travel agents.

- (c) The TICF, established under the Travel Agents Ordinance, has a clearly defined ambit with the objective of providing protection to outbound travellers against loss of tour fees in cases of default of travel agents, and to provide emergency financial relief to them when an accident occurs in the course of an outbound tour organized by a Hong Kong travel agent. The TICF is funded through a levy on the outbound fees paid at a rate of 0.15%. Any litigation costs arising from compensation claims against travel agents for negligence should be for the travel agents concerned to handle as

part of their business operation. Meeting such costs from the TICF will not be consistent with the objectives of the Fund. We have no plans to amend the ambit of the TICF.

- (d) Travel agents, like other commercial entities, should be responsible for the services they provide and in doing so must manage the risks involved. They are encouraged to adopt effective risk management measures to minimize the possibility of liability arising from third party negligence. The TIC is looking into the matter and has recently set up a Liability Insurance Study Group with members drawn from the legal, insurance and academic sectors and TIC directors. The Study Group has started to explore a "Business Protection Scheme for Tour Operators" which seeks to increase the travel agents' knowledge of risk management, liability indemnity and liability insurance. The Study Group will also consider relevant protection measures to reduce operational risks of travel agents.

### **Regulation of Private Swimming Pools**

11. **MR FRED LI** (in Chinese): *Madam President, at present, the Food and Environmental Hygiene Department (FEHD) is responsible for the licensing work for private swimming pools, while the Leisure and Cultural Services Department (LCSD) is responsible for the management of public swimming pools. Besides, the qualification required of lifeguards at private swimming pools is lower than those for their counterparts at public swimming pools. In this connection, will the Government inform this Council:*

- (a) *of the current number of licensed private swimming pools; and*
- (b) *whether it will consider amending the legislation to set higher qualification requirements for lifeguards at private swimming pools to bring them in line with those for lifeguards at public swimming pools, and transferring the licensing work for private swimming pools to the LCSD so that the regulation of private and public swimming pools will be under the charge of one government department?*



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

- (a) Under the Swimming Pools Regulation (Cap. 132, sub. leg.), private swimming pools which serve more than 20 residential units and which are accessible to the public require a swimming pool licence from the FEHD. As at 31 March 2004, the FEHD has issued a total of 863 swimming pool licences to private swimming pools. In circumstances such as a clubhouse of a housing estate having more than one pool, only one licence is required to cover the pools in that premises.
- (b) As public swimming pools and private swimming pools have different usage rates and serve different clientele, the existing qualification requirements for respective lifeguards are not the same. At present, the attendance of the public swimming pools managed by the LCSD is in the region of ten millions each year. The LCSD has therefore set a different standard on the lifesaving competency of their lifeguards in order to ensure the safety of the large number of swimmers at public swimming pools. As for private swimming pools, the FEHD reviews the licensing conditions including the qualification requirement for lifeguards from time to time. The FEHD is the appropriate authority in the context of water quality and safety. There is an issue of conflict of roles if the LCSD operates and regulates at the same time.

### **Expenditure for Training Medical Personnel**

12. **MR MICHAEL MAK** (in Chinese): *Madam President, regarding the expenditure of tertiary institutions on full-time and part-time courses for training medical, nursing and allied health grade personnel, as well as the employment situation of the graduates concerned, will the Government inform this Council of the following, in respect of each grade:*

- (a) *the respective relevant total expenditures, numbers of graduates and student unit costs of various institutions in each of the past two academic years;*

- (b) *the respective numbers of places for relevant diploma, high diploma, bachelors' degree, masters' degree and doctorate courses in each of the next five academic years;*
- (c) *the employment situation of graduates of relevant programmes at the end of the graduation year over the past two years and, among them, the number and percentage of those who were employed in trades related to their own disciplines, and their average starting salaries; and*
- (d) *the respective numbers of graduates of relevant programmes employed/to be employed by government departments and subvented organizations last year and each of the next five years, as well as the terms of appointment concerned?*

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

- (a) The annual student unit cost and the number of graduates of medicine, nursing and allied health full-time first degree programmes in the University Grants Committee (UGC) sector in 2001-02 and 2002-03 academic years are set out at Annex 1.
- (b) The planned student intakes of the relevant programmes in 2004-05 are set out at Annex 2. Since student numbers in the next triennium (that is, 2005-06 to 2007-08 triennium) are still being planned, we do not have the figures for the 2005-06 academic year and beyond.
- (c) According to the annual graduate employment surveys conducted by the UGC-funded institutions, the employment situation of full-time graduates of the relevant first degree programmes as at the end of the graduation years 2002 and 2003 is set out at Annex 3.
- (d) The number of staff recruited by the Department of Health (DH), the Social Welfare Department (SWD), the Hospital Authority (HA) and the Prince Philip Dental Hospital (PPDH) in 2002-03 and 2003-04 are as follows:

<i>Discipline/Grade</i>	<i>Number of Staff Recruited<sup>Note</sup></i>	
	<i>2002-03</i>	<i>2003-04</i>
1. Medicine	312	334
2. Nursing	682	520
3. Dental surgery	25	15
4. Optometry	1	8
5. Occupational therapy	38	18
6. Pharmacy	5	62
7. Physiotherapy	54	36
8. Prosthetics and orthotics	25	12
9. Radiography	35	79
10. Speech therapy	2	0

Note: There is no separate statistics reflecting specifically the recruitment of fresh graduates.

The number of staff to be recruited in future years would depend primarily on service need. Since the emphasis of the health care system will be placed more on primary health care, ambulatory care, and community care programmes, greater demand for a multi-skilled health care workforce will result. This will provide greater flexibility in manpower planning of health care professionals. As far as the terms of employment are concerned, while the staff of the HA and the PPDH have been employed on contract terms, recruits of the two government departments (that is, the DH and the SWD) in 2002-03 and 2003-04 were mostly non-civil service contract staff owing to the civil service recruitment freeze across the Administration.

Annex 1

Annual expenditure and number of  
full-time first degree graduates in the UGC sector

(1) *Medicine*

<i>Academic Year</i>	<i>(\$'000) for costs</i>	
	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost <sup>1</sup>	559	582
Number of Graduates <sup>2</sup>	328	345
Total Cost	183 352	200 790

1 The average annual student unit costs of the UGC-funded programmes represent the unit cost per full-time equivalent student by academic programme categories (instead of individual programmes) as reported by the concerned institutions.

2 The number of full-time medical graduates refers to the graduates a year ago (that is, before internship).

(2) *Nursing*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	238	244
Number of Graduates	186	186
Total Cost	44 268	45 384

(3) *Dental Surgery*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	588	607
Number of Graduates	55	39
Total Cost	32 340	23 673

(4) *Optometry*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	240	246
Number of Graduates	24	26
Total Cost	5 760	6 396

(5) *Occupational Therapy*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	240	246
Number of Graduates	84	69
Total Cost	20 160	16 974

(6) *Pharmacy*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	252	250
Number of Graduates	27	30
Total Cost	6 804	7 500

(7) *Physiotherapy*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	240	246
Number of Graduates	134	111
Total Cost	32 160	27 306

(8) *Health Technology (Prosthetics and Orthotics)*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	240	246
Number of Graduates	20	26
Total Cost	4 800	6 396

(9) *Radiography*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	240	246
Number of Graduates	61	54
Total Cost	14 640	13 284

(10) *Speech and Hearing Sciences*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	218	231
Number of Graduates	37	35
Total Cost	8 066	8 085

(11) *Chinese Medicine*

(\$'000) for costs

<i>Academic Year</i>	<i>2001-02</i>	<i>2002-03</i>
Student Unit Cost	-	346
Number of Graduates	-	31
Total Cost	-	10 726

## Annex 2

Planned student intakes of medicine, nursing and  
allied health programmes in the UGC sector

(headcount)

	2004-05 academic year		
	Full-time	Part-time	Total
Sub-degree programme			
(1) Nursing	138	-	138
Undergraduate programmes			
(2) Medicine	280	-	280
(3) Nursing	450	-	450
(4) Dental Surgery	50	-	50
(5) Optometry	39	-	39
(6) Occupational Therapy	40	-	40
(7) Pharmacy	30	-	30
(8) Physiotherapy	60	-	60
(9) Health Technology (Prosthetics and Orthotics)	25	-	25
(10) Radiography	33	-	33
(11) Speech and Hearing Sciences	40	-	40
(12) Chinese Medicine	79	-	79
(13) Medical Laboratory Science	35	-	35
Taught postgraduate programmes			
(14) Medicine	6	-	6
(15) Clinical Psychology	31	-	31
(16) Speech and Hearing Sciences	8	-	8
(17) Health Care	-	95	95
Research postgraduate programmes			
(18) Medicine	122	16	138
(19) Nursing	9	1	10
(20) Dental Surgery	6	-	6
(21) Clinical Psychology	2	2	4
(22) Optometry and Radiography	1	1	2
(23) Pharmacy	3	1	4
(24) Chinese Medicine	4	2	6
(25) Rehabilitation	4	0	5

## Annex 3

Employment situation of full-time first degree graduates  
at the end of the graduation year

(1) *Medicine*<sup>1</sup>

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	328	345
No. of responded graduates (As % of no. of full-time graduates)	217 (66%)	276 (80%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	215 (99%)	274 (99%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	211 (98%)	274 (100%)
Average annual starting salary of responded graduates in full-time employment in all occupations <sup>2</sup>	\$526,000	\$524,000

1 The results of graduate employment survey on medical graduates refer to the employment situation after the one-year internship. The number of full-time medical graduates refers to the graduates a year ago (that is, before internship).

2 The average annual starting salary includes commission and other cash allowance.

(2) *Nursing*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	186	186
No. of responded graduates (As % of no. of full-time graduates)	163 (88%)	163 (88%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	157 (96%)	163 (100%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	156 (99%)	163 (100%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$225,000	\$245,000

(3) *Dental Surgery*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	55	39
No. of responded graduates (As % of no. of full-time graduates)	48 (87%)	38 (97%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	41 (85%)	33 (87%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	40 (98%)	33 (100%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$243,000	\$209,000

(4) *Optometry*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	24	26
No. of responded graduates (As % of no. of full-time graduates)	22 (92%)	22 (85%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	19 (86%)	21 (95%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	17 (89%)	19 (90%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$197,000	\$153,000

(5) *Occupational Therapy*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	84	69
No. of responded graduates (As % of no. of full-time graduates)	80 (95%)	66 (96%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	70 (88%)	44 (67%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	30 (43%)	22 (50%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$156,000	\$138,000



(6) *Pharmacy*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	27	30
No. of responded graduates (As % of no. of full-time graduates)	20 (74%)	30 (100%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	20 (100%)	30 (100%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	20 (100%)	30 (100%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$142,000	\$139,000

(7) *Physiotherapy*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	134	111
No. of responded graduates (As % of no. of full-time graduates)	121 (90%)	107 (96%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	100 (83%)	78 (73%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	52 (52%)	52 (67%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$152,000	\$133,000

(8) *Health Technology (Prosthetics and Orthotics)*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	20	26
No. of responded graduates (As % of no. of full-time graduates)	19 (95%)	24 (92%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	18 (95%)	21 (88%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	0 (0%)	0 (0%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$130,000	\$119,000

(9) *Radiography*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	61	54
No. of responded graduates (As % of no. of full-time graduates)	58 (95%)	52 (96%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	53 (91%)	49 (94%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	42 (79%)	46 (94%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$142,000	\$141,000

(10) *Speech and Hearing Sciences*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	37	35
No. of responded graduates (As % of no. of full-time graduates)	34 (92%)	32 (91%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	33 (97%)	31 (97%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	32 (97%)	28 (90%)
Average annual starting salary of responded graduates in full-time employment in all occupations	\$221,000	\$218,000

(11) *Chinese Medicine*

<i>Year of graduation</i>	<i>2002</i>	<i>2003</i>
No. of full-time graduates	-	31
No. of responded graduates (As % of no. of full-time graduates)	-	31 (100%)
No. of responded graduates in full-time employment (As % of no. of responded graduates)	-	23 (74%)
No. of responded graduates employed full-time in areas directly related to their own discipline (As % of no. of responded graduates in full-time employment)	-	13 (57%)
Average annual starting salary of responded graduates in full-time employment in all occupations	-	\$108,000

### **Cyclists Endangering Safety of Pedestrians**

13. **MR ALBERT CHAN** (in Chinese): *Madam President, a number of residents in Tin Shui Wai and Tung Chung have reflected to me that some people often ride their bicycles on the pavements and weave through the crowds, endangering the safety of the pedestrians. Some elderly people, women and children have thus been knocked down and injured. In this connection, will the Government inform this Council of:*

- (a) the respective numbers of cyclists who were given verbal warnings and prosecuted last year for alleged breach of the Road Traffic Ordinance (RTO) (Cap. 374), and the results of the prosecutions; and*
- (b) the measures in place to deter such behaviours of cyclists which endanger the safety of pedestrians?*

### **SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Chinese): Madam President, in 2003, the police issued 23 442 verbal warnings and instituted 1 584 prosecutions against cyclists who failed to comply with the RTO. Of these prosecution cases, 1 512 resulted in conviction.

There are provisions in the RTO regulating the behaviour of cyclists on public roads. The police will continue to take enforcement actions against cycling offences, especially in districts with a higher number of cyclist-involved incidents.

In addition, the Road Safety Council (RSC), the Transport Department (TD) and the police have been working with the District Councils and local organizations to promote the importance of cycling safety and remind cyclists to adhere to traffic legislation. The RSC, with the support of the TD and the police, will continue to conduct targeted publicity campaigns against cycling offences.

**Law Programmes Offered by Local Universities**

14. **DR RAYMOND HO** (in Chinese): *Madam President, regarding law programmes offered by local universities, will the Government inform this Council whether it knows:*

- (a) *the respective enrolment capacities and enrolments of various full-time and part-time bachelor's degree and master's degree programmes in law run by the University of Hong Kong (HKU) and the City University of Hong Kong (CityU) in the past three years;*
- (b) *if the HKU and the CityU allowed taking the above programmes in distance learning mode in the past three years; if so, of the programmes involved and the respective numbers of HKU and CityU students who have dropped out from such programmes; and*
- (c) *the rationale for the establishment of a faculty of law in the 2006-07 academic year proposed by The Chinese University of Hong Kong (CUHK), as well as the proposed programmes and numbers of places to be offered by the faculty?*

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

- (a) The numbers of student intakes and applicants of undergraduate and taught postgraduate programmes in law offered by the CityU and the HKU in 2001-02 to 2003-04 academic years are set out at Annex.
- (b) The above programmes are not offered in distance learning mode.
- (c) CUHK proposed to establish a law school in the 2006-07 academic year. According to its Academic Development Proposal (ADP) for the 2005-06 to 2007-08 triennium, CUHK considers that being a comprehensive university, the establishment of a School of Law is in line with its role and mission. Having considered the findings of the "Consultancy Report on Review of Legal Education and Training in Hong Kong", CUHK sees a case for more well-trained

lawyers in Hong Kong, and CUHK can play a useful role to train quality lawyers. CUHK indicates that in various disciplines of humanities and social science (including economics, finance, sociology, public administration and political science, Chinese imperial and modern history, information technology and others), it has excellent performance in teaching and research endeavours. It believes the establishment of a law school in CUHK will be able to take advantage of and build around these strong subject areas.

According CUHK's ADP, it proposed to launch legal education programmes (with public funding) in the 2005-06 to 2007-08 triennium as follows:

<i>Academic year</i>	<i>Programmes</i>	<i>Annual intakes (in full-time-equivalent terms)</i>
2006-07	Bachelor of Laws (Full-time)	85
2007-08	Postgraduate Certificate in Laws (Full-time)	36
	MPhil (Law) and PhD (Law) (Full-time/Part-time)	16

## Annex

Undergraduate Programmes in Law offered by the CityU and the HKU in 2001-02 to 2003-04 academic years

(headcount)

Institution	Programme Name	Mode of Study	2001-02				2002-03				2003-04			
			No. of Applicants	No. of Student Intakes			No. of Applicants	No. of Student Intakes			No. of Applicants	No. of Student Intakes		
				UGC-funded	Self-financed	Total		UGC-funded	Self-financed	Total		UGC-funded	Self-financed	Total
CityU	Bachelor of Laws with Honours	Full-time	217^	57	-	57	276^	37	-	37	233^	54	-	54
		Part-time	-	-	-	-	27*	-	20	20	187	-	49	49
HKU	Bachelor of Laws	Full-time	608^	108	-	108	794^	112	-	112	640^	125	-	125

Notes:

<sup>^</sup> The figures cover the number of applicants applying through both JUPAS and non-JUPAS routes. For those applying through JUPAS, the figure only covers those who selected the programme as one of their BAND A choices.

\* In 2002-03 academic year, only applications qualified for advanced standing were accepted. Application was opened to the public since 2003-04 academic year.

## Annex (Cont'd)

Taught Postgraduate Programmes in Law offered by the CityU and the HKU in 2001-02 to 2003-04 academic years

(headcount)

Institution	Programme Name	Mode of Study	2001-02				2002-03				2003-04			
			No. of Applicants	No. of Student Intakes			No. of Applicants	No. of Student Intakes			No. of Applicants	No. of Student Intakes		
				UGC-funded	Self-financed	Total		UGC-funded	Self-financed	Total		UGC-funded	Self-financed	Total
CityU	Postgraduate Certificate in Laws	Full-time	257	53	-	53	353	55	22	77	400	59	33	92
		Part-time	109	-	16	16	200	-	14	14	215	-	38	38
	Taught Postgraduate Programmes in Law	Full-time	66	-	48	48	144	-	65	65	174	-	87	87
		Part-time	287	99	-	99	236	61	7	68	172	66	23	89
HKU	Postgraduate Certificate in Laws	Full-time	521	171	173	344	550	161	112	273	518	170	99	269
	Other Taught	Full-time	110	65	7	72	133	81	12	93	203	55	51	106
	Postgraduate Programmes in Law	Part-time	125	16	32	48	159	15	60	75	174	21	66	87

## Sexual Abuse of Students by Peers

15. **MR LAU KONG-WAH** (in Chinese): *Madam President, regarding sexual abuse of primary and secondary students by their peers and the implementation of sex education in schools, will the Government inform this Council:*

- (a) *of the total number of cases received by the authorities in the past three years concerning sexual harassment, sexual abuse with and without bodily contact of primary and secondary students;*
- (b) *how the authorities and the schools concerned have investigated these cases and followed up the situations of the victims, and whether the authorities have instituted prosecutions;*
- (c) *whether schools hold regular meetings with parents and social workers to exchange teaching experience in areas such as the enhancement of students' and children's knowledge of sex; and*

- (d) *whether schools currently conduct sex education classes at junior levels only?*

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

- (a) The Social Welfare Department (SWD) recorded 152, 179 and 150 new child sexual abuse cases (in respect of children under the age of 18) in the Child Protection Registry in 2001, 2002 and 2003 respectively.

The police also maintain their own statistics on cases in relation to sexual abuse of students (aged 16 and under) by their peers. The number of cases in the past three years is as follows:

<i>Offence</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Rape	10	14	7
Indecent assault	64	81	69
Unlawful sexual act	134	149	193

Since the SWD and the police treat the statistics on child sexual abuse differently<sup>1</sup>, the above statistics also differ.

The Government, however, does not have breakdowns showing the number of cases involving sexual harassment and sexual abuse with and without bodily contact of primary and secondary students.

- (b) Guidelines on handling child abuse (including sexual abuse) cases are set out in the "Procedures for Handling Child Abuse Cases — Revised 1998" produced by the SWD. If a suspected child sexual abuse case (including cases involving peers as suspected abusers) is

<sup>1</sup> The differences in the way that the SWD and the police treat child abuse cases including child sexual abuse, include:

- (1) The police adopt a wider definition on child abuse than that of the SWD. For instance, offences like unlawful sexual intercourse, for example, casual sexual relationship between teenagers, and so on, are counted as child abuse cases by the police but not the SWD.
- (2) The SWD regards each abused child as one single abuse case even though there may be several abuse incidents, while the police count the number of cases according to the number of incidents.

identified in school, a social investigation (involving family background, circumstances giving rise to the abuse incident(s), parents' and child's attitude, formulation of welfare plan, and so on) will be conducted by the school social worker or casework unit of other organizations if the case is already known to them. If the case is not known to any casework unit, the case will be referred to the Family and Child Protective Services Unit of the SWD for conducting the social investigation. At the same time, the case will be reported to the police and a medical examination will be arranged if necessary. A Multi-disciplinary Case Conference will be convened to decide on the nature of the case (whether the case is a child abuse case) and to formulate welfare plan for the child. If the case is established as a child abuse case, the social worker responsible will provide follow-up services to the child and his/her family with the aims to help the child overcome the trauma caused by the abuse incident(s) and protect him/her from further abuse.

Upon receipt of a sexual abuse report that a criminal offence may have been committed, the police will conduct a criminal investigation. If the case is found substantiated, the police will make arrest and initiate prosecution. The numbers of prosecuted cases in the past three years were 99 in 2001, 106 in 2002 and 111 in 2003.

- (c) At present, having regard to the developmental needs of students, individual schools organize group discussions, talks, workshops and seminars throughout the school year for parents to assist them in acquiring knowledge and skills in relation to sex education as well as helping their children develop correct values and attitudes of sexuality. Besides, schools collaborate with social workers of family life education in the neighborhood from time to time to organize various educational activities to provide parents with the necessary guidance and support.
- (d) The Education and Manpower Bureau has always been committed to promoting sex education at different stages of schooling with the aim of helping students understand more about sex as they grow,



respect interpersonal responsibilities and adjust to the social demands. Through these means, students will attain meaning in life.

In the current syllabuses for primary and secondary schools, various subjects (for example, General Studies at primary level, Social Studies, Civic Education, Religious Studies, Liberal Studies, Integrated Science, Biology, Human Biology and Home Economics at secondary level) contain topics relevant to sex education.

Cases of sexual abuse may be prevented if our students can learn to have respect for others and protect themselves. "Respect for others and do not abuse others" and "protect yourself and let no one harm you" are two core areas in moral and civic education under the curriculum reform. Besides, cultivating the value of "respect for others" among students is one of the priorities in the development of moral and civic education.

At primary level, the curriculum of General Studies aims to help students acquire some basic understanding of the physical, psychological and social aspects of health, and develop a positive attitude towards their personal growth and development. Besides, they can learn to make informed decisions related to their health and safety, including seeking assistance through proper means when faced with problems.

At secondary level, in addition to the relevant topics covered by Integrated Science and Home Economics, the curricula of Social Studies and Liberal Studies also provide students with ample opportunities to foster an understanding of the correct concepts and values of sexuality, and to know more about issues related to the different roles of the two sexes. Besides, themes like "the importance of valuing oneself and others" and "factors influencing one's development, attitudes of sexuality, interpersonal relationships, values and beliefs" are essential elements of the Personal, Social and Humanities Education Key Learning Areas for students.

**Retired Civil Servants Taking up Employment in Statutory Bodies**

16. **MS EMILY LAU** (in Chinese): *Madam President, regarding the taking up of employment in statutory bodies by retired civil servants, will the executive authorities inform this Council:*

- (a) *of the number, in the past three years, of directorate officers who took up employment in statutory bodies within the two years following retirement, together with details of their employment, including the names of the bodies concerned, positions held, dates of appointment, remuneration and benefits, and whether they were allowed to continue to receive their monthly pensions while being so employed; and*
- (b) *of the measures to eliminate the belief held by some members of the public that "senior positions of statutory bodies are set up for retired senior government officials"?*

**SECRETARY FOR THE CIVIL SERVICE** (in Chinese): Madam President, under the pensions legislation, a retired civil servant who has been granted a pension has to seek the prior approval of the Chief Executive before taking up employment or engaging in business activities the principal part of which is carried on in Hong Kong within two years of his retirement. Retired civil servants at the rank of Administrative Officer Staff Grade A1 are required to seek approval within three years of retirement. The objective is to ensure that the proposed employment would not result in any conflict of interest with an officer's previous service with the Government or adversely affect the image of the Government. This policy contributes to public confidence in the integrity of the Civil Service. Each application will be considered on its own merits.

Under section 11 of the Pensions Ordinance and section 26 of the Pension Benefits Ordinance, if a retired civil servant is reappointed to the public service, or appointed to service in any subvented organization which is determined to be public service by the Chief Executive by notice in the Gazette, his monthly pension may be suspended. As a general principle, for applications from retired civil servants whose employment is on a part-time or short-term basis, they are allowed to continue to receive their monthly pension in view of the short-term nature of these appointments.

Against the above background, my reply to the question is as follows:

- (a) In the past three years, a total of 43 applications involving 34 retired directorate officers for post-retirement employment in statutory organizations were approved. Details are as follows:

		<i>1 April 2001 to 31 March 2002</i>	<i>1 April 2002 to 31 March 2003</i>	<i>1 April 2003 to 31 March 2004</i>
No. of applications approved	Part-time employment <sup>#</sup>	7	4	17
	Full-time employment	5 (1*)	6 (5*)	4 (1*)
Total		12	10	21

<sup>#</sup> part-time employment does not involve pension suspension

(\*) denotes the number of cases involving pension suspension out of the total number of cases because the employment is with one of the statutory organizations which is determined to be public service for the purpose of pension suspension under the pensions legislation

Information supplied by retired civil servants in respect of their positions held and remuneration packages in the proposed employment is solely for the purpose of enabling the Administration to process their applications for post-retirement employment. We are therefore not in a position to disclose details of their employment. That said, to enable Members to gain a better picture of the overall situation, a list showing the names of the statutory organizations in which retired directorate officers have taken up employment in the past three years and the nature of the employment is at Annex.

- (b) Within the powers conferred on them by the respective ordinances that provide for their establishment, statutory organizations are independent bodies and have full autonomy in matters pertaining to the employment of their staff as prescribed for under their relevant legislation. The ordinances of these statutory organizations do not provide for any specific employment considerations which give preference to any particular group or sector of candidates. Given the respective statutory objectives of these organizations, they would take into account their specific management and operational requirements and the need for openness and fairness in recruiting and employing their staff.

## Annex

List of statutory organizations where retired directorate officers have taken up employment in the past three years and the nature of the employment

<i>Organization</i>	<i>Nature of Employment</i>	<i>No. of Cases</i>		
		<i>Part-time</i>	<i>Full-time</i>	<i>Total</i>
Hong Kong Productivity Council	Branch management	0	1	1
Hospital Authority	Hospital management	0	2	2
	Clinical service	1	1	2
	Consultancy service	0	1	1
Urban Renewal Authority	Corporate management	0	1	1
	Project co-ordinator	0	1	1
Hong Kong Science and Technology Parks Corporation	Corporate management	0	1	1
	Advisory service	0	1	1
	Project management	0	1	1
Office of The Ombudsman	Corporate management	0	3	3
	Case officer	4	0	4
Occupational Safety and Health Council	Teaching	1	0	1
Equal Opportunities Commission	Corporate management	0	1	1
	Advisory work	1	0	1
Institute of Vocational Education, Vocational Training Council	Teaching	1	0	1
University of Hong Kong	Teaching	9	0	9
	Course management	0	1	1
The Chinese University of Hong Kong	Course Management	1	0	1
	Teaching	2	0	2
The Hong Kong University of Science and Technology	Teaching	1	0	1
City University of Hong Kong	Teaching	3	0	3
The Hong Kong Polytechnic University	Teaching	3	0	3
Events organized by a number of local universities	Lecture	1	0	1
Total		28	15	43

### Non-Hong Kong Residents Giving Birth in Hong Kong

17. **DR DAVID CHU** (in Chinese): *Madam President, regarding non-Hong Kong residents giving birth in Hong Kong, will the Government inform this Council whether:*

- (a) *it knows the total number of cases in which non-Hong Kong residents gave birth in public hospitals in Hong Kong in the past three years, and whether, among them, there were cases involving default in payment of hospital charges and medical fees; if so, of the total amount of payment in default;*
- (b) *it knows how the Hospital Authority (HA) handles requests from non-Hong Kong residents for giving birth in local hospitals and cases of default in fee payment; whether the Authority has considered tightening the criteria for vetting and approving such requests, as well as improving the arrangements for collecting hospital charges and medical fees from non-Hong Kong residents; and*
- (c) *it has measures to restrict the entry of pregnant women who are not Hong Kong residents; if so, of the details of such measures; if not, whether the authorities will consider taking measures to prevent and stop non-Hong Kong residents from coming to Hong Kong for childbirth, and of the measures to deal with the non-Hong Kong residents who enter Hong Kong with the intention of giving birth during their stay here?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Chinese):

Madam President,

- (a) The HA does not routinely collate information on the number of obstetric cases involving non-Hong Kong residents in public hospitals. However, due to the large number of non-resident mainland women who gave birth in public hospitals in recent years, the HA has been tracking the number of such cases. This number, the number of default cases and the amount written off consequently are as follows:

<i>Year</i>	<i>Number of non-resident Mainland women who gave birth in HA hospitals</i>	<i>Number of default cases</i>	<i>Total amount written-off</i>
2001-02	7 327	192	\$1,637,912
2002-03	8 736	315	\$2,668,306
2003-04	8 727	232	\$1,667,273

Since the number of non-resident women from places other than the Mainland who gave birth in public hospitals was quite small, the figures given above should account for the vast majority of obstetric cases involving non-residents in public hospitals.

- (b) The HA handles requests from non-Hong Kong residents for admission to give birth in a public hospital in the same manner as it handles such requests from Hong Kong residents, with the exception that non-resident patients are charged the non-entitled person rate, which is set at levels to recover the full cost of medical services provided. If a non-resident patient fails to settle an outstanding fee, the HA will contact the patient's next-of-kin for payment and follow up through telephone calls, mail reminders and a written final notice. Legal action to recover the outstanding fee will be instituted, if necessary.

Requests for admission to public hospitals from residents and non-residents alike are assessed on the basis of medical needs. This practice best protects the health of the pregnant woman and the child to be born. To minimize default payment by non-residents, it is the HA's current policy that all non-residents are required to pay a deposit upon admission at a public hospital. At present, the amount of the deposit is fixed at \$19,800. Nevertheless, it is a long-standing government principle that no one will be denied adequate medical care due to a lack of means. For cases in which the patient or her next-of-kin fails to pay the deposit, medical services will still be provided while collection of the deposit/outstanding fee is pursued.

Apart from the collection of a deposit, the HA is exploring other ways with the Government to improve the arrangements for

collecting hospital charges and medical fees from non-resident patients.

- (c) Visitors seeking to enter Hong Kong must meet normal immigration requirements. These requirements include the possession of valid travel documents, adequate travelling expenses and documents/entry permits which enable them to return to their place of domicile. Whether a visitor is pregnant or not is not part of the immigration requirements. In general, a pregnant visitor may be allowed to enter Hong Kong if she is a *bona fide* visitor with a valid travel document.

Visitors permitted entry into Hong Kong (including pregnant visitors) must leave Hong Kong before their limit of stay expires. Overstaying is an offence in itself. Persons who commit this offence are liable to prosecution and even imprisonment. As overstayers do not enjoy the right to stay in Hong Kong, they will eventually be repatriated to their place of domicile.

## Diving Activities

18. **MR FRED LI** (in Chinese): *Madam President, in view of the growing popularity of diving activities in recent years, will the Government inform this Council:*

- (a) *whether it knows the number of Hong Kong residents who were injured or died while taking part in diving activities within or outside the territory in each of the past three years;*
- (b) *whether the offering of dive training courses and qualifications of the instructors are regulated by existing legislation; if so, of the details of such regulation; if not, whether such regulation will be put in place; and*
- (c) *whether the Leisure and Cultural Services Department (LCSD) organized dive training courses in the past three years; if it did, of the number of learners each year, and the qualification requirements stipulated for the instructors by the LCSD?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): Madam President:

- (a) The Police Force does not keep any record on the number of injury and death while taking part in diving activities within or outside the territory. However, according to the record of the Marine Department and the Labour Department, two divers died in two industrial diving accidents in the past three years from 2001 to 2003. Apart from the above, the Fire Services Department was called in to deal with one diving accident in which one diver died.
- (b) At the moment, there is no legislation to control dive training and qualification of diving instructors in Hong Kong. However, according to international sport practices, the conduct of particular sporting activities and the qualifications of relevant personnel (including the athletes and the instructors) are governed by international safety standards and professional rules. Such activities are also performed and promoted by the national sports associations to ensure that the activities are taking place in accordance with the approved standards and conditions. These standards and rules will also be reviewed and upgraded continuously based on experience in order to enhance the professionalism of the sporting activities.

Take diving as a sporting activity, the instructors have to go through a series of training and obtain valid certificates from international diving organizations before they can conduct dive training. There is also a set of code of practice to follow in the organization of dive training classes. In view of these, the Administration considers that the regulation of the professional standard of sporting activities should be carried out through international practices rather than legislative arrangement. However, the Administration will encourage the relevant national sports associations to further promote safety awareness among their instructors and learners with a view to enhancing the professionalism of the activities.

- (c) No training course on diving was organized by the LCSD in the past three years.



**Repair and Maintenance of Potable Water Systems**

19. **DR RAYMOND HO** (in Chinese): *Madam President, regarding the repair and maintenance of potable water systems, will the Government inform this Council whether:*

- (a) *it has replaced the potable water pipes of public housing units in the past year; if so, of the number of housing units involved and the reasons for such replacement;*
- (b) *it will consider replacing the potable water pipes in all public housing estates to safeguard public health; if so, of the implementation timetable; if not, the reasons for that; and*
- (c) *it has required management companies of public housing estates to regularly clean the water tanks of the buildings under their management on a monthly basis; if so, of the specific requirements; if not, whether it will make such requirements?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese):  
Madam President, my reply to the three-part question is as follows:

- (a) In the past year (from April 2003 to March 2004), the Housing Department (HD) had replaced the potable water pipes of 79 blocks in 13 public housing estates with galvanized steel pipe systems of 12 years or more, involving about 50 000 flats, under the "Re-plumbing Programme". Details are shown at Annex A. In addition, on receipt of tenants' reports concerning water discolouration and rusting of pipes, the HD will take water samples for testing. If the discolouration and rusting levels exceed the established standards, the HD will replace the pipes in those flats. However, the HD has not kept systematic records of such minor repair and replacement works.
- (b) Since 1995, 884 public housing blocks with galvanized steel pipe systems have been included in the "Re-plumbing Programme". So far, 694 blocks have been re-plumbed. Re-plumbing works for

another 51 blocks will be carried out in 2004-05 as set out at Annex B. The remaining 139 blocks are scheduled for re-plumbing in the coming six years. The HD will review their priority on the programme having regard the latest actual conditions of the pipes. Fresh water pipes for public housing estates completed after 1996 are all lined galvanized steel or copper pipes. They do not require complete re-plumbing.

- (c) The HD has instructed water supply and fire services maintenance contractors and property management companies to clean water tanks regularly in accordance with the guidelines issued by the Water Supplies Department. Fresh water tanks should be cleaned once every three months and flush water tanks once every six months. The procedures for cleaning water tanks should also comply with the guidelines issued by the Water Supplies Department.

Annex A

Estates re-plumbed in 2003-04

<i>Estate</i>	<i>Number of blocks involved</i>	<i>Number of flats involved</i>
Nam Cheong Estate	7	1 898
Cheung Ching Estate	5	3 641
Cheung Hang Estate	6	4 799
Cheung Fat Estate	4	2 620
Lai King Estate	7	4 212
Lai Yiu Estate	4	2 404
Kwai Fong Estate	5	2 345
Shun Tin Estate	3	1 074
Tsui Ping North Estate	7	3 106
Po Lam Estate	6	5 007
Tai Hing Estate	7	8 602
Long Ping Estate	15	8 483
Shan King Estate	3	2 574
Total	79	50 765

## Annex B

## Estates scheduled for re-plumbing in 2004-05

<i>Estate</i>	<i>Number of blocks involved</i>	<i>Number of flats involved</i>
Wah Fu (II) Estate	5	3 641
Siu Sai Wan Estate	1	662
So Uk Estate	4	1 593
Shek Wai Kok Estate	5	4 192
Kwai Fong Estate	1	442
Lei Muk Shue (II) Estate	6	2 696
Tsui Ping South Estate	4	3 158
Kwong Tin Estate	2	1 107
Wang Tau Hom Estate	7	1 844
Fu Shan Estate	3	1 583
Lok Fu Estate	1	523
Tin Yiu (I) Estate	6	4 655
Tin Yiu (II) Estate	6	3 823
Total	51	29 919

### Vacant Shops and Stalls in Shopping Centres and Markets of Housing Authority

20. **MS EMILY LAU** (in Chinese): *Madam President, regarding the vacant shops and stalls in the shopping centres and markets of the Hong Kong Housing Authority (HA), will the executive authorities inform this Council:*

- (a) *of the vacancy position of the shops and stalls in the HA's shopping centres and markets in the past five years by providing the relevant details in the tables below:*

<i>Name of the shopping centre</i>	<i>Estate and district in which the shopping centre is located</i>	<i>Age of the estate</i>	<i>Vacancy rate</i>	<i>Number of shops which had been left vacant for more than two years</i>
			1999:	1999:
			2000:	2000:
			2001:	2001:
			2002:	2002:
			2003:	2003:

<i>Estate and district in which the market is located</i>	<i>Age of the estate</i>	<i>Vacancy rate</i>	<i>Number of stalls which had been left vacant for more than two years</i>
		1999:	1999:
		2000:	2000:
		2001:	2001:
		2002:	2002:
		2003:	2003:

- (b) *whether they have assessed the impact on the HA's revenue of the vacancy position of the shops and stalls in its shopping centres and markets; if so, of the assessment results; if not, the reasons for that;*
- (c) *whether they have any plan to improve the business environment of such shops and stalls in order to reduce the number of vacant shops and stalls; if so, of the details of the plan; if not, the reasons for that; and*
- (d) *whether they will consider taking the initiative to discuss with the tenants not renewing tenancies, and offering rent concessions to encourage tenancy renewals, so as to avoid the vacancy position of such shops and stalls from deteriorating?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese):  
Madam President, my reply to the four-part question is as follows:

- (a) The total number of HA's shopping centres and markets amounts to 260, involving about 15 000 shops and stalls. We do not have detailed statistical information on the vacancy position of individual shopping centres and markets in the past five years. The vacancy rates in the past five years in terms of floor areas of the shops and stalls are set out at the Annex.
- (b) Rents of shops and market stalls is a major source of the HA's income. On the one hand, the Housing Department aims to achieve the highest possible letting rate. Meanwhile, it also has to ensure the best possible rental return so as to maximize the HA's income. From experience, the Housing Department very often

obtained better rental return upon re-tendering after declining to let a shop at unreasonably low bids. As total rental proceeds are affected by a host of interrelated factors such as vacancy position, rental levels, changes in market circumstances, and business strategies of shopping centres, and so on, it is not possible to assess the actual impact of the vacancy position of retail premises on the HA's income.

- (c) The HA always monitors closely the vacancy position of its commercial premises and has implemented a series of flexible and proactive strategies to enhance the letting rate, as follows :

(i) *improving leasing services*

The HA established the Business Opportunity Centre in 2002 to provide one-stop shopping centre information services and flexible leasing arrangements, including short-term letting, instant tendering, offering in response to application, and so on, to facilitate interested operators to choose suitable shops, thereby improving the letting rate.

(ii) *attracting shoppers*

The HA seeks to enhance the competitiveness of its shopping centres and attract more customers to shop and spend at its shopping centres by organizing promotional activities from time to time, putting up festive decorations, advertisements and offering free parking for customers.

(iii) *offering rental concessions*

In view of economic downturn in recent years as well as the adverse impacts of atypical pneumonia and avian flu on the business environment between 2001 and 2004, the HA had implemented different rental concessions to reduce the operating costs of its commercial tenants to help them tide over the most difficult periods. These measures include reassessment of rents, rent reductions and rental waivers for poultry stalls.

(iv) *setting flexible tenancy terms*

The HA has reduced the amount of rental deposit from three months' rents to two months' rents. To reduce the start-up cost to attract potential business starters, new commercial tenants are given rent-free periods, the lengths of which depend on the sizes of the premises. Existing tenants who wish to renew their tenancies may also choose to enter into new tenancies of flexible durations ranging from one to three years according to their own business strategies.

(v) *improving the business environment*

To enhance the competitiveness of its shopping centres and markets, the HA has formulated a five-year improvement programme to refurbish and upgrade the facilities in relatively old shopping centres and markets. The improvement works include installation of central air-conditioning, improvements to access and lighting systems, putting up additional signage and redecoration of external walls. For some old markets where the installation of central air-conditioning might not be possible due to site constraints, the Housing Department will retrofit exhaust systems or fans depending on the actual situations of individual markets to improve their ventilation. On the other hand, for markets with a relatively high vacancy rate, the Housing Department will rearrange the stalls, change the use of vacant ones or downsize the market so as to balance supply and demand.

- (d) Commercial tenants decide not to renew their tenancies for many different reasons, rental considerations being only one of them. If a tenant decides not to renew the tenancy, centre management will try to find out the reasons. If rental level is the main concern, the Housing Department will consider the tenant's request for rental concessions and reassess the rental level in a positive, reasonable and pragmatic manner.

## Annex

Vacancy Position of the HA's  
Shops and Market Stalls in 1999 to 2003

<i>Year</i>	<i>Total area of shops (sq m)</i>	<i>Number of shops (Note 1)</i>	<i>Average vacancy rate (in terms of area)</i>	<i>Number of shops left vacant for more than two years</i>
1999	805 394	9 059	3.68%	266
2000	801 358	9 164	4.24%	282
2001	853 444	9 041	4.80%	386
2002	878 871	8 424	6.22%	403
2003	880 556	8 220	6.02%	337

<i>Year</i>	<i>Total area of market stalls (sq m)</i>	<i>Number of market stalls (Note 2)</i>	<i>Average vacancy rate (in terms of area)</i>	<i>Number of market stalls left vacant for more than two years</i>
1999	94 513	7 392	7.45%	553
2000	103 099	7 326	9.48%	638
2001	116 657	7 135	12.33%	700
2002	129 281	6 894	11.53%	825
2003	128 288	6 698	10.28%	759

Note 1: Notwithstanding that the total areas of the HA's shops and market stalls have increased, the numbers of shops and market stalls have decreased gradually over the past few years. This is because while new shopping centres were completed every year, old housing estates with commercial units were demolished under redevelopment programmes. Old commercial premises are usually large in number but small in size while those in new shopping centres are usually large in size but smaller in number.

Note 2: Since 1995, the HA's markets have been rented out to and managed by single operators. In calculating the number of market stalls in the statistical table above, each single-operator market is counted as one unit. Their component stalls are not taken into account individually.

## BILLS

### Second Reading of Bills

### Resumption of Second Reading Debate on Bills

**PRESIDENT** (in Cantonese): Bill. We will resume the Second Reading debate on the Revenue Bill 2004.

**REVENUE BILL 2004****Resumption of debate on Second Reading which was moved on 28 April 2004**

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

**MRS SELINA CHOW** (in Cantonese): Madam President, one main point in the Revenue Bill 2004 that we are studying today is to implement the extension of the salaries tax deduction for home loan interest by two years as proposed by the Financial Secretary in the Budget.

The Liberal Party very much welcomes this measure, because it can indeed provide some kind of relief for the middle-class people, who have to shoulder a rather heavy tax burden all along but been denied of any welfare benefits. But as we said before during the Budget debate, the deduction is nothing but a very small favour granted by the Government to the middle classes, who are almost suffocated under the pressure of their tax burden.

The Financial Secretary has not proposed any new taxes in the Budget this year, but neither has he accepted the Liberal Party's proposal on deferring the second phase of taxation increases set down by his predecessor. This means that salaries tax will still be increased, thus surely subjecting the middle classes to yet heavier pressure. Even with the extension of the tax deduction, the middle classes will continue to be "slashed" anyway, only that the cut will not be so deep.

As a matter of fact, the middle classes are often the first targets of taxation increases. The working population in Hong Kong now, for example, is about 3 million in size; the number of salaries taxpayers has already dropped to 1.16 million in the last financial year; 30% of these salaries tax payers were basically middle-class people; and 95% of the salaries tax revenue came from these people.

Actually, in 1998, when Mr Donald TSANG, the predecessor of the last Financial Secretary, introduced the tax deduction with a five-year validity and a ceiling of \$100,000, the Liberal Party had already fought for such a deduction for four years, and it was not until then that its efforts eventually bore fruit. As pointed out by Mr Ronald ARCULLI, who was still the Deputy Party Chairman



of the Liberal Party at that time, "this new measure demonstrates that we must never give up pushing the Government for policies we believe in and that brute force works".

We therefore think that the Financial Secretary should turn this measure from an exceptional act of mercy into a permanent policy for the good of the people. This means that it should not be adjusted because of any fluctuations in government revenue. There should not be so many frequent changes: a \$100,000 ceiling plus a five-year validity this moment, then next, a raise of the ceiling to \$150,000 with however a validity of merely two years, and, still next, the retention of the ceiling at \$100,000 but an extension of two years, for example. We understand that the turning of this tax deduction into a permanent, beneficent policy will produce certain impact on the Government's revenue. But as pointed out by the Financial Secretary in the Budget, due to factors such as the downward adjustments of property prices and interest rates, the average amount of deduction claimed last year was just about \$30,000, which is far below the ceiling of \$100,000 a year set down by the Government.

However, as the upward cycle of interest rates begins, and as property prices start to rise due to economic recovery, the home loan interest born by the middle classes will definitely increase over time. If the Government can make some efforts to lighten their burden, their sense of belonging will certainly increase. Besides, their heavy tax burden will also be lightened, thereby enabling them to be more willing in purchasing their own homes.

As for the proposal in the Appropriation Bill on changing the tax deduction for technological research to a deduction for product development, the Liberal Party thinks that it should be supported, because it is conducive to industrial and commercial development and will help upgrade the competitiveness of Hong Kong products. Thank you, Madam President.

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

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, the Democratic Party also welcomes the proposal on extending the tax deduction period for home loan interest from five years to seven years. We of course understand that Moody's Investor Service has expressed a criticism, a worry that the election results of the

Legislative Council may affect the Government's implementation of tax reform measures, thus preventing it from eradicating the fiscal deficit. Basically, there is just one tax reform measure yet to be dealt with — the extension of the home loan interest deduction period from five years to seven years, which is just a minor issue. What is most important is the sales tax advocated by the Government, but when it comes to this, only very few Members show their support. In the relevant discussions in the past, only two Members belonging to the Breakfast Group expressed support. Members from the Liberal Party, the Democratic Alliance for Betterment of Hong Kong and the Democratic Party were all opposed to the idea. Therefore, even if anyone thinks that the Legislative Council election results in September may produce impact on tax reforms, they should at least agree that a sales tax should be excluded from consideration, because the various political parties have already expressed their opposition to its imposition.

However, let us return to an important issue related to taxation, because I do not wish to be criticized by the President that I have deviated from the topic under discussion. Some Members have said that the Government has not deferred the second-phase measures on increasing salaries tax. The bill on increasing salaries tax was debated in this Council last year, and at that time, the Financial Secretary specified in the bill that the measures were to be introduced over a period of two years. So, by voting for the passage of the bill last year, Members in fact endorsed the two phases mentioned therein. If the argument advanced by some Members a moment ago really holds, what should we have done last year? Members who now appear so wise in hindsight could have supported the idea of increasing salaries tax only in 2003-04 but not in 2004-05. I really fail to understand why they should have such wisdom in hindsight and raised the issue once again.

I think we should really explore whether we should make the salaries tax deduction for home loan interest a permanent measure instead of merely extending its validity period from five years to seven years. At this stage, provided that the Government is financially capable, I think direct tax reduction should be preferred to tax deduction for home loan interest over a short period of time. From the perspective of fairness, the former is better than simply increasing the tax deduction enjoyed by just a group of taxpayers, because some salaries taxpayers may not be able to enjoy such a tax deduction. What is involved is therefore a kind of "policy bias".

Why was such a deduction introduced in the past? I can remember that around 1998 and 1999, property prices were extremely high, and many employees were then heavily burdened by home loan repayments, so the deduction was introduced. Property prices have dropped by now, but this does not mean that people's home loan repayment ability has increased. But comparatively at least, the burdens of those who have purchased properties only very recently will be lighter. However, the Government will have to do some calculations on making the tax deduction a permanent measure, because there will be a heavy financial burden. The measure this time around will already cost \$1 billion, which is quite a large sum. Anyway, as long as the Government is financially capable, it may well conduct a review of the financial situation two years later. However, it may also be very risky to turn the measure into a permanent one, and great caution is advised, because as in the case of other tax relief measures, it is easy to offer concessions, but it will be very difficult to reverse and introduce any increases.

To put it very simply, it was quite easy to introduce the salaries tax deduction in 1998, but any reduction of the deduction now will likely meet the opposition of people. The period of deduction is to be increased from five years to seven years, so two years later, we may examine the financial situation at that time. If the situation is satisfactory at that time, we can examine what can be done further. Is this a kind of wavering policy, as referred to by some Members? I think we do not really need to adopt such a perspective because the people all know these policies very well. The Government first undertook to offer the tax deduction for five years. It has now undertaken to extend it by two more years, which means a total of seven years in other words. Even if it subsequently undertakes to extend the deduction for three more years only, one simply cannot say that it has broken its promise, because a total period of seven years has already been offered. If, however, a total of extension of five years is promised now, it will be very difficult to introduce any reduction when it is discovered that the public coffer has no money and the Treasury does not have any more funds to pay salaries.

Therefore, a more pragmatic approach — I of course remember that when the Budget was announced, some said that two years was too short and a five-year extension would be better — should be to review the financial ability of the Government two years later. If it is discovered that there is adequate financial ability, I think we may still consider the further provision of tax deduction. But from the perspective of fairness, I would think that it is more important to

continue to offer such a measure in its present form than to extend the period of deduction. In the case of a couple, for example, it is appropriate to offer them the tax deduction for five years in their life time, because the financial ability of a new family is bound to be weaker. Once the family is established, that is, when its financial situation improves, it will be better able to bear the tax burden. This means that the continuation of the government policy of tax deduction in its present form for the benefit of those who have recently purchased their homes will be more desirable than an extension of the deduction period. But I think when a review is conducted in the future, the Government will need to consider more options if it really wishes to cut back on these tax relief measures. The tax burden of new families will be heavier, because they must meet housing expenses and support their children. Therefore, it will be more important to cater for their specific needs than to extend the tax deduction period. However, I will still support the Appropriation Bill today, and I hope that the Government can listen to more opinions in its future review.

Thank you.

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

**MR CHAN KAM-LAM** (in Cantonese): Madam President, the Appropriation Bill's proposal on extending the salaries tax and personal assessment deduction for home loan interest, which is to be resolved by this Council today, is one of the items that the Democratic Alliance for Betterment of Hong Kong has all along been fighting for. The Appropriation Bill (the Bill) proposes to extend the deduction period from five years to seven years, but we still think that this is not yet enough. We will of course support the Bill today, but we very much hope that the Government can consider the possibility of further extending the deduction period from seven years to a total of 10 years when it draws its Budgets.

I can remember that when property prices were at the highest, and when interest rates in Hong Kong were far higher than their levels now, the burdens of home-buyers were extremely heavy. In order to relieve the mortgage repayment burden of the people, we therefore advised the Government to offer tax deduction for home loan interest. The proposal was accepted by the Government in the end and implemented with effect from 1998. People who

have to shoulder a heavier tax burden are also burdened by expenditure in other aspects in addition to mortgage repayment. This means that while they have to repay their mortgages, middle-class families also have to shoulder many other heavy financial burdens. Any measure that can help owners of negative equity assets will be an extremely beneficent measure to them. But as we can all see, five years have gone by very quickly. Those who started to claim the deduction in 1998 will soon lose their entitlement in 2003 or 2004.

Although the passage of the Bill today will only lead to an extension of two years, we nonetheless know that the extension will still be a form of timely assistance to these people. Honestly, before the Government announced the extension, we were very much worried that although the economy had not yet recovered and the income of employees had not shown any marked increases, the Government would, due to the fiscal deficit, nonetheless be prevented from doing anything to help. After all, it has turned out that salaries tax will still be increased for two years in a row. That being the case, any tax concessions for employees will always be something good to them, though the amount that can be saved each month may just be several hundred or a thousand. The removal of the tax deduction will deal an invisible blow to them and add to their burden.

However, we must repeat that a two-year extension is not enough. Therefore, we hope that the Government can conduct a further review. We do know that the economy is gradually improving, but it seems that more time is required to observe whether there is any steady improvement, whether employees can receive better employment protection, whether economic improvement can better enable them to obtain reasonable salaries and whether they can get any promotion to improve their own lot. All this will take time to observe. Therefore, we very much hope that in the new financial year, the Government can consider what measures it can adopt to relieve the financial burdens imposed on the middle classes and the common masses in the past seven years of economic hardship.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Secretary for Financial Services and the Treasury, do you wish to speak in reply?

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, to start with, I would like to thank several Members for advancing their arguments on the proposed home loan interest reduction. Since the launch of the home loan interest reduction scheme in 1998-99, the Government has seen its tax revenue reduced by approximately \$2 billion annually. According to our rough estimate, in the next two years, tax revenue will be reduced by approximately \$1 billion to \$2 billion per annum. At times of tight budget, this scheme will bring less revenue to the Government and impose additional pressure on the Government's fiscal condition. We have certainly listened to the advice offered by Members. However, we consider the extension of the scheme by two years appropriate. Of course, we will definitely review the extension after two years. We hope the financial situation of the Government will become so good that the concession can be extended further.

I would also like to thank Members here because the House Committee decided on 30 April that there it would be unnecessary for a Bills Committee on the Revenue Bill 2004 (the Bill) to be set up and expressed support for the resumption of the Second Reading of the Bill to enable it to be read the Second time today. I urge Members to support the Bill. Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Revenue Bill 2004 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Revenue Bill 2004.

Council went into Committee.

### **Committee Stage**

**CHAIRMAN** (in Cantonese): Committee stage. Council is now in Committee.

### **REVENUE BILL 2004**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Revenue Bill 2004.

**CLERK** (in Cantonese): Clauses 1 to 5.

**CHAIRMAN** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

**Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

**REVENUE BILL 2004**

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, the

Revenue Bill 2004

has passed through Committee without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Revenue Bill 2004 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Revenue Bill 2004.

**MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House



Committee on the time limits for Members' speeches. As Members are already very familiar with the time limits, I shall make no repetition here. I only wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: The 4 June incident. Mr SZETO Wah.

## THE 4 JUNE INCIDENT

**MR MARTIN LEE** (in Cantonese): Madam President, a quorum is not present at the meeting at the moment.

**PRESIDENT** (in Cantonese): Mr SZETO Wah, you may sit down first. Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summon bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Fine, a quorum is now present. Mr SZETO Wah, please move your motion.

**MR SZETO WAH** (in Cantonese): Madam President, since the time before the reunification, I have been moving a motion like this on the eve of the 4 June anniversary every year. Will such an action be considered an offence to the Central Authorities and thus be prohibited in future? I hope that this is not the last time that I can do so.

In spring last year, Dr JIANG Yanyong, who exposed the truth of the SARS outbreak, was elected Man of the Year by the *Asiaweek* (*sic*). The *Time Magazine* also exalted him, saying that the true words of a surgeon had saved a country. The integrity of such a man should come under no doubt.

On 24 February this year, he wrote to the National People's Congress, the Chinese People's Political Consultative Conference, the Political Bureau of the Central Committee of the Communist Party of China and also the State Council,

asking for a "reappraisal" of the 4 June incident. "Reappraisal" is but a mild expression for "vindication". As an eye-witness actually involved in rescue and resuscitation, he testified to the bloody and brutal massacre in his letter and described the grief and outrage of the people at that time. He quoted YANG Shangkun as saying, "The 4 June incident is the gravest error ever committed by our Party in the course of its history." YANG himself can no longer rectify the error now, but it will definitely be rectified in the future. In a letter to the Central Advisory Commission, CHEN Yun also opposed the reprisal, criticism and ousting of veteran Communist Party members such as YU Guangyuan, DU Runsheng, LI Rui, LI Chang and so on, who sympathized with and supported the pro-democracy movement. He said, "Will there still be any point in vindicating these people in the future?" Dr JIANG said, "Rectifying the 4 June error is the common wish of all people in the country, and that of all people in the world too." Using the same the words as Dr JIANG did, I can say that my motion today likewise reflects the wish of all people in the country and that of all people in the world too.

(THE PRESIDENT'S DEPUTY, Ms Miriam LAU, took the Chair)

Several days ago, on Mother's Day, Prof DING Zilin, whose only child was killed in the 4 June incident, wrote a letter to all mothers in Hong Kong. She said that the bloody massacre had taken away the life of her young son, thus bringing an end to her happiness in this life. She went on to say that the annual Mother's Day was no longer of any relevance to her, and that she even feared this festival. She also said, "We, the Tiananmen Mothers, have risen to our feet, not just because we want to fight for justice, to put up an unremitting struggle for a fair settlement of the 4 June incident, but also because we want to contribute to the cause of freedom and democracy." She said that the reason for "vindication of the 4 June incident" was precisely to fight for freedom and democracy.

In the past, when I once moved a similar motion, Mr YEUNG Yiu-chung had made a slanderous rebuke, saying that the pro-democracy movement in 1989 had been manipulated by foreign forces and was a collusion with foreign forces. I invite him to read the letters of Dr JIANG Yanyong and Prof DING Zilin.

According to recent media reports, senior Chinese officials have opined that the Hong Kong Alliance in Support of Patriotic Democratic Movements of

China (the Alliance) must abandon its slogan of "ending one-party dictatorship" before the Chinese side will communicate with those local democrats who are members of the Alliance. My reply is: The five operational goals of the Alliance are to release the dissidents, vindicate the 1989 pro-democracy movement, square accountability for the 4 June massacre, end one-party dictatorship and build a democratic China. If we are to abandon the slogan of "ending one-party dictatorship", are we also supposed to relinquish the one on "building a democratic China" as well? How can a failure to "end one-party dictatorship" "build a democratic China"? Are these officials also against the idea of "building a democratic China"? Do they think that "building a democratic China" is also a form of antagonism and subversion? It can thus be seen that the so-called "communications" is nothing but a means employed to make us abandon our aspirations to democracy and freedom and live on forever as the obedient subjects of "one-party dictatorship". What is more, this is also a means to dissimilate the pro-democracy camp.

Since the beginning of this year, when the hubbub of "patriotism" started to blow up, the Alliance and I have been repeatedly pinpointed as the subjects of assailments. Recently, even friends who stay with me have been insulted, intimidated and jostled. So far, the request of the Alliance for insurance coverage of its commemorative activities this year has still been refused. I must therefore put down on the record of this legislature our most solemn pledge: Notwithstanding any pressure, we will have no fear, no recoil, no surrender and no yield, and we will persevere and fight to the very last. The march on 30 May and the candlelight vigil on 4 June will be held as scheduled, regardless of whatever political storms and severe weather conditions there may be. We are well prepared for civil disobedience. The pro-democracy movement in Hong Kong needs more exposure to hardship and vicissitudes before it can grow in strength. I have tried to arrange an appointment with Mr Dick LEE, but there has been no reply so far.

In the latter years of the 1940s in the last century, when I was still very young, I used to sing a song, the first two lines of which read like this: "Life behind bars means nothing to us. We are men of great moral integrity." Whenever I think of civil disobedience, these two lines will well up inside me. I once edited the first word of a line from one of LU Xun's poems and inscribed it onto an unofficial seal of mine. The inscription reads like this: "Alive as ever are the lofty sentiments of the old times".

With these remarks, Madam Deputy, I beg to move.

**Mr SZETO Wah moved the following motion: (Translation)**

"That this Council urges that: the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated."

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

**DR YEUNG SUM** (in Cantonese): Madam Deputy, the themes of the commemorative activities to be held by the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance) this year are "Do not forget 4 June; Return political power to the people; Build a democratic China". Many significant events have indeed happened to the cause of democratic reforms in Hong Kong over the past few months. This motion is thus especially meaningful to the people of Hong Kong.

In 1989, the 4 June incident occurred just because the rulers feared that their authority might be endangered and their leadership undermined, so they put the label of counter-revolutionary rebellions on the magnificent and grand movement of patriotic students and other movements in sole pursuit of democracy and freedom. To protect the totalitarian regime, they even deployed tanks to suppress students aspiring to democracy and freedom. This year, 15 years after the 4 June incident, fearing once again that its authority may come under threat, that it may fail to control the course of constitutional development in Hong Kong, and that a Chief Executive and a Legislative Council hostile to the Central Government may be elected, the Central Government has treated the people of Hong Kong with great distrust and suspicion. This time around, they have resorted to the tactic of invoking the powers of the Standing Committee of the National People's Congress (NPCSC) to suppress Hong Kong people's democratic aspirations. In just the short span of one month, the National People's Congress has offered its interpretation of the Basic Law, the Chief Executive has submitted to the NPCSC a report that runs completely counter to the people's interests, and the NPCSC has even ruled out the adoption of universal suffrage for the two major elections. All these aptly show that the need to safeguard a totalitarian regime under one-party dictatorship will lead a government that would ignore the people's aspirations to democracy, trample on their rights and abrogate all its commitments to the international community and the people of Hong Kong years back. Therefore, even today, 15 years after the

4 June incident, we are not going to forget the lessons of history; we still cling to our convictions on democracy and freedom, and we will persevere in spite of difficulties. I am convinced that the 4 June incident will definitely be vindicated one day.

Recently, some pro-democracy Members have appealed to the Central Authorities for communications on constitutional development, and Central Government officials have also met with some representatives of pro-democracy Members. We believe that the leaders of the Central Authorities are enlightened, for they have said on various occasions both inside and outside the country that a decision-making mechanism based on scientific and democratic principles must be established in our country, that the government must administer the country in accordance with the law and accept monitoring from all sides, and that it must pay heed to opinions from various sectors. This shows that the State leaders of the new generation do not only think that our country must follow the direction of democratic reforms, but also believe that they must listen to different voices.

Vice-State President ZENG Qinghong has recently been quoted as saying that the Central Authorities are prepared to have more communications with Hong Kong people, including those holding dissenting political views, but those "advocating an end to one-party dictatorship" have to be excluded, because China is under the leadership of the Communist Party of China, and any advocacy on putting an end to such leadership will thus make communications extremely difficult. Madam Deputy, if communications are really rendered impossible just because of the slogan on "ending one-party dictatorship", we really cannot do anything about it, and we are truly very sorry. Being a member of the family of nations, our country should respect and meet with people holding dissenting political views. And, the Central Authorities have been making great efforts to communicate with various sectors in Hong Kong, including advocates of democracy. If they insist on making the Alliance the only one excluded from any communications, the Alliance will only depart farther and farther away from their desired direction. However, Madam Deputy, we insist that if there are to be any appending conditions to any communications, such as the condition that we must abandon the convictions we maintained, we will never accept it.

Madam Deputy, as the 15th anniversary of the 4 June incident is fast approaching, let us reiterate our position of not forgetting the 4 June incident, of

perpetuating the spirit of the 1989 pro-democracy movement and of never giving up in the fight for democracy.

I so submit.

**MR SIN CHUNG-KAI** (in Cantonese): Madam Deputy, this year marks the 15th anniversary of the 4 June incident. I have been regularly following events relating to the commemoration or development of the 4 June incident on the network. I have recently read one such essay as follows, which I wish to share with Members. It is entitled "4 June — An incident not vindicated will be a day touching a raw nerve forever".

"This year marks the 15th anniversary of the 4 June incident. The fourth of June is a date that no common people can forget. On that very day, countless many young students sacrificed their own lives when trying to promote democracy in China and to voice the common people's demand for actions against official speculation and corruption. In order not to forget these young people, the common people have all treated 4 June as a day of remembrance. But the Chinese Government is fearful of this day, and it has even called this day a sensitive day, lest the common people should bring it up once again.

"People all know that on the approach of early June every year, policemen will have to work extra shifts. They will be deployed to places where people used to assemble, especially Tiananmen Square, because some unbending fellows will go there every year to commemorate the students who died. Even though it costs the Chinese Government huge sums of money and extensive police manpower to deal with this very day every year, it still insists on doing so, because while it is fearful of this day, it cannot possibly skip it, so it can just let things drag on like this year after year. Because people are convinced that the facts of this movement will come to light for the whole world one day, that the day of vindication will come sooner or later, that the sacrifices of the young people's lives will not be futile, that the demands raised by these young people were righteous, that their spirit will be respected by all the living, and that they will be remembered as heroes.

"On these sensitive days, the police still have one more duty, that of keeping democracy advocates and their family members under surveillance. The neighbours of my family all know that around 4 June every year — the sensitive day — policemen will be stationed outside our home. The usual greetings of the neighbours to us on these days will be: "Mr HE is being kept under surveillance again?"; "Mr HE has been taken away again?"; or, "Policemen are stationed outside your home again?" On these days, my husband will invariably be given very special treatment — he will be kept under police surveillance, warned, tracked down or even taken away by them.

"My husband, HE Depu, is the person in charge of the China Democratic Party. Like the passionate students, he also took part in the spectacular 4 June movement. He was sentenced to eight years of imprisonment by the Chinese Government for sedition and subversion after releasing articles on the Internet. Actually, people all know that my husband has come to be regarded as an arch-enemy of the government and has been thrown into prison simply because, like all those young students, he just wanted to see the early democratization of China, to fight for the basic human rights of the common people and to speak for the disadvantaged. My husband has been taken away, but on this sensitive day, the police have still come to my home to keep watch on the family members of a political prisoner. We are convinced that the 4 June incident will be vindicated and rehabilitated one day. As long as the 4 June incident is not vindicated and rehabilitated, there will always be a sensitive day for the Chinese Government. Every year around this day, it will have to tighten its security. It will be frightened and unable to enjoy any peace of mind."

The author of this essay is JIA Jianying, the wife of HE Depu.

Madam Deputy, through this essay, I wish to share my feelings about the 4 June incident with Members.

**MISS MARGARET NG** (in Cantonese): Madam Deputy, the people of Hong Kong will have mixed feelings when commemorating the 4 June incident this year. The 4 June incident was all about the brutal suppression of a patriotic democratic movement by the central authorities of the Communist Party of China.

The march on 1 July last year was a democratic movement spurred on by a love for the country and Hong Kong, meant at the same time to defend freedom and achieve universal suffrage. Encouraged by the democratic and liberal attitude of the new generation of State leaders, the people of Hong Kong were filled with unprecedented hopes, so in the march, they all transformed their grievances against the disastrous consequences of TUNG Chee-hwa's misgovernment over the previous six years into a determination to change the conditions in Hong Kong. However, little did they realize that their peaceful and rational initiative had already touched a raw nerve of the Central Authorities. The whole series of actions that started in late January this year, ranging from the onslaught of "patriotic talks", to the interpretation of the Basic Law by the National People's Congress on 6 April, and to the preclusion on 26 April of universal suffrage in 2007 and 2008, are nothing but a high-handed suppression using the law as a medium.

Our country has improved, for this time around, neither tanks nor any guns have been used. There has not been any bloodshed either, but it must be noted that suppression is always suppression, and what are being suppressed are still democracy and freedom; this is still a patriotic movement based on a love for Hong Kong, and spurred on by a desire to save Hong Kong as well as to realize the ideal of all Chinese people, even at the expense of one's youthful years. When will our country achieve any genuine progress, under which it can be accepted that democratic institutions should be perceived as originating from the people, not from any top-down reform directives? The rapid economic advancement of China is evident to all, but one must realize that genuine national progress will only come when there are corresponding political, social and cultural advancements, and that the real protection of economic liberalization must hinge upon the sound operation of democratic institutions and the rule of law.

The Chinese people's fight for democracy, enlightened governance and the rule of law has been marked by tears and bitterness, noble sentiments and complete selflessness, but also setbacks and despair. Let us all remind one another very solemnly today that we must not forget the 4 June incident. As we can see, in the course of the Chinese people's struggle for democracy, the pro-democracy movement in 1989 is only one of the milestones. The Oxford University Press has recently published a new book, entitled *The Last Nobility* and written by ZHANG Yihe. Writing in a sentimental tone and reminiscent of personal experiences, ZHANG tells of the profiles and experiences of a number



of intellectuals who were labelled as "rightists" in the Mainland around 1957. All the stories in the book are still of great relevance to the problems we are facing today. I especially recommend the narration on CHU Anping of the *Guangming Daily*. CHU once worked as the Editor of the *Guangming Daily* for just 68 days, but that already brought him a lifetime of sufferings. Just because of one single expression, the expression "A Whole World of Party", he was deprived of peace and happiness for the rest of his life. He merely mentioned a change consequent upon Party domination of the country, saying that the various democratic parties at that time would find such a change unacceptable due to its impacts on the democratization of China. But just because of this expression, his whole life was ruined. Today, we are still talking about one-party dictatorship and Party domination of the country. At the time of the Sino-British negotiations, a very senior reporter of a leftist newspaper asked PENG Zhen, "Which is superior — the Party or the law?" PENG Zhen replied, "It is very difficult to tell, very difficult to tell indeed." This question shows up the problem of "Party domination of the country". Is the Party subordinated to the law? Or, is the Party above the law? It may still be very difficult to ascertain which is superior, but even so, we are already plunged into an acute situation. The Central Authorities now say that they can communicate with the democratic camp, but would not welcome their slogan on ending one-party dictatorship. We can see the historical relevance of things today. From these past events — they happened not too long ago but nonetheless seemed like events of the previous life — we know that what we are within the continuation of a whole movement, we are but a mere segment of within this entire movement. What these intellectuals fought for and clung to were precisely democracy, the rule of law, the freedom of speech and thoughts, and an open society. Though they lived in a much earlier time, we definitely cannot compare with them in terms of experiences, vision, knowledge and talent. On learning their protracted sufferings, I cannot help sighing and I am filled with feelings of all sorts, but we should at the same time turn humble and cool-headed, becoming more steadfast than ever before. The setbacks we experience today are really negligible when compared with those encountered by our predecessors.

"Do not forget 4 June", and do not forget the protracted struggles to promote the cause of democracy in China. The fact that the 4 June incident had not been vindicated reflects the reluctance of the Central Government to face up to the democratic aspirations of patriots. With the interpretation of the Basic Law by the National People's Congress, direct contacts between the Central Authorities and Hong Kong people have formally started. We are faced with a

very difficult situation indeed. Today, I call upon everybody to do justice unto history. This is not only for the past, but also for the future.

**MR CHEUNG MAN-KWONG** (in Cantonese): Madam Deputy, "vindication of the 4 June incident" is a motion of conscience of the Legislative Council. The motion itself is "perseverance" and is meant to "remember and mourn". We persevere with the vindication of the 4 June incident and we remember and mourn for those young people who had sacrificed for the 4 June incident. History will not forget. The people will not forget either.

On the eve of this debate in the Legislative Council, I received a letter from WANG Dan, a student leader in the 1989 pro-democracy movement, making an appeal to people involved in the pro-democracy movement who are now in overseas countries to immediately launch a campaign to fight for the right to return to China. I would like to cite from WANG Dan's letter.

WANG Dan said, "The commemorative 15th anniversary of the 4 June incident will arrive soon. Here, I wish to express my condolences for people who died in the 4 June incident, pay tribute to the bereaved families of the victims, including DING Zilin, extend my warm wishes to those participants of the pro-democracy movement who are still being imprisoned, and offer my regards to all participants in and supporters of the 1989 pro-democracy movement as well as all friends who are concerned about the development of democracy in China.

"After 1989, a large number of dissidents were forced to be in exile, and over the years, other people have been expelled from the country. Over the last 15 years, the Communist Party of China has adopted such practices as revoking passports, refusing to extend the validity of passports, refusing to renew passports and disallowing its nationals to return to China. This has not only created a pool of stateless citizens and political refugees, but also led to troubles in diplomatic relations. These practices of the Communist Party of China are unjustified, illegitimate and inhuman. Today, we see that veterans of old age, such as Mr LIU Binyan who is seriously ill, still cannot return to their homeland. We see that young campaigners, such as Wu'er Kaixi, have been unable to see his family for 15 years. More saddening and infuriating is that the late Mr WANG Ruowang could not even set foot on his home country before he died. We also see that there are WANG Bingzhang, YANG Jianli, and so on, who have been imprisoned as a result of they fighting for their return to China. All

these happened only because they hold political views different from those of the authorities.

"We must ask those people who defend the Communist Party of China this: For such a government, what reasons are there to say that it is progressing continuously? While we can initially put aside our expectation for it to become democratic politically, it must at least have some sense of basic humanity and humanitarianism. Is this too much to ask for? What reasons are there for a confident government to fear if some armless nationals were allowed to return to the country?

"We must sternly warn the Communist Party of China that there is a limit to tolerance. It has been 15 years. So many people have been in exile abroad, and the problem concerning their right to return to their country has remained unsolved. The conflicts will eventually erupt. The debts owed by the Communist Party of China to history has been ever increasing, and it is set to be caught in a more difficult and embarrassing situation in the future.

"We must also make an appeal to all Chinese people who have been deprived of the right to return to the country. Let us stand united to defend our rights and earnestly take forward the rule of law and democracy in China. All are welcome to actively participate in the impending campaign to fight for the right to return to China."

Madam Deputy, I support the appeal made by WANG Dan and urge the Chinese Government to allow these democracy fighters to return to the country. It has been 15 years since the 1989 pro-democracy movement. Although China still refuses to vindicate the 4 June incident, it cannot deprive these democracy fighters of their right to return to the country after all. To secure a place in the world, China should have the magnanimity and breadth of mind to accommodate the dissidents. Allowing democracy fighters to return to China is the first step to unload the baggage of 4 June. The day when the 4 June incident will be vindicated is perhaps still far away. But the door of China should be open, so that the wound of 4 June will stop bleeding and the trauma of 4 June be alleviated.

Madam Deputy, in the many debates on the 4 June incident, I had asked the Government of the Hong Kong Special Administrative Region to incorporate the 4 June incident into the history curriculum. In 1994, the then Director of

Education, Mr Dominic WONG, opposed the inclusion of the 4 June incident into textbooks. His reason was that things that happened in the last 20 years should not be recorded in history textbooks. The views of Dominic WONG were strongly criticized by the education sector, but scared the publishers who subsequently sought to evade and dilute the 4 June incident in history textbooks as far as possible. However, fear cannot deter the revelation of the truth of history. Recently, the Curriculum Development Council finally announced that the curriculum of Chinese History for senior secondary schools must include events up to the year 2000. That is to say, the 4 June incident in 1989 will unexceptionally be written into the textbooks. Recently, seven history textbooks have mentioned the 4 June incident to varying extent of coverage. Some publishers have given a detailed account of the 4 June incident in 2 000 words, whereas some have used a mere 30 words to perfunctorily respond to the 4 June incident. It shows that local publishers still have anxieties and are still on tenterhooks, and they are still living in the fears of the 4 June incident, not daring to report the truth of history while fearing academic freedom.

But the 4 June incident has, after all, been incorporated into history and into textbooks, reaching out to schools and classrooms. I urge all history teachers in Hong Kong to truly make an effort to teach the lesson on the 4 June incident. If the information in textbooks is inadequate, teachers can provide supplementary information on their own, so that from this earthshaking, heroic and extremely moving part of history, students can see how the Chinese Government killed young people of its own using machine guns and tanks 15 years ago and how the red-blooded young men sacrificed their lives for democracy and freedoms in China 15 years ago. Blood has soaked the Central Plain, thicker the tough grass grows; Spring flowers burgeon from the earth after winter's cold spell.<sup>Note</sup> This land of China irrigated by blood will certainly breed the most steadfast and persevering kind of democracy and hope during the coldest days. Our hope lies in education. I implore all educators in Hong Kong to cherish this seed of democracy and to cherish this chapter on the 4 June incident.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam Deputy, to Hong Kong people, the activities for commemorating the 4 June incident this year carry an

<sup>Note</sup> Two lines from an untitled poem by LU Xun. Translated by David Y. CH'EN in *Lu Hsun, Complete Poems*, Centre for Asian Studies, Arizona State University, 1988

additional meaning. It is not only because this year is the 15th anniversary of the 1989 pro-democracy movement. A more important reason is that last year saw a pro-democracy movement in Hong Kong, one that has been rarely seen over the past 15 years. Hong Kong people have bravely come forth to express their earnest aspiration for democracy. But unfortunately, like the pro-democracy movement 15 years ago, our pro-democracy movement was ruthlessly suppressed by the powers-that-be. This has nevertheless made us feel more intensely the pain of autocratic rule and politics of privileges, and has strengthened our determination to fight for democracy.

Today, the suppressive hand of the Central Authorities on democracy has been extended to Hong Kong. It has turned from invisible to visible, and from indirect to direct. Today, the commemoration of the 4 June incident is no longer a simple process of remembrance or a kind of respect. Rather, it must evolve into a force in our fight for democracy and a powerful weapon against autocratic powers. Therefore, as "low pressure" prevails in politics recently, some people have asked the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China (the Alliance) and the democrats to give up and cease their confrontation. There are even reports on the view that if the democrats are desirous of communication, the prerequisite is to disband the Alliance, and even though the Alliance is not disbanded, it must delete from its platform the call for ending one-party dictatorship. Madam Deputy, while I am not the Chairman or Vice Chairman of the Alliance and I cannot represent the position of the Alliance, I believe if the platform of an organization can be deleted to yield to outside pressure, this organization can no longer stand in dignity. Today, while the magnitude of the pressure we face is unprecedented, we understand only too well that the powers-that-be exert pressure on us because they are worried that our supporters will grow in number and they are worried that the day for the vindication of the 1989 pro-democracy movement is drawing closer and closer.

Some people may think that our advocacy is but a tale told by an idiot. They said that the opinion polls published yesterday showed that public support for various political figures is on the decrease, that Hong Kong people have again become politically apathetic, like they were before, that their enthusiasm in championing for their cause in politics has died down, and that given the Central Authorities' suppression which eventually hurts both sides, the support among Hong Kong people for democracy is already gone. However, the experience of the past 15 years tells us that despite ruthless suppression of public aspiration for

democracy, the heart of the people will not change. Nor will the memory of the people be easily erased. Otherwise, every year when Mr SZETO Wah proposes this motion, some Honourable colleagues would not have exerted themselves to defend the power-that-be to the neglect of whether they are confusing right and wrong and whether their arguments are justified. They do so because they know that the people have not been affected by their remarks, maintaining that what had happened between spring and summer back in 1989 was a patriotic pro-democracy movement.

In fact, for any kind of movement, not only the result of it is important. The process is more important. Therefore, even though the pro-democracy movement cannot produce immediate effects, the educational value of the process cannot be neglected. We can see that today, disregarding how the powers-that-be have shouted themselves hoarse and how their agents have called a stag a horse, it is still impossible to make the people accept that to love the country means to love the Party. It is because throughout the pro-democracy movement, we have come to realize that political powers are not equal to the country, and dissatisfaction towards the Government is not equal to betrayal against the country. These are present-day core principles of democracy. We think that while the pro-democracy movement in Hong Kong during the past year, like the 1989 pro-democracy movement, was suppressed, the educational value of both movements has given our next generation a "living" lesson on democracy. The suppression today will become great support for our future endeavours.

Some people said that when history repeats itself, a tragedy emerges. The 26th of April this year is the 15th anniversary of the *People's Daily* pronouncing the 1989 pro-democracy movement a turmoil. But unfortunately, it is also the day when the Central Authorities sentenced the dual elections by universal suffrage in 2007 and 2008 in Hong Kong to death. I do not know if this is co-incidence in history or not, but I absolutely believe that this is absolutely not a tragedy. Rather, it is the momentum for Hong Kong people to keep up with their fight for democracy. In this world, the road to democracy is never smooth. More faraway there is Eastern Europe and nearer to us there are South Korea and Taiwan. Only when unrelenting efforts are made to fight on can the tragedy be turned into a comedy.

Today, the powers-that-be seek not only to extend to Hong Kong the kind of privilege politics as in the *Animal Farm* which is being practised in the

Mainland. What is more, they want us to suffer from amnesia like people in *Nineteen Eighty-four*. But I believe the people will continue to fight for democracy under the spirit that "the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated".

Madam Deputy, I so submit.

**MR ANDREW CHENG** (in Cantonese): Madam Deputy, since the reunification of Hong Kong, Hong Kong people have lived amidst numericals. Starting from DENG Xiaoping's renowned line of "Hong Kong to remain unchanged for 50 years", Hong Kong people have since been planning for their lives in the 50 years after 1997. Just when everyone was quietly waiting for the reunification, the 1989 or 4 June Tiananmen massacre made millions of Hong Kong people ponder once again the true face of the communist rule after the riot in 1967.

Fifteen years have lapsed. From perplexity and anxiety about the Communist Party to the rage after the 4 June incident, the sentiments of Hong Kong people have gradually been calmed down. In recent years, the confidence rating of the Central Government among Hong Kong people has even exceeded that of TUNG Chee-hwa's Government of the Hong Kong Special Administrative Region (SAR) by a wide margin. Is this confidence based on a realization of the dream of reunification that marks the bond by blood, or passive acceptance of adversities submissively, or a delusive reflex on the part of Hong Kong people to the Central Government as triggered off by incompetence of TUNG's administration? As regards for how long this reflex can sustain, I think it depends on the tug-of-war between the Central Authorities' wisdom or actions and the patience of Hong Kong people before there will be an answer, for since the TUNG's administration took over, Hong Kong has been shrouded in simple but burdensome numbers which come to us one after another. It is like we being put under a spell and has made Hong Kong people suffocate.

These numbers certainly include the 1 July march in which 500 000 people took part as a result of the Article 23 legislation, and the 23 November District Council election in which the democratic forces expelled the royalists from this tier of parliamentary assembly. Then there is discussion on Articles 45 and 68 of the Basic Law in the hope that universal suffrage can be implemented for the elections in 2007 and 2008 and that "Hong Kong people ruling Hong Kong" can be truly implemented. But in the march for universal suffrage, it had come up

with the very precise figure of 7 267 participants. Will the high-profile participation by the Central Authorities in Hong Kong affairs recently, the interpretation of the Basic Law by the Standing Committee of the National People's Congress which dashed all hopes for universal suffrage, and the maintaining of a 50:50 ratio for functional constituency seats in the Legislative Council incite the people to again take to the streets and again create a miracle in the 12 September Legislative Council election and then enable the democrats to obtain more than 30 seats? To those Hong Kong people who aspire for democracy and freedom, this is indeed something that they are waiting to see with bated breath.

Fifteen years ago, Hong Kong people saw the repugnant look of YUAN Mu. His very remark of "only 23 people died" had prompted many Hong Kong people to pack up their baggages and emigrate to other countries. They would rather become second-class citizens than to put up with such a cold-blooded rule.

Fifteen years later, Hong Kong people now see the insolent look of those moguls who said that the people had "preferred the stick to the carrot" and that "those who feel unhappy can choose to go". These remarks have again made many Hong Kong people rethink about whether Hong Kong has been separated into different spheres of influence of the moguls. Can Hong Kong people tolerate the flirtatious behaviours of wealthy landlords of teasing decent women in broad daylight as seen in old Cantonese films?

The brutality of YUAN Mu had given Hong Kong people the shivers. The callousness of the moguls has nevertheless left Hong Kong people burning with righteous indignation. The 4 June incident back then originated from the call to combat corruption and rotten practices and so, it all boils down to a system underpinned by lusts for money and abuse of powers. It has been 15 years now and in our Motherland today, many officials still continue to amass wealth by unfair means while unscrupulous merchants continue to practise deception and produce fake goods that do harms to their compatriots.

Madam Deputy, the call for the vindication of the 4 June incident also carries a deeper meaning, for apart from teaching us not to forget this traumatic massacre in history, we must not tolerate the shameless behaviours of the corrupt officials and the abominable phenomenon of government officials colluding with businessmen. When we could only tolerate in silence on seeing our compatriots being brutally killed, it would not be surprising to see that such flirtatious attitude



as that of teasing decent women can become the business mainstream in the 21st century, allowing public opinions to be raped day in day out. The vindication of the 4 June incident is to open up a skylight and establish a new system for the mainland culture which is at present filled with corrupt officials and which puts money above everything.

Madam Deputy, the Vice President of our country, ZENG Qinghong, has recently started to meet with various sectors of the community which may also include the pan-democrats. But Members in the democratic camp with affiliation with the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China are still being rejected, because we still uphold the platform of "ending one-party dictatorship". This precondition shows that the communist rule still has not truly reflected on itself and that it still emphasizes economic benefits, using money as an anaesthetic to lure the tolerance of tens of millions of compatriots for its suppression of the dissidents. If the Central Authorities genuinely love the people, they should extensively take on board public opinions to achieve equality for all and to enable all to enjoy true freedom. Asking the democrats to give up the platform of "ending one-party dictatorship" before communication can proceed is tantamount to asking Members in the democratic camp to accept the evil deed of massacring the people and to connive at corrupt officials in obstructing the progress of democracy.

Madam Deputy, these numbers of "6.4" (4 June), "7.1" (1 July), "23", "45" and "68", each carries a different meaning. "6.4" is heartrending to the Chinese people; "23" has plunged Hong Kong people into a state of perplexity, anxiety and even indignation. Fortunately, "7.1" gives a lift to the spirit of Hong Kong people and is the pride of all Hong Kong people, and "9.12" (12 September) certainly represents hope.

Let us turn the spell of numbers into the momentum of hope. We cannot rely on a political rule that could still tell a lie and say that "only 23 people died" after massacring our totally armless compatriots. Nor can we trust this SAR Government which is handpicked by the autocratic rule. Rather, we should place hope on the hands of each and every Hong Kong people, using the power of democracy to resist autocracy. I believe only in this way can we free ourselves and our next generation from the spell and light up hopes for the vindication of the 4 June incident.

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

**MS AUDREY EU** (in Cantonese): Madam Deputy, almost 15 years has elapsed since the 4 June incident. The saying "Do not want to remember, but dare not forget" aptly reflects the feelings deep down the hearts of many Hong Kong people. As for the family members of the deceased victims, they are prevented from speaking the truth and seeking justice for their dearest ones; their cutting pain is beyond the imagination of any outsiders. The 4 June incident is just like a wound inflicting pain on the leadership of the Central Authorities and the 1.3 billion people of the country. This wound will never heal as long as the 4 June incident is not vindicated.

Last Sunday, on Mother's Day, Prof DING Zilin of the Tiananmen Mothers addressed an open letter in a local newspaper to all mothers in Hong Kong. She said that the most important duty of mothers should be to protect their children, and next to this, they should seek to arouse a respect for human lives among all people in the country. This elderly professor who lost her only son during the 4 June incident emphasized that nothing on earth can be more valuable than human lives. However, as far as we can observe, what the Central Government emphasizes is just the overriding need for stability over everything, including the rights, liberties and even life of the individual.

In fact, this is precisely the gap that exists between China and Hong Kong. Hong Kong has always stressed the importance of respecting the individual, of protecting human rights and of the rule of law. However, to the Central Authorities, what is most important is a firm grip on authority. Emphasizing that the corporate good should always be accorded precedence, they have sought to suppress individual liberties and rights in the name of protecting the collective interests of the Communist Party or the State. We observe that all the way through the current dispute over Hong Kong's constitutional development, the Central Authorities have been acting very paternalistically, trying to dictate the course of development. They have resorted to the very high-sounding excuse of safeguarding the long-term interests of Hong Kong, alleging that any premature introduction of universal suffrage may lead to chaos in society or welfarism. Yet, the truth is, they simply want to hold a firm grip on Hong Kong's politics lest democracy may result in a loss of control.

We frequently hear State leaders explain that since the population of China is too large and popular wisdom has yet to develop, Western-style democracy cannot be possible in China. The day before yesterday, during his visit to the United Kingdom, Premier WEN Jiabao once again mentioned the excuse that

since there are 1.3 billion people in China, it will not be possible to talk about human rights before the people are well-fed. Under the leadership of HU and WEN, the control of the Beijing authorities over the press is as tight as before. For example, a book written by a native of An Hui, CHEN Jiadi and his wife, *A Report on the Investigation of Chinese Peasants*, which describes the plight of Chinese peasants, has been banned. In February this year, publication of *The 21st Century Global Report* was ordered to be suspended because an interview with LI Rui, a reformist Communist Party veteran, was covered. Besides, the Central Authorities continue to treat dissidents as their chips during their negotiations with foreign countries — nabbing one and releasing another as the situation requires, so as to grab their maximum political and economic benefits.

Many of the mainlanders I have come across do admit that what the government did during the 4 June incident was wrong, but they also ask us to appreciate that the new leadership cannot possibly vindicate the 4 June incident at this stage, because those leaders who ordered or supported the massacre are still in existence. We are asked to wait five to 10 years more. I think this is precisely the difference between the Central Authorities and Hong Kong people. Which is more important — the upholding of justice or the maintenance of authority? Many of the closest family members of the deceased victims are already very old, just like Prof DING Zilin, which means that they may not be able to wait five to 10 years more. Are they left to die with regret?

Another "conscience of China", Dr JIANG Yanyong, pointed out in his letter to the Central Authorities about a month ago, "Every year when 4 June is approaching, some people will get extremely nervous and sensitive, and they will deploy only heaven knows how much resources and manpower to prevent the occurrence of events." Why do the Beijing authorities still find it necessary to tighten up security every year? Why would some people be so tense for fear of demonstrations? Why do they not admit the mistakes as early as possible, so as to undo the knot and rebuild their relationship with the people? As pointed by Dr JIANG, the common sentiments in China now are already very different; a proper assessment of the 4 June incident is now the wish of all, and so doing will not result in any disorder absolutely.

Prof DING Zilin says that we must properly protect our children. But the ability of an individual is after all very weak and limited. To protect our children, we must put in place institutional safeguards, so that they can all be brought up in a nation marked by liberties, openness, democracy and a respect

for human lives. I sincerely hope that the Central Government can, as soon as possible, formally and openly confirm the viewpoint that has actually long since been accepted among the people themselves. When he spoke earlier on, Mr SZETO Wah expressed the hope that this would not be the last time that he could move a motion on not forgetting 4 June in the Legislative Council. In fact, however, every year when a motion on 4 June is moved, I hope that it can be the last time. If the 4 June incident is vindicated, there will be no need for Mr SZETO Wah to take the trouble to move a motion on it every year. When that day comes, maybe, universal suffrage will have approached Hong Kong closer. Thank you, Madam Deputy.

**MR WONG SING-CHI** (in Cantonese): Madam Deputy, I am going to quote an article in commemoration of the 4 June incident and in support of the vindication of the 1989 pro-democracy movement. The article, entitled "A Truthful Retrospective Account of Bloody Episodes in the 4 June Incident of 1989", was written by HE Depu, Chairman of the China Democratic Party.

"In the evening of 3 June 1989, the fighting scenes that took place in the area between the spot 300 metres west of the Military Museum at Changan Street of Western Beijing and Muxide shall never vanish from my memory.....

"At about 5 o'clock in the afternoon, I grabbed a few quick bites, then I brought along with me some items which I had prepared beforehand such as gauze packs, a face mask and a sun cap. After telling my wife briefly what I was going to do, I got on my bike to proceed towards the western end of the Changan Street, where it was most dangerous and most badly in need of pro-democracy people.

"At about 6.15 pm in the evening, I joined the people at the spot 300 m west of the Military Museum, where the people tried very hard to block the movement of a fleet of Liberation Army's military vehicles (the military fleet) coming from the west front to carry out their curfew duties. At the front of the military fleet were about a hundred soldiers in camouflage uniforms clearing the way, and behind their back was an endless procession of the military fleet. Soldiers on the military vehicles all held their guns pointing outwards, forbidding people to get close to them. With shields and pieces of stone in hands, the anti-riot

soldiers attacked the people at the front in a regular and orderly pattern. As they were all well-trained, they could throw stones further with a high percentage of hits. With stones showering all over them, several persons suffered serious and bleeding wounds on their heads. In the face of the anti-riot soldiers who were armed to the teeth as well as the military vehicles, we, the unarmed people, could only gradually retreat backwards.

"The distance between our group of people and the anti-riot soldiers had gradually diminished.....At a point over 10 metres away from us, their commander waved his hand and cried out something, then over a hundred anti-riot soldiers threw stones ferociously at us altogether.

"All of a sudden, we, the group of people who stayed at the front row of the group were hit by stones hurled at us by the soldiers. My left shoulder suffered a heavy blow from the strike of a stone (which resulted in a bloody bruise). Wang, a third former of a certain junior secondary school.....had sustained an open wound on his forehead, with blood splashing all over his face.

"As our group was gathered spontaneously on the spot, so we had virtually no experience in handling such situations. Under the savage attack of the soldiers, most people picked up stones from the ground and struck back. But in fact, in so doing, we had fallen victims of their instigating tactics. If we did not strike back, and if we kept on moving closer to the soldiers, we would have been able to carry out the original design of blocking this fleet of military vehicles. However, after the hurling of stones by both parties, the people were no match for the well-trained soldiers. Although we, the several 'commanding persons', still wished to save the day, it was already too late — the situation could no longer be reversed. As the circumstances indicated, our objectives could no longer be achieved, so all we could do was to escort the injured to withdraw to the two sides of the road.

"There were more and more soldiers approaching, and their attack became more and more ferocious. We, the unarmed people, could only defend ourselves while retreating. By the side of a road roller parked at the north of the street, I met Wang again, who suffered a wound on the head. I took out the gauze I had with me to replace the handkerchief which he

had used to cover the wound. I could see that a large part of his grey short-sleeve shirt had already been stained with blood. Out of a sense of responsibility, I used one of my hand to hold the gauze to cover his wound, and the other hand to drag Wang, who was still hurling stones at the soldiers, into a medical clinic at one side of the road. The doctor dressed up the wound of Wang without charging us any money. The doctor joined the people in condemning incessantly the soldiers of the Communist Party as bandits. On our way back, we could hear non-stop gunshots on the streets. It was 6.40 pm in the evening.

"When we returned to the out-patient department at the entrance of the residential area.....we saw four young men carrying a young woman running rapidly towards our way, while yelling 'Stay clear! Stay clear!' When they were carrying the victim upstairs, I also joined in the saving effort. When we put the young woman onto the ground of the treatment room.....her face looked pale, and her breasts were blown up by the vicious bullets with her chest becoming a mess of flesh and blood. It was a terrible scene. On the bed on the western side was a young man whose neck had been pierced through by the vicious bullets. On the bed on the eastern side was a young man whose leg was hit by the vicious bullets. As I went downstairs, another young man was being carried upstairs.....

"On the major bridge of Muxide, since the military vehicles were stopped by the road blocks, the soldiers fired hysterically towards the north of the road. I was among several thousand people who were forced to crouch down. The only way we, the several thousand people there, could repay them was to chant in one united rhythmic voice towards the bridge, pronouncing, 'Bandits! Bandits! Bandits!.....'

"In this evening, on Changan Street, the Liberation Army, which once claimed to be the people's army, has become the bandits who were hated by everyone; and under their gunpoint, countless people, be they young or old, men or women, fell down and be drenched in blood.

"A picture scroll of what occurred that evening has kept running and running again on my mind. Today, when the general principles of human rights and the three human rights conventions have been generally be accepted by the people, I, in my capacity as a member of the

community opposition party in the China Democratic Party, have to advise the commanders of the vicious bullets — the handful of leaders of the Community Party of China that they should rectify their wrongdoings by requesting the people to forgive them. This is their only choice. It is better for them to make an early confession than a late one; an active confession is better than a passive one. If you know that you are wrong but you do not admit it, or even try to find some excuses to justify your own mistakes, this will only lead to disasters for both the country and the people. And eventually you will end up putting yourselves in a position directly against the people!"

Madam Deputy, I have finished quoting the article. What this article had described was exactly what this friend had seen personally. On that day, we were very, very stunned by the scenes we saw on the television screen in Hong Kong. So imagine he had witnessed that personally on the spot. Therefore, we feel that such incidents could not happen again in future. Though the incident is all over now, we still have to continue to fight for its vindication.

I support the motion. Thank you, Madam Deputy.

**MR MARTIN LEE** (in Cantonese): Madam Deputy, a moment ago, just before Mr SZETO Wah had started to deliver his speech, I pointed out that a quorum was not present because I wanted more people to listen to the heartfelt feelings of Mr SZETO Wah. Fifteen years ago, I was the Deputy Chairman of Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance). Now, I still wish to support its Chairman.

I still remember 15 years ago, at about noon of 4 June, I was interviewed by the Chinese channel of TVB. I was asked what I wanted to say to Hong Kong people. I just said that, I hoped when they came, they could come peacefully. I said the reason that the student movement in Beijing deserved our support as well as the admiration from the whole world was the movement was a completely peaceful one.

Madam Deputy, so far, the annual commemorative event of the 4 June incident, the candlelight vigil, has always been very peaceful throughout the years. After the event is over, people would not leave the venue until they have picked up the bits and pieces of paper from the ground, and scratched off the wax

from the ground that has dropped from the candles. This is the 4 June spirit which I have taken great pride in.

Recently, someone told me, "the Democratic Party and you Martin LEE should make a clear break with the Alliance and SZETO Wah." I said to him, "Sorry, I cannot do that. I would rather adopt your family name, but I cannot make a clear break with SZETO Wah." Because I know too well that if the Alliance is suppressed today, then the Democratic Party will be suppressed tomorrow, and then the pro-democracy camp will be suppressed the day after tomorrow. And the suppression will go on and on.

I have always reminded people of this: After the World War II, a Christian priest Martin NIEMOLLER narrated how the people were persecuted by the Nazis in World War II. He said, "When the Nazi soldiers came and arrested the people, they first arrested the Communists. I did not plead for them because I am not a Communist. Next, they arrested the unionists. I did not plead for them because I am not a member of the unions. Next, they arrested the Jews. I did not plead for them because I am not Jew. Next, they arrested the Catholics. I did not plead for them because I am a Protestant. Next, they arrested me, and by then no one was left to plead for me." Therefore, I hope our friends in the pro-democracy camp will not be subject to dissimulation by others.

(THE PRESIDENT resumed the Chair)

I have become increasingly convinced that 4 June, 1 July and 12 September cannot be separated from one another. I do not see that the central leadership in China would allow the advent of democracy while still be reluctant to have the 4 June incident vindicated. As such, the vindication of the 4 June incident and the advent of democracy should not be separated.

Madam President, I resolutely support the motion of Mr SZETO Wah.

**MR FREDERICK FUNG** (in Cantonese): Madam President, every year, Mr SZETO Wah moves the motion that "the 4 June incident be not forgotten and the 1989 pro-democracy movement be vindicated" and every time, I would speak on the motion. The Hong Kong Association for Democracy and People's



Livelihood (ADPL) and I would like to express our admiration for Mr SZETO Wah. But every time when I speak, I have hoped that this would be the last time for the Legislative Council to have to hold a debate on this motion because by then it would mean that the 4 June incident has been vindicated and it would also symbolize that the patriotic passions of the students who took to the street and put up a struggle have been acknowledged. If this is the case, it would no longer be necessary to hold a debate on this motion again.

Fifteen years ago, one group after another, patriotic young students organized themselves on their own initiative for the sake of the history of the country, and in the face of development after the catastrophic 10 years of the Cultural Revolution in China when social problems had arisen in tandem with such development, which included corruption among officials, disparity between the development of cities and rural areas and the unemployment problem due to the collapse of the "communal pot" system. Through moderate social movements like hunger strike and peaceful demonstration, the students induced support from the community in an attempt to strive for the Government's attention to the injustice caused by the overheated economic development.

In retrospect, it can be seen that the students did agree to the direction of the economic development in China. They have merely simultaneously requested for political reforms by the authorities so that transparency of administration by the government would be enhanced on the one hand, and on the other hand, with the establishment of institutionalized communication channels which they hoped to have public opinion could be reflected directly and collective wisdom be pooled so that both the Government and the people could offer constructive ideas in relation to China's way forward and for the solution of various social problems they then faced. The ADPL and I reckon that their spirit deserves our respect and recognition. But unfortunately, a social movement which was initiated with people's rational appeals ended in violent suppression. This is a regrettable ending.

We have been enlightened in two aspects by the 4 June incident. Firstly, a lot of unarmed students in the incident were arrested unreasonably by the military and police forces. In the absence of any legitimate and open trial, these students were seriously hurt visibly and invisibly, and some even sacrificed their lives. The Chinese Government owes the Chinese people and the world an explanation of the facts of the incident to account for what had happened and to allow the truth to be revealed. Secondly, the 4 June incident reflects the

aspirations of the Chinese people and even those of the whole Chinese race for the political development of the country. In particular, it gives us an idea of the thoughts of the educated younger generation in respect of democracy. If the Chinese Government had handled the incident in an appropriate manner and with the best intentions, China would have been able to pave the way for democracy with the participation of the people. The whole Chinese race would have been led towards unity. Unfortunately, the Government then resorted to mistaken and inferior tactics to suppress the appeals of the people for political reforms. As a result, it let slip a golden opportunity to reform the upper echelons of the country.

In a nutshell, 15 years after the 4 June incident, China has achieved definite progress in economic development and gradually established links with the other countries. Meanwhile, both the education and living standards of the people in the Mainland have been improved. The ADPL and I think that since China is a prosperous country with a history of 5 000 years, it is time for the Chinese Government to face history and its past mistakes, and vindicate the 4 June pro-democracy movement so that our patriotic students can be given a fair verdict.

Madam President, I so submit.

**MR ALBERT HO** (in Cantonese): Madam President, today is the 15th anniversary of the 4 June crackdown and the 1989 pro-democracy movement. During these 15 years, many Hong Kong people have continued to uphold the conviction backed by their conscience, and make use of the only space of freedom in the vast country of China to speak from the bottom of the hearts of the 1.3 billion people by reaffirming the righteous causes of the 1989 pro-democracy movement and condemning the atrocity of the 4 June Massacre. The fact that the spirit of the 1989 pro-democracy movement can be passed onwards to the younger generation symbolizes that the flame of democracy and righteousness is still burning in our country (which includes the present day Hong Kong); it also signifies that the dignity and aspirations of the people will not succumb to political pressure.

Ever since the reunification, many people suggested to the committee members of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance) that we should give up our work at the

Alliance, and we should lay down the historical burden of the 4 June incident. Recently, it has been rumoured that the Vice President ZENG Qinghong had even told members of the business delegation from Hong Kong that if we wanted to communicate with the Central Authorities, we had to abandon our demand for ending one-party dictatorship.

In fact, all along, it is the Alliance that has been advocating consistently and at all times in Hong Kong that one-party dictatorship should be abolished. In Hong Kong, there are many people in the pro-democracy camp and they mainly strive for democracy and people's livelihood. But we can also see very clearly that these people who mainly fight for democracy, people's livelihood and the rule of law are still being rejected, they are still being subject to smearing, and they still cannot find the door to communication. How can this be explained? In fact, it is very clear that the Central Government has a lot of trump cards in their hands. Requesting us to abandon our demand for ending the one-party dictatorship is but one of their trump cards. In future, they may put forward many more pre-requisites: today it is about the 4 June incident, and tomorrow it may be a ban on criticizing the NPC, and on the day after tomorrow, they may disallow any hostile attitude. The list could be endless, is there a limit to where we should retreat?

Madam President, politics is an art of compromises. However, little does compromise mean submission and surrender, and for submission and surrender, there is no art at all. However, more importantly, Madam President, I feel that at any point of time, there must be some people who can display a fearless and undaunting spirit in the face of historical issues of major principles. They should approve the right and disapprove the wrong, and they should have the courage to speak the heartfelt feelings and the aspirations of the people. These forces and these voices could by no means be absorbed by politics, and they could never be buried by pressure. Otherwise, the civic community and all the voices of the people will vanish. These people who uphold their own stance will have to pay certain political prices. They may be marginalized, they may be persecuted, and they may eventually be threatened and lose their freedom even. However, we cannot do without such persons in society.

The 4 June incident is an issue of our nation that involves major principles. In order to strive for this conscience career of vindicating the 1989 pro-democracy movement and the 4 June incident, we — I and many friends of mine,

including the committee members of the Alliance, as politicians, shall of course respect the efforts made by many people in the pro-democracy camp in pursuing communication channels. However, we shall continue to hold fast to this position and are willing to pay whatever political prices involved, though such political prices are really trivial in comparison with those paid by the martyrs and the heroes of democracy in the Mainland in 1989.

With regard to the future development of our country, I firmly believe that the vindication of the 1989 pro-democracy movement and the 4 June incident is a prerequisite for rebuilding the spiritual civilization of the country and promoting national cohesion. Without this prerequisite, the economic, political and social development cannot make any comprehensive and long-term progress. If a country does not have any common convictions and concepts of values, how can genuine patriotism, public morality and sympathy be cultivated among the people? If such values are not present, how can we move forward?

In fact, these issues were exactly the same issues being brought up in the 1989 pro-democracy movement. Many people who opt for avoiding their own conscience and sense of righteousness must find some ways of rationalizing themselves. They said that so the 4 June turmoil has been solved, was it not true that the economy of our country was doing very well at present? Will everyone listen to this: When Premier WEN Jiabao visited the Western countries, he still has to tell others that, at a time after our country has been established for 55 years, our people have yet to solve the poverty and food problem nowadays. It is still an issue on the right of survival of the people. In fact, I feel ashamed about this answer. Why should I feel ashamed? Because at a former time, many of our compatriots were extremely poor, as poor as a church mouse. They were so poor that they could afford no education, no medical care and no social security. However at the same time, did we not witness lots of red capitalists, rich tycoons in our countries spending money like drunken sailors and enjoying a most luxurious way of life? Why has our country become like this today? DENG Xiaoping said that some of the people would get rich first. Today, what we are seeing now is not just some people starting to become rich, but they have become billionaires and rich tycoons. However, more people or not a small number of people continue to remain poor, extremely poor, so much so that they cannot even lead a dignified life.

The 1989 pro-democracy movement has been cracked down, causing our country to miss the opportunity for the entire nation to reflect on itself in the

process of promoting the opening-up and reforms in China. So the Government cannot make good use of the intermediary forces generated among the people to help build up a more open, more vigorous society and system. In fact, such a trend has put our political development onto a direction directly contrary to that of our social development, and in the wake of it comes bribery and corruption, collaboration between the officials and the businessmen as well as the social polarity. All these were exactly the same problems that the 1989 pro-democracy movement meant to tackle. Today, our country is still going in the wrong direction. But I believe, I strongly believe that, hope exists for our country and our people, and the 1989 pro-democracy movement will eventually be vindicated. That day will surely come. Thank you, Madam President.

**MR ALBERT CHAN** (in Cantonese): Madam President, for 15 years, Beijing has been intensely loomed over by the shadow of the 4 June incident. It is only natural that no Beijing resident should have the courage to again challenge the governance of the Central Government. People in power and people with knowledge dare not challenge the governance of the Central Government for the sake of truth or righteousness all the more. However, there is a doctor by the name of JIANG Yanyong who is willing to risk his own life to tell the truth and speak the words from the bottom of his heart.

Aged 72, JIANG Yanyong is an old doctor who has maintained very close relations with many national leaders of China, such as YANG Shangkun and the late CHEN Yun, and had gained the trust of leaders of the Central Authorities. JIANG Yanyong should have adopted the so-called "patriotic" belief commonly held by the Hong Kong leftists and Hong Kong major capitalists by not supporting the vindication of the 4 June incident, not criticizing the wrong-doings of the Chinese Government and should instead sing praises for the Central Authorities. However, JIANG Yanyong has acted against the so-called "patriotic" standards of the Hong Kong leftists, many major capitalists and consortiums in Hong Kong because in April 2003, JIANG Yanyong tipped off the *Time Magazine*, disclosing that the number of people who had contracted SARS was much higher than that released by the Beijing Government, thus forcing the Beijing Government to disclose the true figures. And the Mayor of Beijing was forced to step down for concealing the truth.

If judged against the standards of the leftists in Hong Kong, the act of tipping off the *Time Magazine* by Dr JIANG Yanyong was tantamount to an

invitation of foreign forces to intervene with the internal affairs of China; that he should be considered a national traitor, most vicious of all. However, through such an act, he succeeded in causing the Chinese Government to admit the seriousness of SARS, whereby saving many lives, that is, saving the lives of many of our Chinese people.

In March 2004, JIANG Yanyong even risked arrest and imprisonment by sending a letter to the National People's Congress to demand for the vindication of the 1989 pro-democracy movement. In addition, he gave a vivid account of the bloody massacre on the then 4 June, and also disclosed the truth that both YANG Shangkun and CHEN Yun opposed the approach adopted by the Chinese Communists in suppressing the students. According to the prevailing standards and values adopted by the leftists and major capitalists in Hong Kong, he would surely be criticized for disclosing such information as well as leaking this confidential information of China to foreign countries. Nowadays, both the leftists and many major capitalists in Hong Kong say we should not care about such historical incidents because they are now over, so we should put aside the historical burden. However, Dr JIANG, a close aide trusted by Chinese communist leaders, thought it necessary to vindicate the democratic movement in 1998. Besides, what Dr JIANG had done was actually helping Beijing to dispel the black shadow that had loomed over it for the past 15 years. In the face of the danger of being arrested, he still had the courage to tell the truth to the NPC and Chinese Communist leaders.

Madam President, for so many years that passed, with regard to debates held in this Council on motions related to the 4 June incident, and on motions pressing for the vindication of the 4 June democratic movement, none of them had been passed in the Legislative Council of Hong Kong. I personally feel the great sorrow of Hong Kong people in this regard. Even a doctor living in Beijing who had the trust of Chinese communist leaders is willing to speak his conscience. But in this Legislative Council, in the so-called liberal Hong Kong, where the political shadow and pressure are relatively not so strong, not a single stance and principle believed by even a Beijing doctor can be passed. If this is not a full reflection of the sorrow of Hong Kong, what else can it be?

Madam President, today in this Council, presumably, this motion on the vindication of the 1989 pro-democracy movement will not be passed either. This is because Members from the DAB, the Liberal Party, the Hong Kong Progressive Alliance as well as those returned by functional constituencies will

surely oppose it to the best of their ability. An old doctor who lives in Beijing, where there is little freedom of speech, and who is formerly a close aide of national leaders, dares to demand for the vindication of the 1989 pro-democracy movement to expose the truth after having personally experienced the whole process of the 4 June incident. However, my Honourable colleagues who are present today in this Chamber, though many of them had supported the movement of the Beijing students at the time of the 4 June in 1989, cannot boldly pronounce the eight words of "support the vindication of the 1989 pro-democracy movement" today. Not only have they failed to say that, but they have also opposed this demand even.

Madam President, they acted so basically to safeguard the meagre power and attention given to them by the Central Authorities. A group of political speculators basically are twisting history and distorting the aspiration of the people. They cannot stand for the common aspiration of the 6 million people of Hong Kong. The Legislative Council of Hong Kong should speak for the people of Hong Kong. Now, because of this group of political speculators, the Legislative Council has not been able to bring forward this aspiration on behalf of the people for so many years.

Lastly, I would like to quote the remarks of YANG Shangkun which was quoted by JIANG Yanyong in his letter to the leaders of the Central Authorities (quote), "The 4 June incident is the gravest error ever committed by our Party in the course of its history. I am unable to vindicate it now, but it shall definitely be vindicated in future." (unquote) In the same vein, I am going to say, "Not passing the motion on the vindication of the 1989 pro-democracy movement is the gravest error ever committed by the Legislative Council in the course of its history. I am unable to rectify it now, but I firmly believe that some days in future, this shall definitely be rectified."

With these remarks, I support the motion of Mr SZETO Wah.

**MS MIRIAM LAU** (in Cantonese): Madam President, it has been 15 years since the 4 June incident. Mr SZETO Wah moves this motion every year as before and the Liberal Party will, as before, be abstaining. So it is wrong for Mr Albert CHAN to say that the Liberal Party would fully oppose the motion. But as in the past few years, we will make a short speech out of our respect shown to Mr SZETO Wah for his perseverance in his belief.

As regards the causes and effect of the 4 June incident, history will pass a fair verdict. But we strongly believe that every Chinese person will agree that the 4 June incident is a tragedy. Any person who loves the country will do his best to prevent the recurrence of any similar event. But we also believe that the country, after experiencing the 4 June incident, has seized every new opportunity to make advancement. Today, it has made definite achievements which are recognized by all countries in the world.

Over the past decade or so, China's success in reform and opening up has been a focus of world attention. It has been making continuous and steady progress in democracy and in the construction of a political and legal framework under a rapidly developing social and economic environment, with marked improvement in the people's living standard. China is moving into another stage of development, making an all-out effort to build a society in which everyone enjoys a decent standard of living.

In fact, since the establishment of a political system under the leadership of HU Jintao and WEN Jiabao and the removal of two senior officials who attempted to cover up the spread of the epidemic during the outbreak of SARS last year, there has been continuous improvement in the Central Authorities' style of governance and transparency of administration, as well as the accountability of government officials. A recent instance shows that the accountability of officials has further been enhanced. An order stipulating that government officials of various ranks might be subject to resignation in expiation was promulgated in the middle of last month. It strictly provides that the officers-in-charge of various ranks will be ordered to resign once a serious mistake or dereliction of duty has been committed.

As regards the constitutional aspect, significant amendments to the constitution have been passed at the last meeting of the National People's Congress to the effect that some important provisions have been explicitly added in the constitution, among which, it is provided that the legal private property of the citizens shall be inviolable, and the state shall respect and protect human rights. All these developments show that the state has indeed striven to protect civil rights with strong determination so as to tie in with the development in the 21st century and progress with the times. As Chinese people, we will support these significant developments.



It can be seen that the development of China in various aspects in recent years has gained popular recognition internationally. The Liberal Party is of the view that for the country to implement any reforms, it must find its base on a stable political and economic environment, before it can create a more democratic and prosperous society, and be conducive to the implementation of the development policy of a peaceful rise of China, thus bringing wealth and prosperity to the country.

Madam President, I so submit.

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

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, 15 years have lapsed since the 4 June incident. During these 15 years, many people often say that we must walk out from the melancholy of the 4 June incident. However, if we contemplate the issue once again, we can see that, the one who cannot forget the 4 June incident most, apart from many Hong Kong people among us as well as the people in China, is in fact the Communist Party of China. They have not forgotten the 4 June incident. Obviously, they still have not walked out from their own guilty conscience. A very obvious example is, Prof DING Zilin and many family members of the victims are still not allowed to openly hold any activities for grief, and their communications with external contacts are also restricted. Three mothers of Tiananmun Square victims were even detained recently by local public security departments. Therefore, do not say that we are the only ones who cannot forget the 4 June incident. The Communist Party of China cannot walk out from their own guilty conscience either and still have to live with this speck of the 4 June incident in their eyes. What we do not understand is, why can we not help the Communist Party of China to take this speck out of their eyes, as well as taking this speck from the hearts of the Chinese people by vindicating the 4 June incident, so that everyone can clearly face this historical incident?

Many people say that we should walk out from the melancholy of the 4 June incident. I really want to ask, how can we tell Prof DING Zilin and show her how she may walk out from the melancholy of the 4 June incident? If we still cannot show her justice through the vindication of the incident today, how can we ask her to walk out from the melancholy of the 4 June incident? Ms Audrey EU just now has mentioned a press report on how Prof DING Zilin felt

on Mother's Day. I really feel this was most heartrending, and this was how a mother really felt. She talked of how the 4 June incident had taken the young life of her son, "From that day onwards, I feel that the annual Mother's Day no longer has anything to do with me. I am even afraid of facing the approach of this festive day because I cannot wipe off from my memory the scene in which my son knelt before me to give me a ceremonial greeting." The scene took place on her birthday some years ago when the 17-year-old son knelt in front of her to wish her a happy birthday.

How can we ask her to forget? If we still live with our conscience, why can we not ask the Chinese Government to do justice to these family members of the victims? Why can we not urge the Chinese Government to vindicate all the participants in the pro-democracy movement? Besides, I also believe that, apart from giving them a vindication, the move will also has a symbolic implication which illustrates whether China is eventually willing to admit that it has to take the step to show it shall respect human rights as well as the freedom of the Chinese people.

Miss Margaret NG just mentioned the paragraph on CHU Pingan. In fact, as I was reading "The Last Blue Blood", I deliberately read that paragraph several times because it was very impressive to me. First, the event took place in 1957. I was born in 1957, which was the era of "One Party Dominance". And now I am 47, and it is still the era of "One Party Dominance". When the Anti-rightist Movement was conducted in 1957, if it was clearly stated that "One Party Dominance" would be subject to the supervision by democracy, and that "One Party Dominance" was not the desired goal, then what is the difference between our present situation and that in 1957? It is still the era of "One Party Dominance".

Another event also left me with a very deep impression. In the evening of 4 May, we had a candlelight vigil in Hong Kong. I felt that today we could still strongly feel the existence of the era of "One Party Dominance" mentioned by CHU Pingan so many years ago. This is because the NPC has even insisted on depriving Hong Kong of the chance to discuss constitutional reforms. Even our discussion on the issue of introducing universal suffrage in 2007 and 2008 was deprived of, if this is not "Party dictatorship", what can this be?

Therefore, the principles of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance) of "ending one-party

dictatorship and building a democratic China" is still highly relevant to the aspiration of all Chinese people of our time. If democracy does not exist in China, and if Hong Kong is to survive under China which does not have any democracy at all, there is absolutely not much room for "one country, two systems" which we have been mentioning all the time. The only room that we can have is the Third Report, which is the only space we are left with. If this is the case, we can all see, once the one-party dictatorship is extended from China to Hong Kong, and this trend be allowed to go on and on, how much possibility can Hong Kong have in its democratic development?

All along, the Alliance has not just aimed at pursuing what is good for Hong Kong, but for all the 1.3 billion people in the entire China. Just as what Mr Albert HO has said just now, the aspiration of the 1.3 billion people is not simply centred on their survival and food. For example, we do not want to take in poisonous milk powder. This issue in fact is also closely related to politics and democracy because this is 100% related to corrupt officials, and this is 100% related to unscrupulous businessmen who care very little about human lives. Insofar as the issue of the poisonous milk powder is concerned, it is already an issue of the people's right of survival. If our political system does not move forward, if there is no democratic political system, the basic right of survival of the 1.3 billion people will always be under threat.

Therefore, I would like to call on everyone, including Madam President, all our people and all the Honourable Members, to keep on expressing our aspirations again in the Victoria Park on 4 June. This is because Hong Kong is the only place in the entire country of China where we can still have room for the expression of our aspirations. Let us light up our candles to express our aspiration for democracy. Tell the Chinese people that we shall express their inner feelings through our candlelight.

Thank you, Madam President.

**MS CYD HO** (in Cantonese): Madam President, in 1989, the most unforgettable memorable scene that occurred to me was when a female student in Beijing said, "It has been 70 years since the May Fourth Movement, but our country is still in such a mess." This was really a heartrending remark. Indeed, by 1989, the May Fourth Movement had already lapsed for 70 years. While technologies had made strides of progress, our political culture remained at a level more or

less the same as that in the May Fourth Movement, which took place nearly a whole century ago. We can only pin our hope on the modernization of China. However, the political situation in our country is still very enclosed, without leaving much room for the people to offer a driving force to the country to push on progress. Not only was the situation like this in 1989, it remains so in 2004, and the trend has even spread to Hong Kong.

Recently, I heard someone say that the Legislative Council election to be held in coming September would still be an election for "Mr DE" and "Mr SAI". "Mr DE" refers to democracy, while "Mr SAI" refers to scientific spirit. The present day Hong Kong has regressed to such a stage that we still have to pursue these two values. However, unfortunately, our pursuit is still being oppressed. Although this time it did not resort to the use of tanks and troops to suppress our pursuit of democratic political systems, the unreasonable behaviour, the exercise of high-handed power, the extent of disapproval of and rejection to the people by the ruling regime did not show any difference. Eighty-five years have lapsed, there is still a long way to go before we can achieve real democracy. Even for our Government of the Hong Kong Special Administrative Region (SAR), the approach employed by them was completely unscientific and completely against the spirit of pursuing the truth. Not only had they ignored the need for making use of comprehensive data to establish what was called the actual situation, they have even distorted the meaning of words which were explicit in themselves. Even the Government is unwilling to face the truth, how can our Hong Kong make any progress? If Hong Kong is retreating backwards, how can it contribute to the progress of our country?

Since the reunification, Hong Kong has become a part of the country. What we should do is to share the better part of our experience with people of other provinces and cities. As in the past 20 years, the business sector and the manufacturing sector have contributed our knowledge and capital into many economic and financial co-operations without any reservation. Why do we act in such a timid and regressive manner now when we come to issues like democratic progress, legislation and freedom, and not making our contribution to the country?

Recently, as the country has been adopting tougher measures against corruption, it is only natural that Hong Kong should become a part of such initiatives. It is unfortunate that corruption seems to have resumed rampancy in Hong Kong and the trend has spread to the ordinary people. I remember that I

have seen an advertisement in a MTR station by a Chinese herbal medicine shop which openly implies that expensive Chinese herbal medicines can be sent to mainland officials as gifts. If Hong Kong unfortunately should become part of the mainland corruption network, it will not only threaten the rule of law and anti-corruption initiatives in Hong Kong, it will also become an obstacle to the progress of our country.

Therefore, democratic constitutional reforms, the rule of law, as well as protection for freedom of the press and freedom of speech is no longer just an internal matter of Hong Kong, but is also relevant to the country. I hope the Central Authorities can appreciate that it is not Hong Kong people who do not understand the situation of the country and hence fail to have proper regard to the overall interests of the country, nor have we made incessant demand for preferential treatments. Instead, the situation should be that progress made by Hong Kong will also bring about progress to the country. Many people say that after the passing away of certain national leaders, the incident will be vindicated, so we should be patient. Sooner or later, grievances will be redressed. But this is not a case of an inability to wait for one day more or one year more. Instead, it is about whether we have insisted on justice. If a leader who has made an incorrect decision does not have the capability to reflect on himself and confess the mistake during his lifetime, then other people, for fear of his power and influence, will not have the courage to insist on righteousness when he is still alive and in power. If everyone develops such a mentality, it is possible that the 4 June incident may recur in future. Even if we are willing to wait for the death of such leaders of that time, so as to facilitate the vindication of the 4 June incident, similar repression may yet occur again in future if we embrace such a mentality.

However, saying honest words from the bottom of our heart, and expressing different points of view, may cause us to lose some freedom. We are already prepared to pay this price, and it is a price that we should pay. Last month, we lost our freedom to return to our native country just because we had opposed the interpretation of the Basic Law by the NPC. Mr James TO said, "The country is distant from us." I hope everyone can understand that from another perspective, we are in fact closer to it now because we are sharing the same fate as 1.3 billion people of China in having our freedom threatened. Today, we are one. The price we pay now is negligible, in comparison with that paid by many Chinese. Today, we support the motion of Mr SZETO Wah without feeling any regret or the least prick of conscience.

**DR LAW CHI-KWONG** (in Cantonese): Madam President, I do not know whether this motion will be moved in this Council again in future. However, I know that this is the last time for me to express my view here on this motion. To put it on record, I have to say that I very much support this motion moved by Mr SZETO Wah. I am in great support of the vindication of the 4 June incident, the accountability of responsibilities for the massacre, the termination of the one-party dictatorship, and the construction of a democratic China. Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr SZETO Wah, you may now reply and you have seven minutes six seconds.

**MR SZETO WAH** (in Cantonese): Madam President, Ms Miriam LAU just said that, out of their respect for my steadfast conviction, the Liberal Party would, as usual, abstain from voting. Frankly speaking, I do not care too much about other people's respect or disrespect for me. Confucius says, "If people do not recognize me and it doesn't bother me, am I not a superior man?" A superior man is one who does not feel angry even if others do not understand him. People who know themselves well do not care too much about whether other people show respect for them. What is the most important of all is that a person should have self-respect.

I do not care about whether other people respect me, but I care very much about whether they respect the truth and matters of major principles. During the past 15 years, all the activities of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China (the Alliance) have been peaceful, rational and orderly. Recently, someone put forward the so-called threat of "shedding the first blood". My gratitude to him for bringing up such a threat. Here, I would like to make a declaration in advance: Should anything like that happen, it is sufficient proof to show that what had happened during the past 15 years were not done by the Alliance; instead, such deeds were done by some

other people with a view to creating trouble, shifting the blame onto the Alliance, and dealing a heavy blow to it. I would hereby like to ask the security authorities to pay close attention to this and take whatever precautionary measures necessary against such occurrences. I just mentioned that I have intended to arrange an appointment with Mr Dick LEE just because I had wanted to discuss this issue with him.

Some reporters told me that the persons who proposed that the Alliance must abandon its slogan of "ending one-party dictatorship" are members of a Hong Kong Federation of Trade Unions (FTU) delegation to Beijing. They are always willing to play such a messengerial role, and when they returned to Hong Kong, they started to make a great show by announcing this to the media. Are they in support of one-party dictatorship?

The history of the last century illustrated the general collapse of one-party dictatorships. The USSR, the originator of one-party dictatorship, had disintegrated, and as a consequence, one-party dictatorship came to an end in all its allied countries. As we take a look at the world, we can see that there are only a handful of countries still practising one-party dictatorship. The year 1976 saw the demise of the Gang of Four, and then some historical truth were brought to the open. Only by then did many people come to realize why certain incidents should run in a certain course of development. Soon after that, that was, in the Chinese New Year of 1977, the Hong Kong Professional Teachers' Union and the Hong Kong Federation of Education Workers held a tea gathering for discussion. At that time, I asked Mr Jasper TSANG what were his feelings in the face of such a drastic historical change. He was very sincere in telling me that he had already devoted all his emotion and hope there for the past decades, and there was no turning back for him. I felt that he was very sincere. I could clearly remember his words. Therefore, in my column in *Ming Pao Daily* called "The Three-Word Chamber", I wrote an article entitled "All kinds of disappointment in love affairs". In fact, personally I did not have much experience in this aspect. In writing that article, I was entirely inspired by him. In the article, I wrote that when some people's love affairs did not work out, realizing that their loved ones had betrayed them, hence no longer deserving of their love, why then would they still commit suicide? They did not kill themselves because of their lovers who had betrayed them. They did it just because of the emotion they had devoted in the love affairs. Their passion had already been extracted to the extent of exhaustion, and so they could not live on. Such people did deserve our sympathy.

When it comes to 4 June every year, as we hold this motion debate, I have found also that many people are very, very pitiable. Whenever this motion debate is being conducted, there would not be many people present in this Chamber listening to the speeches. But I would not feel any loneliness because I know that outside this Chamber, or even in different parts of the world, I have earned lots of resonance.

Today, for all those who oppose the motion, their names will be put down on the records of the Legislative Council. Even YANG Shangkun believes that the 4 June incident will definitely be vindicated. When the day of vindication comes, how could those who oppose the motion, with their names shown on the records, face their next generation?

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

(Members raise their hands)

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

(Members raise their hands)

Mr SZETO Wah rose to claim a division.

**PRESIDENT** (in Cantonese): Mr SZETO Wah has claimed a division. The division bell will ring for three minutes. And then Members will proceed to vote.

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

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



Functional Constituencies:

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK voted for the motion.

Mr CHAN Kwok-keung, Mr WONG Yung-kan, Mr Timothy FOK, Mr Henry WU and Mr IP Kwok-him voted against the motion.

Mr James TIEN, Dr Eric LI, Dr LUI Ming-wah, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU and Mr Tommy CHEUNG abstained.

Geographical Constituencies and Election Committee:

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

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, five were in favour of the motion, five against it and seven abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 25 were present, 16 were in favour of the motion and eight against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

**PRESIDENT** (in Cantonese): Second motion: Public housing rent policy.

## **PUBLIC HOUSING RENT POLICY**

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, I move the motion as set out on the Agenda.

In general, the rents of private residential properties are affected by factors like the district, sub-district and street where the flat in question is located. It also comes under the influence of factors like the block, floor and bearings of the flat, its size, quality, building age, estate facilities and so on. So the above factors can be used to assess whether or not the rent of a particular flat is reasonable or not.

However, rents for public rental housing (PRH) units are under the restrictions of section 16(1)(1A) of the Housing Ordinance and rents shall not exceed 10% of the median household income. As to the specific details for the determination of public housing rents, I think the Secretary for Housing, Planning and Lands will explain in detail later.

To put it simply, the rents for private residential properties are determined by supply and demand, so rents for popular locations will naturally be higher. But it is a different matter with rents for public housing. First, tenants to public housing are under many restrictions such as income of family members, the years of residency in Hong Kong and they have to wait for their turn. However, the rents they pay are far lower than the market value and part of the rents may even be waived when taking into account the financial position of the tenants. So in general, the rents for public housing are to a very large extent determined according to the affordability of the tenants instead of the market forces.

A responsible government in any part of the world would provide an affordable home for its people who lack the financial means, notwithstanding other kinds of subsidies already provided. For example, in Hong Kong, ever since the establishment of the Housing Authority (HA) in 1973, the Government has not directly subsidized housing in Hong Kong. The HA then becomes the main arm for implementation of public housing policy on behalf of the Hong Kong Government. But that does not mean that the Government has stopped giving subsidies in housing, it is only the form of subsidization that differs. The Government provides land to the HA at zero premium for the production of Home Ownership Scheme (HOS) flats. Proceeds of the sale of these HOS flats will be used to build and operate public housing estates, as well as to run the Home Finance Scheme and so on. If we look at the annual report of the HA in

recent years, we will find out that the HA has been incurring losses all along for many years with respect to PRH units.

The aim of building public housing is to provide those financially less competent people with a home at affordable rents. There is an element of social welfare to it. It then follows that the operation deficits of the HA do not really matter so much.

However, when economy was on the downturn as in the past few years, the adverse impact on the overall Hong Kong economy has been great. For the HOS flats produced by the HA, even if there are concessions in land prices, they are not eagerly sought after. When such a situation is added to the sluggish property market, the prices of HOS flats then tend to overlap with those in the private market. The Government declared in November 2001 that an adjustment would be made to the housing policy in that it had decided to suspend the production and sale of HOS flats indefinitely. With regard to the Government's decision to withdraw from the property market, the community is generally supportive. But this has the effect of aggravating the financial crisis experienced by the HA. So the HA is considering selling its shopping malls, car parks and such like assets to maintain its day-to-day operation. However, after the sale of these assets which have been yielding profits to the HA, and if the Government would not provide any further financial support to the HA, then it will have to find ways to get out of the reds and achieve a long-term fiscal balance.

Speaking about incidents leading up to this motion debate, mention has to be made on the action filed by some PRH tenants in 2003 to the Court to demand that the HA should make a review of the rents to comply with the requirements laid down in section 16(1)(1A) of the Housing Ordinance. As the action is still in progress, I do not wish to discuss it in great details here. However, I would like to discuss the public housing rent policy from a broader perspective. As I have pointed out in the motion, a public housing rent policy should include the three main principles of being first, socially just, second, caring and third, sustainable.

On the two principles of being socially just and caring, they are in fact the two ends of a balance and between them, a balance have to be struck somewhere in the middle. In the past, the Government provided land free of charge to the HA so that it could build HOS flats for sale. Though the Government was not offering any direct assistance to the HA in money terms by doing so, the land did

have a price tag and the HA also made money from selling HOS flats. This enabled the HA to maintain its operations with respect to PRH and to implement the government policy on subsidized housing. From another perspective, let us try to compare the rental expenditure of tenants in private buildings and in PRH flats. The Census and Statistics Department (C&SD) makes a detailed survey on household consumption every five years. The last detailed survey was carried out in 1999-2000. Findings of that survey showed that the average spending on accommodation by PRH tenants was \$1,573, or 12.2% of the household expenses. But the average spending on accommodation by tenants of private buildings was \$11,470, or 38.5% of the household expenses.

According to the follow-up surveys and projections made by the C&SD, in the composite consumer price index of this March, the rent paid by tenants of private housing takes up 24.59% of the weighted expenditure of the household while the rent paid by tenants of PRH is only 2.07% of the weighted expenditure of the household. The figures do not include the 3.25% management fees, repair and maintenance fees and other miscellaneous items payable by tenants of private housing. But these fees are included in the rentals for PRH flats. It can be seen from the above comparison of the rental expenditure of tenants of private housing and PRH flats that the latter are indeed subsidized by public money.

I understand that after all, those who live in PRH flats are those who get lesser income and many of them are Comprehensive Social Security Assistance (CSSA) recipients. Information from the Housing Department (HD) shows that of the 640 000 families of PRH tenants, 120 000 are on CSSA. As there are slight discrepancies between the figures of the HD and the Social Welfare Department (SWD), roughly there are 21% of the PRH households which do not have to pay any rents because they are CSSA recipients. In addition, there are 14 700 households (about 2.3%) have half of their rents remitted on account of their low income. In other words, apart from the housing subsidy which all tenants of PRH receive, about one quarter of them have further subsidies because of their financial difficulties.

Last month, the HA made a comparison of the various proposals to remit rentals and two main proposals were chosen. The first is to reduce rents of the some 547 000 households affected by 38% across the board. According to estimates made by the HA, a loss of \$3.44 billion would be incurred in the first year. The second proposal is to waive the rentals payable by those on CSSA while reducing the other tenants by 10%. According to estimates made by the HA, it would incur a loss of \$2.52 billion. So either proposal would mean

greater operating deficits for the HA. Privately, some government officials even think that in a few years' time, the HA would get bankrupt.

Madam President, there are popular views that since the rents paid by CSSA recipients are from public money, the waiving of rents payable by CSSA recipients which take up 21% of the total PRH households would serve to reflect the income of PRH households more accurately and hence enable rents to be determined at more reasonable levels. Of course, there are also people who agree that rents should be reduced by 38% across the board. But I would like to point out that even as the rents paid by CSSA recipients are taken from public money, these two accounts are separate. So the waiving of rents payable by CSSA recipients would in actual fact add to the HA's deficits, unless the Government will transfer the reduction in CSSA expenditure from the SWD to the HA.

As we consider the issue of PRH rents from the principles of social justice and care, not only do we need to balance the interests of the PRH tenants and the taxpayers, we also need to take into account the 92 000 people or more on the Waiting List. When there are financial problems in the HA, will it be able to maintain the production of PRH flats at the rate of some 10 000 units a year? If less flats are produced, should the newly completed flats be allocated first to those on the Waiting List or those who live in old urban areas affected by redevelopment?

Public housing rents should comply with the statutory requirements, that is, they should not exceed 10% of the median household income of PRH tenants. However, section 4(1) of the Housing Ordinance also stipulates that the HA shall provide housing to those eligible and section 4(4) also stipulates that the HA should ensure that rents collected should be able to cover its recurrent expenditure so that a fiscal balance can be maintained. There are some contradictions between these provisions and some amendments should be made before a balance can be struck. It therefore follows that a policy on public housing can only be practicable in the long run if it can take into account the needs of all parties concerned. For if the HA only considers the short-term interests of the tenants and reduce their rents, it would only slow down the production of public housing, affect the maintenance and management quality or even make the HA go bankrupt, in the long run it is only the interests of the tenants themselves that will be damaged.

As a representative of the architecture, surveying and urban planning sectors in this Council, I would like to point out in particular that in the short

piling incident in public housing uncovered around 1997, one of the conclusions reached by the select committee of this Council is that unusual and erratic flat production volume was one of the reasons barring works staff of the HD from effectively discharging their duties. If we do nothing about the rent adjustment mechanism, the HA may reduce its production because of its financial problems or it may reduce its staff at the professional ranks. But when the Government is under the pressure of an extended queue of applicants on the Waiting List, it may decide to boost production all of a sudden and the same pitfall may repeat.

Lastly, I would like to talk about some loopholes with respect to the determination of public housing rents as well as the vetting of well-off tenants and the related appeal system. First, there is no clear definition of public housing rents. Under the rental policy of the HA, public housing rents also include the rates and the management fees. It is a collective total and the public would find it hard to decide whether a certain rent level is reasonable or not. If the rent is broken down into different items such as the rates, management fees, maintenance expenses, depreciation, net rental and so on, certainly we cannot ask the tenants to bear all the abovementioned expenses in full. But a reasonable level can be determined or that some unreasonable parts may be taken away from the formula, for example, since the rates are collected on behalf of the Rating and Valuation Department or the Treasury, so the rates should not be seen as rental revenue of the HA. As management fees are part of the expenses, they should be deducted from the rents. And depreciation and net rentals should be transferred to reserves for operating or building new estates or for redevelopment purposes. Then all those unnecessary disputes can be reduced. A transparent formula on the calculation of public housing rents will enable PRH tenants to feel that rents are reasonable and taxpayers also to feel that they are not subsidizing the PRH tenants indefinitely.

In addition, the HA has not adhered to any strict rules when making reviews on public housing rents in the past. The main factors it considered were the date of completion of the estate, the rents of other estates in the neighbourhood, changes in the prevailing consumer price index (A) and so on. The last review on public housing rents was made in April 1997 and the number of tenant households affected was about 22 000. Then with the amendment of section 16(1)(1A) of the Housing Ordinance on the eve of the reunification, there has been a review of the rents once or twice based on the new law, but the results have not been put into full implementation. Then came the economic downturn and the tenants asked for a review of the rents so that a reduction could be

effected. Some tenants even filed a case with the court against the Government, but the Government does not act in a decisive manner and is merely dragging the matter.

In fact, there are still many loopholes in the determination of public housing rents. The HA divides the whole of Hong Kong into three areas: the urban areas, the new towns and the extended urban areas, as well as the New Territories. Apart from the different dates of completion which attribute to the differences in rents between estates, rents of estates within the same region are similar. And in the same housing estate, the same rent per sq ft is applicable to flats of different floors, bearings and view. This is vastly different from the situation in the private market and is not fair. That is why when applicants are allocated to undesirable flats near the garbage collection area or the lift area, many of them would rather reject the offer, give up the chance than living in flats of poorer conditions, and they prefer to wait for the next allocation. Under such circumstances, the number of PRH flats left vacant will just increase. In view of this, the HA has made an investigation of the case and it is hoped that some principles used in the free market could be applied and that the rents of different estates in various regions will be made more reasonable. But in the end, nothing whatsoever has been done. I hope that the HA will follow this matter up and at least it can break down areas into districts and keep the rents of different estates at a reasonable proximity, hence increasing its overall revenue in rents.

At present, applicants to public housing are subject to limitations in income and assets, and tenants of public housing are required to declare their income every two years after living in the PRH flats for 10 years. Those who exceed the income or assets caps are required to pay 150%, 200% of the rents or rents at market value. These standards are generally suitable. However, public views have queried the crudeness of the asset verification system and criticized that such has resulted in the non-enforceability of these requirements. As a result, the scarce public resources are occupied by these "well-off tenants". There are presently 640 000 PRH tenants and when the number of CSSA recipient and those paying half rents are taken away, of the remaining some 500 000 tenants, about 13 400 or about 2.7% have an income or asset value exceeding the prescribed limits and they are paying 150%, 200% of the rents or rents at market value. It is known that the present vetting procedure undertaken by the HD is that when after the tenants have submitted information on their income or assets, the estate offices will make a preliminary assessment and the

tenants may be asked to provide additional information or to clarify some points in doubt. The suspected cases are then submitted to a task group to follow up. Last year, there were about 150 000 tenants from estates across the territory who declared their assets, but only 3 100 cases received follow-up action. The ratio is about 2%. The number of cases where in-depth investigations were taken was even smaller. In 2002-03, there were 180 cases among the suspected cases in which prosecution was successful instituted. From this it can be seen that the sampling rate does not serve to achieve any deterrent effect and some tenants are still making false declarations. Not only will such cases reduce the income of the HA in rents but that it will also cause those on the Waiting List to wait a longer time.

Madam President, irrespective of the outcome of the review on rents, it should still be stated in the form of legislative provisions. That would avoid any ambiguities and the recurrence of what has happened in the past few years when tenants of public housing accused the Government of not abiding by the law, while the Government was unable to enforce the law owing to the conflicts between different provisions.

Finally, with respect to the fiscal deficits faced by the Government, it is inevitable that the HA, the PRH tenants and the taxpayers are all involved and all of them have to share part of the deficits. As we look back at the development of public housing in Hong Kong, we know that as much as 30% of our population have been given an affordable and stable home through public housing and they can hence take part in contributing to our economic prosperity. It is social stability that has led to our economic take-off in the 1970s and the 1980s. The achievements of the Government in public housing must therefore be recognized. Also, the HA has been working hard to improve the environment of the public housing estates. Public housing estates completed in recent years have greater size flats and better facilities. The waiting time has also been reduced from the seven years at the peak times to about three years now. These achievements of the HA can obviously be seen and should be recognized.

Despite the deficit problem, the HA is still striving to do better. Recently, it has proposed the idea of renovating aged housing estates. On the surface this idea seems to have little to do with a rent policy, but as aged estates can be fully renovated, there will not be a need for their redevelopment. The lifespan of the estates may increase by 25 years or more. As there is no longer any need for



redevelopment, not only will building waste be reduced but that costs will also be greatly slashed. For the employees, they will have continuous employment and after the renovation, the environment of the estate and the living space there will improve, rents will be lower than those of estates after redevelopment. These will ease the burden of the HA and the tenants. Hence, this will be a multi-win situation and should therefore be supported.

I so submit.

**Mr LAU Ping-cheung moved the following motion: (Translation)**

"That this Council urges the Government to expeditiously conduct a comprehensive review on the public housing rent policy, with a view to formulating a rent policy that is socially just, caring and sustainable; the scope of the review should include the definition and levels of rent, the methodology and basis for rent calculation, the adjustment mechanism, the eligibility criteria for public rental housing, the relevant vetting, monitoring and appeal mechanisms, as well as the mechanism for dealing with individual households with financial difficulties and for providing assistance to them, etc, so that public rental housing can develop steadily and benefit the people who are genuinely in need."

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

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, Mr Frederick FUNG and Mr Albert HO will move amendments to this motion respectively. Their amendments have been printed on the Agenda. The motion and the three amendments will now be debated together on a joint debate.

I now call upon Mr LEUNG Yiu-chung to speak first, to be followed by Mr Frederick FUNG and Mr Albert HO; but no amendments are to be moved at this stage.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, while the litigation concerning public housing rent reduction is pending for the final

judgement of the Court, there are still diverse views on whether rents should be reduced and the extent of rent reduction. Despite such diversification, there is an obvious consensus, and that is, the public housing rent policy should be reviewed and the question only lies in the contents and direction of the review.

Recently, the Government also emphasized the need for consensus in the discussion of constitutional reform. As for the issue of public housing rents, I also hope that consensus can be reached to facilitate our discussion. Here I would suggest two bases for discussion in the hope that consensus can be reached in this regard. Just as I have pointed out in my amendment, the review on the public housing rent policy should take the premise of the principles of alleviating the burden on public housing tenants and enhancing their right of participation.

In the past, we had been emphasizing that the right to housing was a basic civil right and the Government should provide assistance to those who did not have a reasonable dwelling place due to lack of means. Among various forms of assistance, the provision of public housing was the most major one and the rent charged should be calculated according to the tenants' affordability so that it would not become a heavy burden affecting their livelihood. In 1997, we proposed amendments to the relevant legislation to the effect that public housing rents would be adjusted once every three years on the accumulated inflation rate on the ground that the prevailing rents were on rapid rise and tenants have found it extremely difficult to afford. The then proposal was made on such basis. Although the ultimate wording of the existing legislation may be a little different after various amendments, the objective is the same as my original intention of fixing rents on the principle of alleviating the burden on the tenants.

In fact, there are serious contradictions between the existing rent fixing criteria and the current statutory requirements, not to mention that such criteria have failed to reflect the changes in tenants' affordability. At present, the Housing Department (HD), when allocating flats, stipulates that the median rent-to-income ratio (MRIR) of prospective tenants should not exceed 15% or 18.5%, depending on the space allocation per person. But unfortunately, both criteria have exceeded the 10% statutory ceiling and the gap is quite big as far as the current situation is concerned. In other words, the higher the rate for people to be allocated public rental housing, the greater the gap between the MRIR and those criteria. And this situation will become more and more acute. So, in the light of this problem, there are views that that section 16(1)(1A) of the Housing Ordinance should be amended. We think this can be discussed.

However, let us first ask a question: Are these two rent fixing criteria, 15% and 18.5%, too high? Why must they be fixed as well? It will not serve the purpose if only the rate of rent adjustment is fixed but not the more basic criteria of 15% and 18%. If that is the case, the problem will still recur. So, I think if the rent has to be adjusted this time, these two criteria must also be taken into account.

In fact, time and again, the HD's data reveals that only it knows on what criteria rent is determined and we have been kept in the dark. It is because when calculations are made, we are unable to grasp the information whereas the HD is able to do so. However, I still wish to illustrate some points with an example. For instance, a doubleton family earning \$6,000 a month will pay \$1,000-odd as rent, leaving \$2,000-odd as disposable income for each of them. According to their income level, I believe they are not eligible for Rent Assistance (RA) even though they may wish to apply for it. In other words, they are neither eligible for RA nor Comprehensive Social Security Assistance (CSSA). But the problem is that they would have to lead a hard life for paying such a high rent. They might even be better-off if their living standard could be lowered and thus be eligible for CSSA. From the Government's point of view, the loss outweighs the gain because the couple would apply for RA or CSSA when the rent has become unaffordable for them. If they receive the abovementioned assistance just because of high rent, the Government will in fact be "taking money from the left pocket and putting it in the right". So, it is quite meaningless. However, from the tenants' point of view, high rental will inevitably lead to mental stress which is not desirable either.

Besides, the existing rent policy lacks flexibility and has failed to reflect changes in tenants' affordability. For instance, people's income has obviously been on the downward trend in the past few years. According to the official statistics, the median income of all households in Hong Kong has dropped by 13% and the income of the 30% households in the lowest income bracket which reflects the income of public housing tenants has even dropped by 15% to 17% over the past two years. Besides, some data also show that the income of low-income earners has dropped by 30% to 40% since 1997 or 1998. Unfortunately, none of these situations has been reflected by the level of public housing rents. In fact, for the low-income households, rental expenses on public housing and travel expenses, which are their two major expenditure items, have not been adjusted downward over the past few years. In other words, their livelihood has certainly been seriously affected due to the pressure caused by these expenses.

Undoubtedly government officials may opine that public housing tenants with difficulties can apply for RA. But we have to point out that the eligibility criteria for RA are extremely stringent. Even the most lenient requirement stipulates that only families with a total income between 15% to 60% of the Waiting List income limits and the rents payable exceeding 15% of their household income can apply. To illustrate the case, if this requirement applies to the situation I have just mentioned, a doubleton family earning a monthly income of \$6,000 with \$2,000-odd disposable income each after paying \$1,000-odd as rent will not be eligible to apply.

Furthermore, RA is regarded as a solution to problems of some individuals only. As for the issue of rent we discuss today, I think we should consider problems which may affect every tenant and a comprehensive adjustment in respect of the policy as a whole should be made and given due consideration.

As regards the determination of actual levels of rent, both the Government and non-governmental bodies have proposed various options in the past. For instance, rents should be determined by the location and bearings of the flat as suggested by the Government or should be determined according to tenants' affordability under a tier system as proposed by Mr Albert HO today. We think all these proposals can be discussed. But as I have just mentioned, it must be based on the principle of alleviating the burden of tenants. More importantly, there must be tenants' participation. Otherwise, it is all to no avail.

Basically, I reckon that the HA has engaged in black-box operation when determining rents in the past. After formulating the rent fixing options according to the data obtained, the HA, as a practice, would submit such options to the Subsidized Housing Committee for consultation before endorsed by the full HA. In fact, tenants' participation in the whole process is tantamount to nil. Given that members of the HA were all officially appointed, an important query in the past was that it was doubtful to what extent could they reflect tenants' views.

In our opinion, to truly implement a rent policy that is socially just and caring, the Government should absolutely refrain from formulating a rigid rent fixing mechanism on the basis of cold and lifeless figures behind closed door. Instead, it should encourage more tenants' participation and accord more flexibility in the system, meanwhile, their actual needs should also be taken into consideration. Only by implementing such a policy could the people-oriented

objective be achieved. So, we recommend that the Government should open its mechanism for consultation and decision-making, allowing, for instance, the estate management committees, which take care of the day-to-day matters of an estate, to have more opportunities to express their views on rents. Only by doing so can the actual needs of tenants be reflected.

Madam President, some Honourable colleagues may ask why the word "sustainable" in the original motion has been deleted in my amendment. Regarding the interpretation of the word "sustainable", the Government tends to take it as financially sustainable, meaning a financial balance. Such a view, in our opinion, will be in great contradiction with the principle of alleviating the burden on tenants we proposed because the Government has been emphasizing that the HA should get out of the reds and achieve a financial balance, and the only way to maintain financial sustainability is to increase rents, as the usual logic of government officials runs. Admittedly, some government officials have also proposed other alternatives such as cutting services. But we consider both options undesirable. As regards the HA's financial problem, we have been emphasizing that the crux of the problem is the cessation in building Home Ownership Scheme flats rather than the problem of expenditure outgrowing rental revenue. So, I think now we should not deal with the problem with an evasive attitude.

Certainly, the word "sustainable" in the original motion may refer to other aspects such as the sustainability of tenants' livelihood. If so, this has already been included in the principles of social justice and caring and the word "sustainable" will thus become unnecessary. I delete the word "sustainable" because I think it is unnecessary.

I hope Members can support my amendment so that on the whole, public housing rent policy can take into account the tenants' affordability and their right for participation.

Madam President, I so submit.

**MR FREDERICK FUNG** (in Cantonese): Madam President, the amendment I proposed consists of two main parts. The first part urges the Government to exercise flexibility in the formulation of public housing rent policy in order to ensure that the levels of rent are affordable to public housing tenants. The

second part is about the deletion of a series of the so-called scope of review contained in Mr LAU Ping-cheung's original motion.

Hong Kong has a long history of public housing system for over 50 years. It began in 1953 when a big fire broke out in Shek Kep Mei Village. The then Government erected two-storey, later seven-storey, resettlement buildings *in situ* to accommodate the homeless victims of the disaster. A low-cost housing programme has gradually begun, developing public housing estates at various new towns with a full line of community facilities, providing low-price shelters for millions of people. The programme indirectly brought forth a stabilizer effect to the community and is worthy of existence. However, it was reported in recent years that the Housing Authority (HA), plagued by its serious financial deficit, intended to gradually shake itself off the role as a public housing provider. It wished to resort to market forces and only provide dwelling opportunities for people in need in order to alleviate the Government's commitment to public housing. Reviewing the methodology for fixing public housing rent is one the measures.

In this regard, the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I believe that the Government must observe two main principles as well as their values when reviewing the methodology for fixing future public housing rent in order to really achieve the Administration's aim of providing public housing units, and that is, helping the lower middle classes to resolve their imminent dwelling problem.

First of all, the existing Housing Ordinance has stipulated that the overall median rent-to-income ratio (MRIR) of public rental housing (PRH) tenants shall not exceed 10%, but the Government has never enforced the relevant provision, causing the rental expenses of an average PRH tenant to increase and reach the latest ratio of 14.1% — far exceeding the statutory requirement. As the litigation concerning the rental issue is still pending conclusion, the ADPL and I believe that any such discussion or suggestion is inappropriate at the present stage. But a broad view into the future means that the Administration must introduce in its public housing rent policy a package of objective and representative indices and data calculated on the basis of the social and economic situation so that the levels of public housing rent can be adjusted and fixed accordingly. This is also the meaning of the word "flexible" as I have stated in my amendment.

Secondly, the ADPL and I are of the opinion that the Government, when formulating its public housing rent policy, must also consider the original intent and nature behind the setting up of the public housing system. In the course of public housing development, as I have just mentioned, the exact aim of the policy is to provide housing for people at the grass-roots level at reasonable, low and affordable rental level. In other words, the existence of PRH is to improve the living environment and living standard of the lower middle classes. The ADPL and I opine that if the Government is still holding to this belief today, then the Government has no alternative but to maintain its rental level within an affordable range of PRH tenants in carrying out its policy. I think this is only logical and natural.

Some people may ask: since the HA at present is under heavy financial deficit as a result of not being able to make both ends meet, will the financial pressure of the HA be worsened if we insist on setting limits to the methodology of fixing public housing rent? The ADPL and I opine that the HA can reduce its financial deficit by selling Home Ownership Scheme (HOS) flats. Hong Kong has seen traces of rebound in its economy and is gradually on its way to recovery. Therefore, we expect a certain demand for home ownership from the better-off sandwich class. The ADPL and I believe that it is time for the Administration to review the current decision on cessation of sale and construction of HOS flats so that the HA can create revenues from selling HOS flats to increase its annual income. However, the Government must carefully consider the grades of the HOS flats to be built, such as high, middle or low grades as well as the number of flats for sale on the market. On the other hand, if the Government decides to continue to cease the sale and construction of HOS flats, making it impossible for the HA to create revenue through this channel, the Administration will then have to inject capital into the HA for meeting expenditure incurred in producing PRH units. All in all, the ADPL and I think that the Government and the HA absolutely cannot shift the financial burden of the HA as a result of cessation of sale and construction of HOS flats to the current PRH tenants, trying to make up the deficit by means of the rent policy. Otherwise, obviously, the lower middle classes or people at the grass-roots level will be deprived of their housing right and housing benefits.

Besides, the ADPL and I have in our amendment deleted a host of the so-called scope of review from the original motion. It does not mean that we do not agree to these scopes of review. Instead, we feel that if we are to set up some scopes of review at the very beginning of discussion, we will doom to have omissions somewhere here and there, just like what Mr LEUNG Yiu-chung and

Mr Albert HO have said. As a matter of fact, many Members feel that there are areas which still need further review while there are some where review is unnecessary. Hence, I feel that if discussion can be carried out in the form of debate, then there is no need to list each scope of review item by item. This is a set of values which is most important and which must be pointed out.

Regarding the two amendments proposed respectively by Mr LEUNG Yiu-chung and Mr Albert HO, I have some views which I wish to share with the Honourable Members here. The ADPL and I are going to support Mr LEUNG Yiu-chung's amendment. Although I do not agree to the idea of listing them out in this way, the contradiction does not involve a matter of principle. It is because I also feel that, in the course of fixing any rent level, the review exercise should aim at avoiding any increase in burden for the tenants. Looking at a different perspective, allowing their participation in the review is also a very good arrangement. Especially today when we talk about transparency of administration, allowing representatives of PRH tenants to take part in the consultative machinery or the decision-making mechanism can also enhance the communication between the tenants and the HA, enabling a smooth implementation of government policy.

As for the amendment proposed by Mr Albert HO, the ADPL and I shall be abstaining. Although we do not oppose to the need of the Government and the HA to devise a set of long-term rent adjustment mechanism, the absence of any specific policy as at present aptly allows people from all walks of life to air their different opinions. The so-called mechanism written by Mr Albert HO, such as "to introduce a tier system whereby the levels of rent payable by tenants are determined according to their actual income and affordability", can in fact be very wide-ranging in which there are many probabilities. What does Mr Albert HO actually want to say? What is the meaning of "a mechanism that allows for upward and downward adjustments of rents"? In today's debate, it is impossible for us to have a thorough understanding about this amendment basing on just a few words. The second issue is legislation. Is legislation necessary for the enforcement of these mechanisms? Or shall we only legislate on some of the most important values, like our previous proposition that the overall MRIR, after any adjustment, shall not exceed 10%? However, it does not suggest that legislation must be passed to regulate all tenants, be they well-off tenants, tenants with difficulties or on Comprehensive Social Security Assistance, under the overall rent policy. Is this a good way? I think this should be subject to further discussion and study. First of all, those two mechanisms are worthy of



study. The second point is whether it is the best way to pass legislation on everything? I think it is too early to say so and it deserves further discussion. Hence, I cannot vote for this amendment at the present stage.

All in all, the ADPL and I do not have objection for the Government and the HA to review the PRH rent fixing policy. But we have to adhere to the principles and values generally recognized by the public when formulating relevant specific measures. The most important thing is, since the current economy may go up and down, I hope the Government can bear in mind that the purpose of PRH is to provide a dwelling place for the lower middle classes when they are faced with a lot of financial problems. As a matter of fact, it is not only an economic issue. It is also a social welfare issue and a political issue. Thanks to the public housing policy, Hong Kong has avoided for the past few decades many major economic impacts. It provides an ultimate residence for the people of Hong Kong, enabling Hong Kong society to enjoy decades of stability.

Thank you, Madam President.

**MR ALBERT HO** (in Cantonese): Madam President, I would like to amend the motion moved by Mr LAU Ping-cheung on the "public housing rent policy". Furthermore, I would like to request the authorities concerned to consider amending the existing legislation to introduce a tier system whereby the levels of rent payable by tenants are determined according to their actual income and affordability, and to include in the new legislation a mechanism that allows for upward and downward adjustments of rents. I will elaborate on this brand new rent option here.

To start with, I have to refer back to the concept discussed and a number of options proposed when the Housing Ordinance was presented to this Council for deliberation and amendment in 1997.

In 1997, Hong Kong was under enormous inflation pressure, with inflation surging higher than income growth and household income falling behind prices. At the same time, rents have kept rising. In 1996, the then Secretary for Housing hinted substantial rent increases by saying that it was possible for rents to be raised by as much as 15% or 18%, given that the median rent-to-income ratio was still at a low level. For this reason, Members proposed to amend the

Housing Ordinance to limit the median rent-to-income ratio of public housing tenants to 10% in order to curb the pressure for rent increase. The relevant amendment was eventually passed by this Council.

Actually, Mr LEE Wing-tat of the Democratic Party proposed then that rent increases should not be higher than inflation because inflation was calculated mainly on the basis of the Consumer Price Index (A), whereas the latter reflected the spending mode of the grassroots. Should the Consumer Price Index (A) be adopted as a factor for considering rent increases and the median rent-to-income ratio of public housing tenants be limited to 10%, the Government can ensure the maintenance of a standard of living similar to what public housing tenants enjoyed previously before each rent increase.

Amendments to the Housing Ordinance were proposed mainly because the upper limit of the median rent-to-income ratio at that time had exceeded the affordability of public housing tenants. The amendments were made in the hope of maximizing protection for the people to enable them to lead a stable life.

However, after the passage of the amendments, Hong Kong experienced deflation year after year. The adverse consequences resulting from the vicious cycle of high rents triggered by high inflation, as feared by Members then, did not occur. Actually, in retrospect, we find the requirement of limiting the median rent-to-income ratio of public housing tenants to 10% might not be adequate, and there is still room for improvement.

It is needless to mention that the Ordinance has led to a number of lawsuits. An in-depth study might be required in future before we can ascertain whether this lawsuit can fully remove the controversy stirred up as a result of interpreting the Ordinance. In conclusion, relying solely on the requirement of limiting the median ratio to 10% is inadequate. Neither can the levels of rent be accurately determined according to the actual income and affordability of the tenants. In our opinion, it is most important that the rent levels of public housing are brought closer to, and even pegged with, the actual affordability of public housing tenants. Rent levels should all the more reflect the affordability of each category of tenants. We suggest conducting an in-depth study in this direction before formulating a reasonable mechanism to be regulated by law.

I agree with Mr Frederick FUNG and Mr LEUNG Yiu-chung that the "sustainable" concept might possibly originate from section 4(4) of the Housing

Ordinance which reads: "The policy of the Authority shall be directed to ensuring that the revenue accruing to it from its estates shall be sufficient to meet its recurrent expenditure on its estates". In other words, it might be essential for the Housing Authority, according to this provision of the Housing Ordinance, to be self-financing by channeling the revenue accruing to it from its estates, such as rents, to meet its recurrent expenditure on its estates. We can now see that the Housing Authority has already had some so-called deficit problems, or even a structural deficit. These deficit problems are mainly attributable to the Government's cessation of the sale of Home Ownership Scheme flats. Yet, we must not forget that public housing, a key social security measure, has provided the grassroots with a safety net in terms of housing. For years, many grass-roots people have thus been able to enjoy a relatively stable living environment in which the next generation has been able to receive education and consequently move up the social ladder. For the past two decades, public housing has created for Hong Kong a number of middle-class professionals and even talented people of a higher class. As such, the Government is obliged to preserve public housing as a social security safety net that is befitting natural justice. This is a responsibility the Government can never shirk. It is for this reason that we consider it necessary to delete the word "sustainable" as a guiding principle. This also entails the incorporation of the Government's legal liability into the Housing Ordinance should we need to face the possibility of amending the Ordinance in future.

In fact, the Democratic Party's proposal for the authorities concerned to consider the introduction of a tier system mainly seeks to determine the levels of rent payable by tenants according to their actual income and affordability. In brief, less better-off public housing tenants pay lower rent, whereas higher-income tenants pay higher rent.

Of course, this is merely a brief description. As for the number of tiers and the manner in which the tier system will be implemented, we have to give more detailed consideration. We propose this option in the hope that the authorities concerned can bring the levels of rent in line with the affordability of tenants. According to the information provided by the Housing Department, 50 000 households are earning a housing income of less than \$5,000. Yet, the median rent-to-income ratio of these households reaches as much as 24.4%. Compared to households leading a more stable living, they can be described as poor households. As such, we find it necessary to make this so-called tier system more befitting to natural justice. We do not worry that this so-called tier system could fail to be implemented or there might be so-called difficulties with

implementation. Actually, the current Housing Subsidy Policy already represents, in a certain sense, a tier system. According to the plan devised by us, as long as the Government is able to adopt effective measures to allow residents to make declaration on their own before random checks are conducted (extensive publicity and education will definitely be required), the Ordinance can generally be implemented.

Whether the introduction of this so-called "adjustable" mechanism for rents is fair and just is entirely dependent on whether the standard and mechanism for determining rent are reasonable. Just as Mr Frederick FUNG has remarked, the Housing Department can refer to a number of factors, including inflation, deflation, the Consumer Price Index, median household income or other indexes considered to be relevant, for the purpose of setting standards.

Madam President, the Democratic Party reiterates that the Government is obliged to resolve the basic problems encountered by the people in their daily life, and housing is their most basic protection. We hope the Government can truly follow its caring policy.

With these remarks, I support all the amendments.

**MR IP KWOK-HIM** (in Cantonese): Madam President, a huge fire that broke out at Shek Kip Mei in 1953 has given birth to the public rental housing today. The public housing policy over the last 50 years has incorporated a caring concept and has directly affected the quality of living of nearly one third of the population of Hong Kong. Hence, one slight move may affect the overall situation. A housing policy originally intended to stabilize society has nevertheless developed into a state whereby the tenants are taking the Government to court. This is a bit saddening. How can the public housing policy benefit tenants who are genuinely in need? While it may not be able to reach a state where "it is more blessed to give than to receive", at least it should not be criticized by the tenants. To get over the current deadlock, the Democratic Alliance for Betterment of Hong Kong (DAB) considers that the Government should expeditiously review the public housing rent policy to prevent the emergence of even greater conflicts.

The theme of today's motion is the public housing rent policy, but it actually has to do with an overall review of the policy on subsidized housing.

The original intent of providing public rental housing is to take care of people who are genuinely in need, hoping that under the protection of public housing, tenants can amass wealth and eventually move out of public housing and then improve their living environment. But there are two pivotal points to the question here: Firstly, who are the people in need of assistance? Secondly, how can assistance be provided? And to what extent should it be provided?

In fact, every year when the Housing Authority (HA) adjusts the eligibility criteria of the Waiting List for rental housing, many controversies are set to arise in this Chamber of the Legislative Council. From a sentimental viewpoint, we certainly hope that more tenants and citizens can be benefited. But to be rational, a line must be drawn in any case. It is understandable for tenants who are thrown out of public housing as a result of adjustment to the eligibility criteria to feel disappointed and helpless. For people who are waiting for a public rental unit, we share their feelings and understand that they very much need to be taken care of. The DAB hopes that the Government can closely follow the rent trend in the private sector, using the latest and reasonable statistics to calculate the income limit of public housing. For applicants in marginal cases who cannot access public housing, the Government must closely pay attention to whether these people can find a place for shelter in at reasonable rental.

Regarding how to determine the extent to which public housing tenants should be assisted, it boils down to the question of how the public housing rent should be determined. At present, public housing rent is regulated by the Housing Ordinance. But as a result of changes in the economic conditions of Hong Kong over the past six years, there is a need for the HA to comprehensively review the current methodology for rent calculation. In the light of the court case on the public housing rent, the HA has recently proposed a transitional arrangement, whereby the rent payable by Comprehensive Social Security Assistance recipients will be waived and the rest of the tenants will be given a 10% reduction in their rent. The DAB is of the view that this proposal may not address the difficulties of some tenants. We urge the Administration to expeditiously conduct a review in the following areas.

First, I wish to point out that the existing Rent Assistance Scheme has two inadequacies. Under the Scheme, public housing tenants with financial difficulties can have their rent reduced by half. However, recipients of rent assistance are required to move out of their existing public housing units to units

attracting lower rentals if they have received the rent assistance for three years and will need to receive it continuously.

Let us imagine. Even though the tenants are moved from a larger unit to a smaller one, the difference in the monthly rental is only several hundred dollars, but the tenants who are already in financial difficulties will incur more expenses in order to move to another unit. In fact, over the past decade or so, there have only been two cases — two cases — of relocation of tenants under such circumstances. Since there are not many such cases, why does the HA cling to the unwelcomed role of a heartless landlord?

The other inadequacy is that public housing tenants who have just been allocated a unit are not eligible for rent assistance. I think the original purpose is to make tenants consider their own affordability and choose units that they can afford. But one never knows what will happen tomorrow. We reckon that the HA should decide on whether to grant rent assistance to households which have just been allocated a public housing unit in the light of the actual situation of the tenants, such as whether they become unemployed suddenly. I think this will be more practical. We hope the HA can consider this in the review of the public housing rent.

Madam President, the theme of today's debate is the public housing rent policy. But without stable financial revenue, the Government will not have the means to provide public housing. After the cessation of the sale of public rental units as well as the construction of Home Ownership Scheme flats, the HA has in fact lost a major source of revenue. Moreover, while more than \$20 billion cash can be generated from the sale of car parks and shopping arcades, the HA will nonetheless lose a stable income of over \$10 billion annually. The DAB has all along been worried about how the HA, the coffers of which are depleting, can continue to have the means to meet the recurrent expenditure of over 600 000 public rental flats and how it can abide by the rent-setting principle with reference to the tenants' affordability. We urge the Government and the HA to expeditiously discuss the financial arrangements, in order to continue to take care of the people in need.

Madam President, while the three amendments proposed to the motion are well-intentioned, they still have inadequacies. The amendments of Mr LEUNG yiu-chung and Mr Albert HO have deleted the word "sustainable" in relation to

the rent policy. The DAB is concerned that this would only cause the HA to desist from the general principle of keeping expenditure within the limits of revenues.

Moreover, Mr Albert HO proposes to add ".....the levels of rent payable by tenants are determined according to their actual income and affordability". The DAB believes that this amendment will also bring about certain impact and so we will not support it. Thank you, Madam President.

**MR FRED LI** (in Cantonese): Madam President, with regard to this motion debate on the public housing rent policy, I would like to raise two points for discussion. One is the Rent Assistance Scheme of the Housing Authority (HA) and the other is the problem of tenants defaulting on rent payments.

First of all, I hope Members will understand that actually the economic conditions in recent years have not yet reflected a V-shaped rebound. To public housing tenants, this is particularly so. As pointed out in the Quarterly Report on General Household Survey published by the Government in the first quarter of the year, the number of low-income households with a monthly income below \$4,000 increased from about 170 000 in 1999 to about 210 000 in the third quarter of 2003, representing an increase of 25%.

A family with a monthly income of several thousand dollars only will actually have very little left for living expenses after the rent is deducted. Although public housing tenants with financial difficulties can apply for 50% rent reduction under the Rent Assistance Scheme, there have not been many cases of successful application. As of mid-2003, only about 12 000 households were granted 50% rent reduction.

In fact, the tenants have refrained from submitting their applications not because of their reluctance to go through the cumbersome procedure. The reason is that even though their income is meagre, they still may not be eligible for the rent assistance. Take a four-member family consisting of a couple with two dependent children as an example. With a monthly income of \$10,000 and if the rent payable is \$2,600 or a little more, they will become ineligible for rent assistance and will not be granted 50% rent reduction.

Moreover, even though their rent is waived by 50%, they are required to move to a unit attracting lower rentals in the same district after enjoying the

waiver for three years. Under the existing policy on rent assistance, new public housing tenants are not eligible for rent assistance. Such being the case, not many tenants can truly benefit from the Rent Assistance Scheme.

Secondly, I wish to discuss the problem of tenants defaulting on rent payments due to the Housing Department (HD). The HD has all along hoped that the rent default rate can be reduced to below 3%. Regrettably, according to information from the HD early this year, there are about 27 000 cases of non-payment of rent by public housing tenants, showing that the rent default rate is far higher than 3%. More seriously, the rent default rate even exceeded 5% in June last year and the amount in arrears for that single month was as much as \$45.1 million, a record high over a period of two years. Even by September in the same year, the rent default rate only dropped slightly to 4.9% and was hovering around 5%, which was still far higher than the target of 3% set by the HD.

The HD has attributed the increase in default cases to the economic downturn which led to a drop in household income. Such being the case, tenants have no choice but to default on rent payments because they must pay other fees, such as electricity tariffs, water charges and so on, which cannot be defaulted. The present situation of non-payment of rent has clearly pointed to the inadequacies of the existing rent policy. In fact, for many public housing tenants who have not, and I stress have not, received the Comprehensive Social Security Assistance (CSSA) payment, their income can barely feed their family because their rent has already taken up a substantial part of their household expenses. Once these impoverished families face unemployment or medical bills, their financial burden will become many times heavier and when they do not have other choices, they can only default on rent payments and hence face the plight of being forced to be evicted by the HD. So, what is the reason for the HA to refrain from considering a fairer and more equitable rent policy under which the levels of rent payable by tenants are determined according to their actual income and affordability?

The Democratic Party suggests that the more impoverished tenants should be allowed to have their rent reduced by a greater percentage. This principle has our support. In fact, among public housing tenants, many are impoverished households (such as a four-member family with a monthly income below \$10,000) which insist on working and refuse to receive the CSSA. To these families, a reduction of 20% or even 30% in their rent will not only alleviate the



burden of living now pressing on them. It can even encourage them to continue to work and hence reduce the chance of they receiving the CSSA. Such a measure can be described as a stone for three birds for the Government, society and the households will all benefit from this.

Finally, the Democratic Party urges the Government to comprehensively review the public housing rent policy, with a view to truly formulating a rent policy that is socially just and caring. I so submit.

**MR NG LEUNG-SING** (in Cantonese): Madam President, the appeal case concerning the public housing rent of the Housing Authority (HA) is being processed by court. Now that the public housing rent policy is discussed in the Legislative Council in the form of a motion with no legislative effect, I, being a Member of the Legislative Council, would respect the Agenda of the meeting, but I still hope that this motion debate will not cast any pressure and effect on the Judiciary.

It is learned that there is a deficit of \$1.1 billion in the Consolidated Operating Account as shown in the revised estimate of the HA for 2003-04. The budgetary constraints of the HA are, of course, due to various reasons. But undeniably, the most important reason is that the HA has consistently registered a deficit in respect of rental housing in recent years, and the figure was as high as \$2.44 billion in 2001-02 alone. Recently, in view of the litigation on the public housing rent, the HA has planned to introduce a proposal on rent reduction, but it is only a proposal that may have a possibility to be introduced. Under this proposal, the recipients of Comprehensive Social Security Assistance will have their rent waived, whereas the other tenants will be granted a 10% rent reduction across the board. This scheme, if implemented, is estimated to bring about a reduction of \$7.76 billion in the rental revenue of the HA for the next three years. This will more adversely affect the overall financial conditions of the HA and may eventually require even greater commitments from public resources.

Undoubtedly, public rental housing, being a kind of welfare benefits, must be subsidized by public resources. The current situation is that apart from subsidies in terms of land and construction costs, it is also necessary to provide subsidies for daily management and operation as well as repair and maintenance. The rental revenue, which is the only source of income, cannot meet all the expenses. But under the Housing Ordinance, it is the statutory duties of the HA to, among other things, ensure that the revenue from housing estates is sufficient

to meet the recurrent expenditure of housing estates. Is it already too difficult for the HA to perform this duty now? This is indeed a question that we must face and be concerned with. In fact, the mechanism for setting and adjusting public housing rent must be formulated on an objective and practical basis according to the actual affordability of households, in order to achieve prudent and reasonable utilization of public coffers. If the mechanism deviates from tenants' actual affordability, I am afraid that it would be difficult to sustain the implementation of the public housing policy in the long run.

Under the existing rent adjustment mechanism, given that it is a statutory requirement for the rent to be capped at 10% of the median rent-to-income ratio (MRIR), it is impossible for the HA to take into account changes in other practical circumstances, including the price of goods, wages, management and repair, the financial conditions of the HA, and so on. But it is still even more impossible to rely solely on the MRIR to accurately and effectively reflect the overall actual affordability of public housing tenants. Moreover, the 10% threshold is very much arguable too. According to the standard announced by the United Nations, the rent payable by the 40% of population with comparatively low income should not exceed 30% of their income. But as at the end of 2003, the MRIR of public housing tenants in Hong Kong was 14% only. Furthermore, the group of tenants whose rent is paid by the Social Welfare Department by way of rent assistance is also taken into account in the calculation, and tenants whose rent exceeds 25% of their income can apply for a 50% rent reduction. Compared with the international standard, the burden of rent on public housing tenants in Hong Kong is actually much lighter, generally speaking.

Therefore, the public will feel that the 10% requirement should not be taken as law. The problem is that there are people attempting to use simple legislative means to impose limitations on the handling of a complex issue. Consequently, flexibility is compromised in the utilization and adjustment of public resources and the actual affordability of the affected tenants cannot be truly reflected. In this connection, I agree that the Government should expeditiously conduct a comprehensive review of the existing public housing rent policy, with a view to formulating a reasonable mechanism for implementation as a policy. It is because according to experience, legislation is absolutely not an appropriate way to handle this kind of problem properly and fairly.

Generally speaking, Madam President, the future public housing policy must more practically premise on the actual financial position of the tenants, in

order to achieve prudent and reasonable utilization of public resources. To this end, it is necessary to improve the mechanism for setting and adjusting public housing rent. It is also necessary to more explicitly set out the policy objectives in respect of the construction and lease of public housing. On the selection of sites for public housing and the standards of construction, efforts must be made to provide functional and cost-effective public housing units on the principle of meeting the basic housing needs. The lease of public housing units should specify the term of tenancy, so that tenants whose financial position can afford private housing will move out upon expiry of the lease. This will enable public housing resources to be recycled and hence achieve the most reasonable placement of the housing units, and those on the Waiting List who are genuinely in need will then be provided with timely and effective assistance.

Madam President, I so submit.

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

**MR ALBERT CHAN** (in Cantonese): Madam President, the housing policy is one of the four pillars proposed by Murray MACLEHOSE in the '70s which were considered essential to consolidating and maintaining society. The four pillars proposed back then were housing, social welfare, education and medical and health care services.

The housing policy at that time aimed to increase the production of public housing and to introduce the Home Ownership Scheme. These four pillars and in particular, housing, which has provided safe and stable accommodation for the grassroots over the past 30 years, have provided society with stabilizing effect which is conducive to stability and prosperity. Reducing the public's housing expenses and improving the quality of living of the grassroots were also the major objectives of public rental housing then. This can be said as a benevolent policy of the Government, for it helped the public to get rid of poverty. On the economic front, as the grassroots could rent public housing units at lower rentals, they could spare money to buy other goods and, in the course of time, property. In the past, many public housing tenants have become owners of residential property.

For many years in the past, the rate of rent movement had been limited, having regard for the affordability of the grassroots. So, many public housing

tenants did not have to worry about drastic increase in their rent in the future. That is why consumer sentiments, particularly those among public housing tenants, were rather strong. In the '70s and '80s, in particular, the shopping arcades and restaurants in public housing estates were generally patronized by more customers than those in private buildings nearby. The extensive construction of public housing blocks had also created many job opportunities as well as many business opportunities.

The '90s saw rapid economic development and the prevalence of inflation. Public housing rent also went up continuously alongside with inflation, thus imposing heavier pressure on the grassroots. Before the reunification, the Legislative Council enacted legislation on public housing rent to cap rent at 10% of the median rent-to-income ratio. But let us take a look at the situation after the reunification. Given the intrusion of money politics, the Government has wrecked these four pillars, particularly the housing policy which is most important.

Over the years, we have seen the Government changing many policies on public housing that have been implemented for decades by, for instance, introducing the well-off tenant policy. By implementing the new well-off tenant policy, the Government has forced the well-off tenants to pay double rent. In the meantime, the Tenants Purchase Scheme has also been shelved, forcing the well-off tenants to enter the private property market. However, the public housing rent has not been adjusted according to the downward adjustment in the economy and so, comparatively speaking, the rent has been increased. On the economic front, public housing tenants suffer a heavier burden of rent, consequently, consumer sentiments among them have continued to decline, leading to a recession and shrinkage in the economy.

Madam President, in handling the public housing policy, we cannot neglect the role and functions of the public housing policy in society as a whole. For this reason, any adjustment in the public housing policy by the Government must have regard for the effect on society. The Government must not change constructive policies which are beneficial to the Hong Kong community and the people without any consultation only because of influences exerted by certain consortiums and moguls on the higher echelons of Hong Kong through certain channels. So, again, I urge the Secretary to handle this issue with care. Public housing has, over the past decades (which covered many eras of political instability), bred stability in the Hong Kong community. The four pillars built

up in the era of MACLEHOSE certainly have their roles to play. If they are overturned in one go, while the Government may have achieved its political aims and those people advocating money politics, moguls and consortiums will be able to continuously expand their wealth, this would nevertheless bring about social instability and in particular, public resentment will be ever on the increase in society.

If any one of the four pillars is gone, the entire building would become an endangered building. It is absolutely not my wish to see that Hong Kong would turn into an endangered building. If this dangerous building collapsed one day, all members of the public will be seriously affected.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I will call upon Mr LAU Ping-cheung to speak on the three amendments. He will have up to five minutes to speak.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, I would like to respond briefly to the amendments of Mr Albert HO, Mr Frederick FUNG and Mr LEUNG Yiu-chung.

I move this motion debate on the public housing rent policy out of my concern for the Government's repositioning of its housing policy and its decision to pull out of the private market and cease the construction as well as sales of Home Ownership Scheme (HOS) flats. The result of this decision is that the Housing Authority (HA) will be threatened with a fiscal deficit and bankruptcy. To maintain the operation of the HA, a holistic consideration to the source of income of the HA is essential. Apart from government funding, public housing rent is also an important source of income for the HA.

I agree in principle with Mr Frederick FUNG's proposal that the rent policy should be "flexible and affordable to public housing tenants". As I

pointed out in the motion I proposed, the Government is obliged to provide less well-off people with suitable accommodation at a reasonable rent. Public housing rents therefore contain an element of welfare benefit. It is also appropriate for public housing rents to be set at levels affordable to tenants. As regards the determination of the levels of rent, I think we can refer to the housing expenditure ratio between tenants of public housing and private housing in order to come up with a ratio acceptable to all parties.

As for Mr Albert HO's amendment, it entails the following: First, the income of public housing tenants should be tiered in a more detailed manner, with those earning more paying higher rent, and those earning less lower rent; second, rents can be adjusted upward or downward; third, to regulate these two proposals by law. Mr LEUNG Yiu-chung's amendment consists of two key points: first, to alleviate the burden on public housing tenants; second, to enhance consultation with public housing tenants and their participation in decision-making in relation to rent adjustments. While I do not have much objection to these two amendments, it seems to me that the two Members have failed to address the crisis confronting the HA as well as more than 600 000 public housing tenants by proposing to delete the term "sustainable" from the original motion. Some Members wonder whether "sustainable" implies that rent would be sustainably increased. I would like to tell Members that this is not what I intended. The term "sustainable" actually implies that rents can be adjusted to a reasonable level in the light of Hong Kong's overall economic environment and the affordability of public housing tenants so that the public housing system can be sustained to provide low-cost housing for people with difficulties and in need in such a way that they could live without haunting worries. The speeches delivered by a number of Members and the one delivered by me right at the beginning are similar in the sense we all feel that public housing is instrumental in stabilizing the community and this is beneficial to Hong Kong. Therefore, in the long run, even if we have to provide low-cost public housing even to the extent that we are operating at a loss, there are still justifications for us to do so.

Supposing the Government's current practice of allocating approximately 6% of public expenditure to public housing annually shall continue, and the full amount will be directed to the HA from the coffers, it will still be impossible for the HA to resolve its deficit problem aggravated by rent reductions in the long run. Should expenditure and revenue remain imbalanced, the HA will be unable to rid itself of the threat of bankruptcy, unless we approve of raising tax or further increasing funding for public housing tenants. Notwithstanding this,

we still have to reach consensus on providing funding for public housing. Otherwise, generosity to public welfare recipients will become unfairness to taxpayers.

Another point I would like to raise is that most Members, including Mr LEUNG Yiu-chung, Mr Frederick FUNG and Mr Albert HO, cited the drastic reduction in revenue as a result of the cessation of sales of HOS flats as one of the factors leading to the fiscal deficit. However, we must not forget that the Government's current policy is to pull out of the housing market. As such, the cessation of sales and construction of HOS flats has become an established policy. If we are to go back over the same path, will we be accused of making frequent changes in policies? Will the private market be distorted and intervened? Under this premise, we must identify the point of equilibrium by reviewing the current definition of rent. As pointed by me earlier, some of the payments, such as the rent payable by Comprehensive Social Security Assistance households, rates and maintenance charges, are collected or paid on behalf of other departments. They are not any income for the HA at all. Furthermore, public housing rents are determined in a broad-brush and one-off manner rather than on the basis of every single tenant, individual floors, landscape or quality. Mr Albert HO asked earlier whether it was possible to categorize public housing tenants according to their income, so that those earning more might be required to pay higher rent, while those earning less pay lower rent. Public housing tenants can be further categorized according to the factors mentioned by us just now, namely housing estate facilities, the affordability of tenants, different zones, and so on. It is hoped that you will give your support to this. Thank you, Madam President.

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I wish to thank Mr LAU Ping-cheung for moving this motion concerning the review of public housing rent policy today and for the invaluable comments given by all those Members who spoke. Overall, I believe the objective of Members and that of the Government and the Housing Authority (HA) are broadly the same, which is to review and formulate expeditiously a set of rent policies that is more flexible, rational, provides a closer link to tenants' affordability, and supports the long-term sustainability of the public housing programme.

Hong Kong has a long history of public housing development for some 50 years. The Government and the HA have been making huge investment in the

provision of subsidized rental housing to low-income families who cannot afford private housing. Public housing has gone beyond the provision of dwellings to families in need. As suggested by several Members, it has become an important pillar of social development and stability. At present, about 30% of the Hong Kong population live in public rental housing (PRH) provided by the HA. Amongst them, more than 60% (that is, 400 000 households) pay less than \$1,500 per month as rents. The HA provides a wide selection of flat types to meet the needs and affordability of different families, with rents ranging from \$252 to \$3,810 per month. The rents of PRH units are "all-inclusive", which means they are inclusive of rates, management fees and maintenance expenses.

Mr LAU Ping-cheung's original motion suggests that the Administration should formulate a set of rent policies that is caring and sustainable; the amendments proposed by Mr LEUNG Yiu-chung, Mr Frederick FUNG and Mr Albert HO also refer to the need to set rents based on tenants' affordability. The Government and the HA subscribe fully to these broad principles. As a matter of fact, tenants' affordability has all along been an important consideration that the HA takes into account when fixing and adjusting PRH rents.

The amendments put forth by Mr LEUNG Yiu-chung and Mr Albert HO have specifically deleted the word "sustainable" from the original motion. I wish to point out that section 4(4) of the Housing Ordinance clearly stipulates that the HA's policies shall be directed to ensuring the revenue accruing to it from its estates shall be sufficient to meet its recurrent expenditure on its estates. When considering rent adjustments, the HA therefore used to take into account a host of relevant factors including tenants' affordability, inflation/deflation, salary trend, management and maintenance expenditure and the HA's overall financial position. This was to ensure that PRH rents were maintained at reasonable levels and help promote the long-term sustainability of the public housing programme. However, following the amendments to the Housing Ordinance adopted by the then Legislative Council in 1997, which stipulate that the overall median rent-to-income ratio (MRIR) of PRH tenants shall not exceed 10% after any rent adjustments by the HA, the MRIR has become the sole determining factor in deciding the extent to which PRH rents need to be adjusted.

I concur that the present rent policy review should not aim chiefly at raising the HA's revenue, nor should it be seen as a means to resolve the HA's financial problems. As I have just mentioned, a more rational and flexible rent



policy would be instrumental to enhancing the long-term sustainability of the public housing programme.

Naturally, as pointed out by Mr NG Leung-sing just now, the Government and the HA are very concerned about the financial position of the Authority, particularly over the need to ensure adequate cash flow to maintain the necessary services and operations. To meet this challenge, the HA has already rolled out a number of measures to raise revenue and cut costs. It has also embarked upon a major restructuring in respect of estate management and other aspects of its work with a view to delivering its objectives more effectively under a streamlined staffing structure.

Both the Government and the HA fully understand the implications of the statutory MRIR cap under the Housing Ordinance, which has not only severely constrained the HA's power to adjust rents, but also distorted the rationality and sustainability of the overall domestic rent policy. The HA therefore decided in early 2001 to establish an Ad Hoc Committee to undertake a root and branch review of its domestic rent policy. The objective is to formulate a rent fixing and adjustment mechanism that is more rational, flexible, and helps promote the sustainable development of the public housing programme.

Between April 2001 and October 2002, the Ad Hoc Committee held nine meetings to discuss and review various issues concerning domestic rent policy. In the course of the review, however, certain PRH tenants obtained leave from the High Court to apply for judicial review in respect of the HA's decisions to defer reviewing the rents of individual estates. Since the judicial review cases centre around the proper interpretation of the provisions under the Housing Ordinance that place limitations on HA's power to adjust rents, and touch on certain important principles that underlie the HA's rent policy, the ruling would have a profound impact on the rent policy review. For this reason, the Ad Hoc Committee decided in October 2002 to suspend the review.

Following the handing down of the judgement on the judicial review cases by the Court of First Instance of the High Court in July 2003, the Ad Hoc Committee resumed its work in September 2003 and held six meetings since then. The Ad Hoc Committee has considered the implications of the Court's judgement for the overall rent policy and revisited various options for improvement. Specifically, it has considered an index-linked rent adjustment mechanism based on the movements of price levels or tenants' income; a system of differential rents whereby the rents of PRH units are fixed with reference to

the units' location, floor level, landscape and other features; options to improve the methodology for calculating MRIR; the feasibility of introducing fixed term tenancy; whether rents should be inclusive of rates and management fee; indicators for measuring tenant's affordability; and rent review cycles.

The review of domestic rent policy has been underway for some time and the Ad Hoc Committee has discussed individual topics in detail. However, there are quite a number of issues touching on the proper interpretation of the Housing Ordinance and the statutory duties of the HA, which are also the focal points of contention in the judicial review. In addition, the HA has lodged an appeal against the judgement of the High Court because of the immense public interest at stake. The Ad Hoc Committee must therefore await conclusion of the appeal proceedings and have the important legal points fully clarified before commencing formal public consultation on its initial findings.

Mr LEUNG Yiu-chung and the Mr Frederick FUNG mentioned in their speeches that the HA should listen more to the views of PRH tenants and provide more opportunities and channels for them to participate in managing public housing affairs. I concur with this view. I believe that the principle of listening more to views and drawing on collective wisdom is worthy of reference. Members of the HA are drawn from different walks of life, hence can effectively reflect the views of different sectors of the society to a great extent. There are established channels, such as the "pre-meetings" of the Subsidized Housing Committee, through which Members can obtain feedbacks from tenants directly and proactively. When contemplating changes to major policies, such as the current review of domestic rent policy, the HA will, as an established practice, consult the public widely before making any decisions.

In his amendments to the original motion, the Mr Albert HO proposes a tier system for rent fixing whereby rents will be determined based on tenants' income and affordability. We fully appreciate the rationale behind the proposal, which is to link rents to tenants' income so that those with higher income will be required to pay higher rents and *vice versa*. However, the proposal seems to have overlooked that implementing the proposal would incur huge administrative costs, involve complicated technical issues and have serious implications for the overall public housing allocation policy.

First of all, the implementation of the proposed system would call for regular individual assessment of the income of more than 600 000 PRH

households. This formidable task would require enormous manpower resources and considerable time to complete, not to mention the hefty administrative costs involved. The practicability and cost-effectiveness of such a complicated rent fixing and adjustment mechanism are highly doubtful. Furthermore, if rents were fixed entirely with reference to tenants' income without taking into account such important factors as flat size, location and estate facilities, the level of rents charged by the HA would no longer reflect the true rental values of the concerned units. In the circumstances, it is conceivable that the rents of flats with high rental values may turn out to be lower than those with low rental values. In the long run, this would have serious ramifications for the rational allocation of public housing units to prospective tenants.

Mr LAU Ping-cheung's motion and a few other Members' speeches raise the question about what we can do to assist tenants with financial hardship and to enhance mechanism for rent assistance. Over the past few years, the Government and the HA have already implemented a series of measures to help tenants tide over this period of economic difficulties. These included granting rent increase waivers since 1998, waiving the rents of all PRH and Interim Housing units for the month of December 2001 and refunding the rates rebate offered by the Government on four occasions between 1998 and 2003.

In addition, the HA has put in place the Rent Assistance Scheme (RAS) to assist tenants who encounter temporary financial hardship and are unable to afford paying normal rents. Under the RAS, tenants will be offered a 50% rent reduction if their incomes are 50% below the Waiting List (WL) income limit or their rent-to-income ratio over 25%. The Ad Hoc Committee had looked into the operation of the RAS carefully and recommended a series of enhancement measures to the HA in 2002. These recommendations were made in advance of other rent policy review proposals and were endorsed by the HA. Under the enhanced RAS, the income limit of elderly households is relaxed from below 50% to below 60% of the WL income limit and the rent-to-income ratio threshold lowered from 25% to 20%. All tenants affected by redevelopment, including those rehoused to new flats, may apply for rent assistance immediately upon rehousing. Moreover, the grace period after which beneficiaries of rent assistance are required to move to cheaper flats is extended from two to three years.

Apart from the RAS, tenants facing long-term financial hardship may apply for the Comprehensive Social Security Assistance (CSSA). CSSA recipients are normally given rent allowance equivalent to the amount of the

rents payable. Some 120 000 PRH households are currently receiving CSSA, representing around 20% of the total number of PRH households. In addition, over 14 000 households are beneficiaries of the RAS. We believe that the CSSA and RAS together can provide an effective safety net to ensure that no families would find PRH rents beyond their affordability for want of financial means.

Mr LAU Ping-cheung has also suggested in his motion to review the eligibility of PRH applicants. Although the eligibility for applying for PRH does not fall within the terms of reference of the Ad Hoc Committee, it has been an established practice for the HA to review the WL income and asset limits for PRH annually. Suitable adjustments to the limits will be made in the light of the prevailing economic and social conditions to ensure that PRH is only made available to those in genuine need. Following a comprehensive review in 2002, the HA has adopted a series of measures to relax and improve the mechanism and formula for assessing the WL income and asset limits. As a result, the existing limits are in fact much higher than what would have been under the previous formula. We reckon that some 123 000 households (or 35.2%) living in non-owner occupied flats are now eligible for PRH, which is considerably higher than the average of some 114 000 households (or 33.4%) during the last decade.

In any case, the HA's Subsidized Housing Committee has accepted the proposal put forward by the Panel on Housing of the Legislative Council earlier this year to revisit the formula for assessing the WL income and asset limits before conducting the review of the limits next year.

The HA has been mindful of the need to have a comprehensive review of its domestic rent policy. Indeed, it has already initiated the review process. Today's debate has thrown up many useful ideas on how we should take forward the review and I thank Members for their contribution. I will certainly relay to the Ad Hoc Committee the views of the Legislative Council. The Ad Hoc Committee will carefully listen to and analyse the views of the public before submitting its proposed improvement measures to the HA. I am confident that different quarters in our community will have a rational discussion on this important issue and forge a consensus upon which a set of rent policies that is acceptable to both the tenants and the community at large and conducive to the sustainable development of the public housing programme could be formulated.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now call upon Mr LEUNG Yiu-chung to move his amendment.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, I move that Mr LAU Ping-cheung's motion be amended, as set out on the Agenda.

**Mr LEUNG Yiu-chung moved the following amendment: (Translation)**

"To add ", based on the principles of alleviating the burden on public housing tenants and enhancing their right of participation," after "with a view to formulating"; to delete "," after "that is socially just" and substitute with "and"; to delete "and sustainable" after "caring"; and to add "the mechanisms for consultation and decision-making," after "the review should include"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEUNG Yiu-chung to Mr LAU Ping-cheung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr LEUNG Yiu-chung rose to claim a division.

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong, Ms LI Fung-ying and Mr Michael MAK voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU and Dr LO Wing-lok voted against the amendment.

Dr LUI Ming-wah, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr WONG Yung-kan, Mr Henry WU, Mr IP Kwok-him and Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-Chi and Mr Frederick FUNG voted for the amendment.

Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr NG Leung-sing and Mr Ambrose LAU abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, five were in favour of the amendment, five against it and seven abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 21 were present, 14 were in favour of the amendment and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

**MS MIRIAM LAU** (in Cantonese): Madam President, I move that in the event of further divisions in respect of the motion on "Public housing rent policy" or its amendment, this Council do proceed to each of such divisions after the division bell has rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority 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.

I order that in the event of further divisions in respect of the remaining clauses or amendments of the motion on "Public housing rent policy" or its amendment, this Council do proceed to each of such divisions after the division bell has rung for one minute.

**PRESIDENT** (in Cantonese): Mr Frederick FUNG, you may move your amendment.

**MR FREDERICK FUNG** (in Cantonese): Madam President, I move that Mr LAU Ping-cheung's motion be amended, as set out on the Agenda.

**Mr Frederick FUNG moved the following amendment: (Translation)**

"To delete "and" after "caring" and substitute with ", "; and to delete "; the scope of the review should include the definition and levels of rent, the methodology and basis for rent calculation, the adjustment mechanism, the eligibility criteria for public rental housing, the relevant vetting, monitoring and appeal mechanisms, as well as the mechanism for dealing with individual households with financial difficulties and for providing assistance to them, and so on" after "sustainable" and substitute with ", flexible and affordable to public housing tenants"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr LAU Ping-cheung's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

Mr IP Kwok-him rose to claim a division.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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



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

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong, Ms LI Fung-ying, Mr Michael MAK and Mr LAU Ping-cheung voted for the amendment.

Dr LO Wing-lok voted against the amendment.

Dr Raymond HO, Dr LUI Ming-wah, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Henry WU and Mr IP Kwok-him abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-Chi and Mr Frederick FUNG voted for the amendment.

Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr NG Leung-sing and Mr Ambrose LAU abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, six were in favour of the amendment, one against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 21 were present, 14 were in favour of the amendment and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Mr Albert HO, you may move your amendment.

**MR ALBERT HO** (in Cantonese): Madam President, I move that Mr LAU Ping-cheung's motion be amended, as set out on the Agenda.

**Mr Albert HO moved the following amendment: (Translation)**

"To delete ", " after "that is socially just" and substitute with "and"; to delete "and sustainable" after "caring"; and to add "; the Government should also consider amending the existing legislation to introduce a tier system whereby the levels of rent payable by tenants are determined according to their actual income and affordability, and to include in the new legislation a mechanism that allows for upward and downward adjustments of rents" after "providing assistance to them, and so on"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Albert HO to Mr LAU Ping-cheung's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert HO rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Albert HO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong, Ms LI Fung-ying and Mr Michael MAK voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Mr Howard YOUNG, Ms Miriam LAU and Dr LO Wing-lok voted against the amendment.

Dr LUI Ming-wah, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr WONG Yung-kan, Mr Henry WU, Mr IP Kwok-him and Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah and Mr WONG Sing-Chi voted for the amendment.

Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr Frederick FUNG, Mr NG Leung-sing and Mr Ambrose LAU abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, five were in favour of the amendment, five against it and seven abstained; while among the Members returned by

geographical constituencies through direct elections and by the Election Committee, 21 were present, 13 were in favour of the amendment and seven abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

**PRESIDENT** (In Cantonese): Mr LAU Ping-cheung, you may now reply and you have one minute 38 seconds.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, my motion actually embraces three major principles, namely the adherence to social justice, caring nature and sustainability.

What does adherence to social justice mean? Such an adherence applies to all mankind, not only public housing tenants. Taxpayers, people on waiting lists, public money, and so on, have to be taken into account as well. As for a caring nature, we do understand that we must not neglect some low-income earners in the community who need to be taken care of. When it comes to sustainable development, we have to examine whether, in the long run, there are sufficient resources to sustain the territory's public housing system to cycle to the needy, as remarked by Mr NG Leung-sing, opportunities for them to "move up" to public housing. Those having the means should stop enjoying our tight public resources and move out to vacate their flats for the benefit of people in need of public housing.

Therefore, under these three major principles, I very much hope Members can examine whether the development of our public housing system can sustain in Hong Kong, instead of merely focusing their attention on the votes. If we can..... (*The buzzer sounded*) Is there still time? I thought there was not enough time. In this respect, I very much hope Members can consider the various points raised by them just now including: first, the definition of rent; second, affordability, the adjustment mechanism, and whether it is necessary for a categorization or tiered system to be introduced in future. As regards how to finance public resource expenditure, Members certainly have to discuss and reach consensus to enable our public resources to be utilized more effectively on public housing so that everyone will agree that this is socially just and reasonable. May I have the support from you Members.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert HO rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Albert HO has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Ms LI Fung-ying, Mr Henry WU, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the motion.

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK abstained.

Geographical Constituencies and Election Committee:

Mr Andrew WONG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr NG Leung-sing and Mr Ambrose LAU voted for the motion.

Mr LEE Cheuk-yan and Mr LEUNG Yiu-chung voted against the motion.

Ms Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-Chi and Mr Frederick FUNG abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, 13 were in favour of the motion and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 21 were present, seven were in favour of the motion, two against it and 11 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negated.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 19 May 2004.

*Adjourned accordingly at twenty-nine minutes to Nine o'clock.*

**Appendix I****WRITTEN ANSWER****Written answer by the Secretary for Security to Mr Howard YOUNG's supplementary question to Question 3**

There are two sets of markings on the distance posts erected in country parks and along hiking trails, namely, the serial number of the respective post and the grid reference which is the same as those commonly used on maps. The police, Fire Services Department and Civil Aid Service all have information on these distance posts. In case of an emergency, hikers may inform the rescue centre of the number and grid reference of the nearest distance post to assist rescuers to reach the scene.

**Appendix II****WRITTEN ANSWER****Written answer by the Secretary for Security to Dr LUI Ming-wah's supplementary question to Question 3**

As regards whether all country parks and hiking trails are covered by mobile phone networks, and whether the Government could discuss with mobile phone operators to extend their network coverage in the country parks along hiking trails, given the extensiveness and varying geographical conditions of country parks and hiking trails, and the fact that reception of mobile phone signals is affected by many factors including weather and obstacles nearby, there are inevitably areas that are not covered by mobile phone networks.

Although the Government does not have a policy for ubiquitous mobile phone services coverage, we have been encouraging mobile phone operators to improve the coverage of their networks in country parks and along hiking trails. Key efforts by the Agriculture, Fisheries and Conservation Department and Office of the Telecommunications Authority (OFTA) include:

- (a) in order to reduce mobile phone operators' recurrent costs in maintaining mobile base stations in country parks, the tenancy fee for such base station sites is charged at a nominal level of \$1 per annum; and
- (b) the OFTA has taken the lead in co-ordinating the sharing of sites by different mobile phone operators to reduce costs and minimize environmental impact. At present, the mobile base station sites are invariably shared by participating mobile phone operators unless there is physical constraint.

As a result of our efforts, a total of six mobile base stations have been built and two new ones are being planned.



**WRITTEN ANSWER — *Continued***

From the perspective of ensuring public safety, we appreciate that there may be room for further improvement of mobile phone coverage in country parks and along hiking trails. The key is to find the most cost-effective and appropriate way to address this problem. To this end, the Government will continue to encourage mobile phone operators to improve their coverage in country parks and along hiking trails. At the same time, we will continue to explore other alternatives.

## Appendix III

## WRITTEN ANSWER

**Written answer by the Secretary for Security to Mr Bernard CHAN's supplementary question to Question 3**

The breakdown of the 624 mountain rescue calls received by the Fire Services Department from April 2003 to March 2004 by nature of incident is as follows:

<i>Nature of calls</i>	<i>Lost way</i>	<i>Stranded on hill</i>	<i>Ambulance case</i>	<i>False alarm/service not required</i>	<i>Others</i>
Number of calls	60 (21 cases require medical attention)	119 (75 cases require medical attention)	225	219	1*

\* The call was classified as a late call of a fire incident

## Appendices IV and V

## WRITTEN ANSWER

**Written answer by the Secretary for the Environment, Transport and Works to Mr Henry WU's supplementary question to Question 5**

As regards the penalties for illegal import and possession of live endangered animals and the cost of transferring confiscated animals to other places, during the first four months of this year, there were seven seizures of live endangered animals smuggled into Hong Kong and three convicted cases of illegal import of such animals. During the same period, there were also 15 convicted cases of illegal possession of live endangered animals. Details of the convicted cases and the penalties imposed are set out at Annex.

According to the record of the Agriculture, Fisheries and Conservation Department (AFCD), 456 confiscated live endangered turtles were transferred to the United States and 80 live endangered animals (including arctic foxes, monkeys, snakes, lizards and turtles) were transferred to the Mainland in the 2003-04 financial year at a total cost of about HK\$33,800. The AFCD does not keep a separate record on the cost of transferring confiscated live endangered animals to local institutions since this is covered by its recurrent expenditure.

Annex

Convicted Cases of Illegal Import and Possession of  
Live Endangered Animals (January to April 2004)

## Illegal import of live endangered animals

<i>Case</i>	<i>Animals Involved</i>	<i>Fine/Imprisonment</i>
1	307 true tortoises	\$29,000 and two months' imprisonment (suspended for two years)
2	one Hwamei	\$500
3	two Hwameis	\$600

**WRITTEN ANSWER — Continued**

## Illegal possession of live endangered animals

<i>Case</i>	<i>Animals Involved</i>	<i>Fine/Imprisonment</i>
1	27 crocodiles	one month's imprisonment (suspended for two years)
2	one radiated tortoise	two months' imprisonment (Suspended for two years) taking place concurrently with that for case 1
3	one Asiatic bony tongue	\$2,000
4	16 pieces of stony coral	\$5,000
5	two pieces of stony coral	\$4,000
6	two pieces of stony coral	\$2,000
7	one Indian star tortoise and one yellow tortoise	\$13,000
8	seven pieces of stony coral	\$2,500
9	seven giant clams	\$2,500
10	two sea turtles	\$3,000
11	14 pieces of stony coral	\$5,000
12	nine pieces of stony coral	\$10,000
13	two sea turtles	\$8,000
14	11 parrots	\$4,000
15	12 parrots	\$12,000

**Appendix VI****WRITTEN ANSWER****Written answer by the Secretary for Security to Mr TAM Yiu-chung's supplementary question to Question 6**

As regards whether construction contractors had been barred from bidding for government projects because of their having hired illegal workers, according to record, one construction company has been barred from bidding for government projects from December 1998 to May 2000 because of previous convictions relating to illegal workers.

**Appendix VII****WRITTEN ANSWER****Written answer by the Secretary for Security to Mr LEUNG Yiu-chung's supplementary question to Question 6**

As regards whether the Government had analysed the distribution of illegal workers arrested at hideouts by occupation, according to a sampling survey conducted in October last year, the main types of jobs undertaken by illegal workers are as follows (in descending order):

1. Decorator and building maintenance worker
2. Labourers and workers at restaurants and eating places
3. Salesperson, hawker, scrap dealer and scavenger
4. Transportation labourer and cleaning worker

The figures are not further broken down according to the location of arrest of these illegal workers.