

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 15 October 2003

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

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

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

DR THE HONOURABLE ERIC LI KA-CHEUNG, 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 HUI CHEUNG-CHING, J.P.

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.

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

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 ABRAHAM SHEK LAI-HIM, 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

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

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.

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

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

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

DR THE HONOURABLE PATRICK HO CHI-PING, J.P.
SECRETARY FOR HOME AFFAIRS

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 STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

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>
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Air Navigation (Hong Kong) Order 1995 (Amendment of Schedule 16) Order 2003.....	214/2003
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Declaration of Geographical Constituencies (Legislative Council) Order 2003	215/2003
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Clubs (Safety of Premises) (Exclusion) (Amendment) Order 2003.....	216/2003
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Dangerous Goods (Consignment by Air) (Safety) Regulations (Amendment of Schedule) Order 2003.....	217/2003
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Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) (Amendment) Regulation 2001 (L.N. 100 of 2002) (Commencement) Notice 2003.....	218/2003
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Gambling (Amendment) Regulation 2002 (L.N. 92 of 2002) (Commencement) Notice 2003	219/2003
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Other Papers

No. 4	—	Report by the Trustee of the Prisoners' Education Trust Fund for the period from 1 April 2002 to 31 March 2003
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No. 5	—	Electrical and Mechanical Services Trading Fund Annual Report 2002/03
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No. 6	—	Urban Renewal Authority Annual Report 2002-2003
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- No. 7 — Electoral Affairs Commission
Report on the Recommended Delineation of Geographical
Constituencies for the 2004 Legislative Council Elections
- No. 8 — The Government Minute in response to the Report No. 40
of the Public Accounts Committee dated July 2003
- No. 9 — The Legislative Council Commission's Response to Public
Accounts Committee Report No. 40 on "Subvention for
Staff Emoluments of The Legislative Council
Commission"

ADDRESSES

PRESIDENT (in Cantonese): Addresses. The Chief Secretary for Administration will address the Council on the Government Minute in response to Report No. 40 of the Public Accounts Committee dated July 2003.

The Government Minute in response to the Report No. 40 of the Public Accounts Committee dated July 2003

CHIEF SECRETARY FOR ADMINISTRATION: Madam President, laid on the table today is the Government Minute responding to Report No. 40 of the Public Accounts Committee (PAC). The Minute sets out the measures the Government has taken or is taking on the conclusions and recommendations contained in Report No. 40.

The Report covers the issue of "Primary education — The administration of primary schools" in the Director of Audit's Report No. 39. It also covers "Subvention for staff emoluments of The Legislative Council Commission", one of the four subjects in the Director of Audit's Report No. 40 which the PAC has selected for further investigation. The PAC has taken longer than usual to examine the first issue. This reflects the thoroughness and care Members took in their deliberations. The Administration is exceedingly grateful for their time and efforts going into this exercise.

Dr the Honourable Eric LI, Chairman of the PAC, spoke on 9 July when tabling the PAC's Report. I would like to respond to some of his comments.

First on primary education. The Administration has been actively pursuing the initiative of school-based management since 2000. Under the initiative, school management bodies have the freedom to make decisions on the delivery of educational services and the flexibility to deploy resources. In return, they are held accountable for their performance in the delivery of quality education and for the manner in which they manage their schools. This initiative will reform our school sector for the better. We look forward to the passage by this Council of the Education (Amendment) Bill 2002 which gives legal backing to this important initiative.

We shall continue to set ground rules and define the scope of a school's responsibilities and authorities. For schools which are not exercising their powers responsibly, we will apply the stick.

On the subvention for staff emoluments of The Legislative Council Commission (LCC), we note the concern of the PAC on the level of the reserve of LCC. In response, LCC has decided that it does not agree to set a ceiling for the reserve or to make a one-off payment to the Administration. In accordance with our Exchange of Letters with LCC, the Administration has not set a ceiling for its reserve. Notwithstanding this, I want to emphasize that we do monitor the position of the Legislative Council's reserve. We take the information into account when we decide on LCC's bids for resources to fund new or improved services. Because of this, we have, on occasions, decided to meet only part of LCC's funding bids. We shall continue with this practice.

The existing funding arrangements have been in place since 1994. We welcome LCC's suggestion for a review. We shall work together with LCC and update the arrangements where necessary.

Madam President, I wish to echo Dr Eric LI's remark that the PAC plays an important role in safeguarding public interests by continuing to prod for the delivery of high quality public service in an efficient and cost-effective manner. The Administration looks forward to continually receiving its constructive comments and sound advice. As always, we shall respond positively and promptly.

PRESIDENT (in Cantonese): Ms Miriam LAU will address the Council on the Legislative Council Commission's Response to Public Accounts Committee Report No. 40 on "Subvention for Staff Emoluments of the Legislative Council Commission".

The Legislative Council Commission's Response to Public Accounts Committee Report No. 40 on "Subvention for Staff Emoluments of The Legislative Council Commission"

MS MIRIAM LAU: Madam President, I am grateful to you for giving me permission to address the Council on a paper by The Legislative Council Commission (LCC) which I present in my capacity as its Deputy Chairman. The paper sets out LCC's views and measures that will be taken on the Public Accounts Committee (PAC)'s conclusions and recommendations in the PAC's Report No. 40 in relation to Chapter 5 of the Director of Audit's Report No. 40 on "Subvention for Staff Emoluments of The Legislative Council Commission".

The gist of LCC's response is as follows:

- (1) First, LCC agrees to inform the Financial Services and the Treasury Bureau of any material deviations from the guidelines laid down in the Financial Services and the Treasury Bureau Circular Memoranda and explain such deviations publicly through press release and/or press briefing in future.
- (2) Second, LCC does not agree that a ceiling be set for its reserve for the reasons stated in the paper. LCC has also decided not to make a one-off payment to the Administration.
- (3) Last, but not the least, in view of the lapse of time since the establishment of LCC, LCC considers it opportune to review the existing funding arrangements for LCC. We shall approach the Financial Services and the Treasury Bureau for such a review.

Madam President, as you very well know, LCC, being financed by public funds, has always been conscious of the need for economy. I am sure, under your able leadership as Chairman of LCC, we will continue to be prudent in the management of its financial resources in future years.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Switching University Education System from Three-year to Four-year

1. **MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, it has been reported that some secondary educational institutions oppose the adoption of a schooling structure comprising a five-year secondary course, a one-year matriculation course and a four-year undergraduate programme (the "5+1+4 structure") to expedite the plan to change the academic structure of university education from three years to four years, as they consider that such a schooling structure will cause confusion. In this connection, will the Government inform this Council whether:*

- (a) *it accepts the above opposing view; if so, of the reason for that;*
- (b) *it has given up the "5+1+4 structure" and will adopt a schooling structure comprising a three-year junior secondary course, a three-year senior secondary course and a four-year undergraduate programme instead; if so, of the details and the implementation timetable; and whether the authorities will allocate additional resources for the implementation of such a schooling structure; if so, of the details and the implementation timetable; and*
- (c) *it will implement corresponding curriculum reforms in the light of the changes in the structure of secondary and university education; if so, of the details?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, in May 2003, the Education Commission (EC) submitted its recommendations to the Education and Manpower Bureau, detailing the feasibility of a three-year senior secondary academic structure, its implementation timetable and the related transitional arrangements. The EC confirmed the benefits and practicability of adopting a three-year structure for senior secondary education and a four-year undergraduate programme in Hong Kong. Considering that the "3+3+4" structure should be built on the

education and curriculum reforms, the EC recommended that the Government should continue to take forward and consolidate the education reform measures during the period of 2003-04 to 2006-07 and announce, by 2006-07 at the latest, when senior secondary one under the new academic structure would commence. These recommendations have been accepted by the Government. We acknowledge that the new three-year senior secondary academic structure will facilitate students' all-round development, broaden their learning experiences, enhance their generic skills and lay a solid foundation for lifelong learning. We further consider that for the new academic structure to be successfully implemented, a pragmatic and gradual approach should be adopted to ensure a proper interface in curriculum and assessment between secondary and university education. There is general support for the EC's recommendations. Nevertheless, some members of the education sector have called for the accelerated implementation of the three-year senior secondary academic structure and four-year undergraduate programme so that the academic structure of Hong Kong could interface with that of many countries as soon as possible.

- (a) The Administration is willing to explore any option advanced by the education sector to expedite the implementation of a four-year undergraduate programme, provided that it dovetails with the development of secondary education and would not detract from the education reform. Earlier on, some in the education sector have proposed a so-called "5+1+4" proposal which envisages a five-year secondary, one-year matriculation and four-year undergraduate programme as a transitional arrangement to the eventual implementation of a three-year senior secondary academic structure. The Education and Manpower Bureau discussed this with the secondary and university sectors with a view to gauging their views on the proposal.

The majority of the representatives from secondary schools have expressed great reservations about the "5+1+4" option. It is also difficult to reach consensus in the short term on issues involved in pursuing this option. These issues include the learning outcomes, qualification and articulation arrangements of the proposed sixth form, and the necessary adjustments at university level to ensure a proper interface with students' learning experiences of the proposed sixth form. In addition, the diversification of the senior secondary curriculum is now in a nascent stage; and secondary schools

generally prefer to accord high priority to the curriculum and assessment reform. Furthermore, by nature, the Hong Kong Certificate of Education Examination (HKCEE) may not be appropriate as the screening mechanism for university admission. Should the HKCEE results have a decisive influence on university admission, schools, parents and students will focus on drilling for the HKCEE. This would undermine the diversified and all-round development of students advocated in the education reform. Some secondary school representatives are also concerned that the curriculum of the proposed sixth form under the "5+1+4" option may not be able to cater for the needs of the less academically-inclined students.

The representatives of secondary schools and universities thus incline to devote efforts to accelerating the three-year senior secondary academic structure, instead of investing time and resources into the formulation and implementation of a transitional "5+1+4 structure".

- (b) As indicated at the outset, the Government accepts the EC's recommendations. We nevertheless also note the education sector's recent discussions on ways to accelerate the implementation of the "3+3+4 structure". We consider it necessary to consider carefully whether the supporting measures can be put in place in time. Such supporting measures include the development of a new curriculum; new public examinations and assessment mechanisms; teacher training; readiness of schools and teachers; class structure reorganization; provision of school places; and interface with the undergraduate and other post-secondary programmes, and so on. At present, in consultation with the Curriculum Development Council, the Hong Kong Examinations and Assessment Authority, representatives of secondary school councils and the University Grants Committee, we are examining the specific details on the timeframe and resource requirements of an accelerated implementation, with a view to making a decision as early as possible.
- (c) The Curriculum Development Institute will introduce relevant reform of the curriculum in the light of future changes in the

academic structure of secondary education. The reform will be geared to offering a diversified three-year senior secondary curriculum which aims to promote an all-round development of students and cater for their different aptitudes, abilities and needs. Thus, subjects of academic, practical, vocational and integrated nature will be included in the curriculum to meet the different personal and vocational needs of students as well as the social, economic and technological demands of Hong Kong's development. The curriculum will be designed to prepare students for different post-secondary articulation pathways, including admission into universities or vocational training institutions, or employment. We shall also develop diversified career-oriented curricula to equip students with the knowledge and skills required for employment.

Chinese, English, Mathematics and Liberal Studies will be the core subjects of the proposed senior secondary curriculum. Students may also take two elective subjects according to their own interests and abilities, with the rest of their time left for brief experience in learning other areas, participation in different co-curricular activities or enrichment learning. Students of higher abilities, may, after consulting their teachers, take an additional elective subject. Most of the subjects will comprise both core and extended parts. The extended part will consist of different modules so as to provide students with greater flexibility in selection; and this, we believe, will help enhance their interest in learning.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, after listening to the reply of the Secretary, I am still, to date, unable to figure out the position of the Education and Manpower Bureau of whether it is totally against the "5+1+4 structure" or is still considering it. If this option is still under consideration, why does part (c) of the main reply mention that the future development will be changed from offering a three-year senior secondary curriculum to special modular development of the curriculum? This has made me feel that we are in a state of confusion. Many primary and secondary teachers particularly find it difficult to adapt to the present changing stage of curricular development. Can the Secretary clearly inform us whether the Bureau has explicitly and definitely ruled out the "5+1+4 structure" and will earnestly promote the "3+3+4 structure" instead? If yes, how will it be implemented and what will be the*

timetable? Will the Secretary please not answer as briefly as before. Can the Secretary give us a detailed reply on how the situation is?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have already stated clearly our direction — we accept the recommendation of the EC, that is, Hong Kong should develop the "3+3+4 structure" in the future. However, this system will need certain time to be implemented, as it takes time to ensure a proper interface in various aspects like curricula, examinations, construction of schools, and so on. And as far as universities are concerned, they very much hope that the four-year structure can be implemented as soon as possible. They have mentioned that if the implementation of the four-year undergraduate programme can be expedited, it would be a very welcome move to them. One of the recommendations put forward by them is the "5+1+4 structure", meaning that Secondary 7 will be abolished and there will only be six years in the secondary schooling (that is, five plus one). In that case, they can immediately implement the four-year undergraduate programme. However, on this issue, we have to consider the views of secondary schools. Representatives of secondary schools have reservations about this proposal, and some of them even oppose this proposal. We will listen to the suggestions from various quarters. And what we are now talking about concerns the transitional arrangements. The "5+1+4" proposal was actually put forward by the universities.

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

MR LEUNG YIU-CHUNG (in Cantonese): *Yes. Madam President, I believe your smile also reflects that this supplementary question has not been answered. (Laughter)*

I have clearly asked the Secretary whether the major direction at the present moment is to rule out the idea of the "5+1+4 structure" or it is still maintained. This structure will have an impact on curricular development in the future. The present curricular development has started to map out how the curricula should be reformed in the future. If it is still unclear, how are we

going to manage? Should we follow the "5+1+4 structure" or the "3+3+4 structure"? We are at a loss indeed.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, let me reiterate that our direction is the "3+3+4 structure", not the "5+1+4 structure". However, in this transitional period, there are various suggestions. We will listen to various suggestions. And for the time being, a decision has yet to be made. In addition to the "5+1+4 structure", there are also other suggestions. One example is to extend the enhancement measures in school education, so that 10% of the students can be admitted to the four-year undergraduate programme. We have to listen to these views in a comprehensive way and examine which option is the best. Therefore, we cannot rule out the "5+1+4 structure" immediately now, nor can we say that the "5+1+4 structure" is accepted. We have to make consideration in a number of aspects.

MR JASPER TSANG (in Cantonese): *Madam President, in mentioning the timetable for implementing the "3+3+4 structure", the Secretary listed the necessary support measures in various aspects. Nevertheless, our worry is resources will become a major difficulty hindering the implementation of the "3+3+4 structure" because the main reply has also mentioned the issue of resources. According to the assessment of the Government, in changing the existing "5+2+3 structure" into the "3+3+4 structure", are we spending more resources or saving resources, or is there actually neutral impact on the resources? Will the consideration on resources become the greatest obstacle to the implementation of the "3+3+4 structure"?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, resources are a very important issue. According to the figures submitted to us by the EC, if the existing five plus two plus four, that is, "5+2+4 structure" is changed into the "3+3+4 structure", it will incur an additional \$3.8 billion in recurrent expenditure, and an additional \$11 billion in non-recurrent expenditure, amounting to a very huge increase in total expenditure. We see this problem and know that in the education sector, the

annual recurrent expenditure has to increase \$3.8 billion at the least. We have also made some calculation to determine if this increase is too great. Can that be reduced a little? We believe that there are other options in which the increase of \$3.8 billion will not be necessary, and maybe only an additional \$3.3 billion or \$3.2 billion will do. Nevertheless, any amount lower than this level might be difficult.

We also have to consider other options to see whether it is necessary for the Government to fish out all the money from its purse or for society to shoulder part of the amount, so that all sectors can have a share in such a sound system. We have calculated that if the tuition fees can be increased by 25%, from the existing 18% to 25%, while all the student subsidies can be transformed into student loans, then we are able to reach that amount. However, under the existing economic situation, an increase of tuition fees may not be acceptable to the community.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, there is particular reference in the main reply to the EC recommendation that the year of implementation for the three-year senior secondary academic structure would be announced in 2006-07 at the latest. Please note the wording, that the implementation would only be announced in 2006. This does not mean that the three-year senior secondary academic structure would be immediately implemented in 2006, to be followed by a four-year undergraduate programme. The reason for the EC to have such an idea then was only due to one very important reason, and that is, lack of funding. Basically, there is no funding to construct senior schools and no funding to arrange for the fourth year in the undergraduate programme. Does the Government agree that the reduction in education funding is the main reason for the delay in implementing the four-year undergraduate programme? May I also ask the Government, including the new Financial Secretary, if they will sincerely consider relaxing the education funding in this respect, so that the implementation of a four-year undergraduate programme would not become an impossible dream?*

PRESIDENT (in Cantonese): Which Secretary will answer this supplementary question?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the "3+3+4 structure" that we are discussing now is a matter of structural change, and thus increase in resources is necessary. It has nothing to do with the existing expenditure.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, part of my supplementary question asks if the Government agrees that in considering postponing the implementation of the four-year undergraduate programme, one very important reason was the lack of funding at that time. Basically, the Education and Manpower Bureau has no funding, nor does it know how to secure the funding that will determine when the four-year undergraduate programme could be implemented, and thus a vague timetable is created. May I ask the Government whether it would consider increasing the resources to universities so that the four-year undergraduate programme could be implemented earlier? This is absolutely related to the decision made then and will affect the answer today.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, this recommendation is made by the EC. I believe Mr CHEUNG Man-kwong should raise this question to the EC instead of to the Government. The Government has only accepted the recommendation of the EC and that is all.

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

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, the reform in academic structure is part of the education reform. May I ask the Secretary to clearly answer if the reform in academic structure is one of the three prime issues that have to be dealt with in the education reform, or it would be put in a position lesser priority?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, education reform is our main concern, while the "3+3+4

structure" is a framework in the education reform. Therefore, the education reform will still go ahead irrespective of whether or not the "3+3+4 structure" will be implemented.

PRESIDENT (in Cantonese): Second question.

Regulation of Bedspace Apartments and Hotels/Guesthouses

2. **MR FREDERICK FUNG** (in Cantonese): *Madam President, will the Government inform this Council of:*

- (a) *the numbers of inspections carried out and warnings issued under the Bedspace Apartments Ordinance and Hotel and Guesthouse Accommodation Ordinance respectively in each of the past three years, as well as the follow-up actions taken by the Administration after issuing the warnings;*
- (b) *the number of bedspace apartments and hotels/guesthouses which had their business licences revoked for violating the above ordinances in each of the past three years, broken down by the offences committed; and*
- (c) *the current number of rental en suite units with kitchens and toilets in Hong Kong as well as the districts in which they are mainly located, and whether the above ordinances are applicable to these units; if not, of the means by which the construction structure, fire safety facilities and environmental hygiene conditions of these units are monitored by the authorities at present?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President,

- (a) The Hotel and Guesthouse Accommodation Ordinance was enacted in 1991 to regulate the fire and structural safety and hygiene conditions of hotels and similar premises by way of a licensing scheme. In accordance with the Hotel and Guesthouse Accommodation Ordinance, a "hotel" or "guesthouse" means any

premises whose occupier, proprietor or tenant holds out that he will provide sleeping accommodation at a fee for any person presenting himself with a tenancy term of less than 28 consecutive days.

Hotels, guesthouses, motels, holiday flats and holiday camps fall within the ambit of the Hotel and Guesthouse Accommodation Ordinance.

The Bedspace Apartments Ordinance was enacted in 1994 to regulate the fire and structural safety and hygiene conditions of bedspace apartments by way of a licensing scheme. In accordance with the Bedspace Apartments Ordinance, a "bedspace apartment" means any flat in which there are 12 or more bedspaces used or intended to be used as sleeping accommodation under rental agreements. Under the Ordinance, for the purpose of determining whether a flat is a bedspace apartment, the existence of partitions in the flat shall be disregarded. The Bedspace Apartments Ordinance, therefore, applies to any flat in which there are 12 or more floor spaces, beds, bunks or sleeping facilities of any other type, intended to be used as sleeping accommodation for one person, no matter whether the flat has been converted into cubicles or cubicles with kitchen and toilet facilities.

Under the current prosecution policy, the Office of the Licensing Authority of the Home Affairs Department (the Office) will issue warning letters to operators of suspected unlicensed premises. If the operators disregard the warning letters and continue with the business, staff of the Office will go to the premises to solicit evidence for the Department of Justice to consider if immediate prosecution should be instituted.

Staff of the Licensing Authority will conduct a site inspection of the licensed premises about four times a year. If they find out that there is a breach of the licensing requirements during the site inspection, the Office will issue warning letters to the operators. The Office will consider revoking the licence of those operators who disregard the warnings. That said, the great majority of the licensed operators will reinstate observance of the licensing requirements immediately on receipt of the warning letters, and there is no need to institute legal proceedings against them.

In the past three years, the Office has carried out a number of inspections and has issued several warnings in accordance with the Hotel and Guesthouse Accommodation Ordinance and Bedspace Apartments Ordinance, the figures are as follows:

<i>Year</i>	<i>Bedspace Apartments Ordinance</i>			<i>Hotel and Guesthouse Accommodation Ordinance</i>		
	<i>No. of licensed Bedspace Apartments</i>	<i>Inspections</i>	<i>Warnings</i>	<i>No. of licensed Hotels and Guesthouses</i>	<i>Inspections</i>	<i>Warnings</i>
2000	50	957	12	972	4 209	11
2001	49	635	13	940	4 789	38
2002	45	485	11	939	4 641	50

The Office has enhanced co-operation with the police in various districts, especially those which have relatively more problems with unlicensed hotels and guesthouses and bedspace apartments. This has enabled the Office to collect more information on the unlicensed operations and to organize joint operations with the police to combat the unlicensed operations. Last month, the Office conducted several large-scale joint operations with the police in Tsuen Wan, Yau Tsim Mong, Eastern and Sham Shui Po Districts. As a result, the Office has inspected a total of 128 premises and issued 18 warning letters. The Office is consulting the Department of Justice as to whether prosecution action should be taken in seven cases.

- (b) In the past three years, the numbers of prosecutions carried out by the Office and the offences convicted under section 5 of the Hotel and Guesthouse Accommodation Ordinance and section 5 of the Bedspace Apartments Ordinance regarding unlicensed operations are as follows:

<i>Year</i>	<i>Bedspace Apartments Ordinance</i>		<i>Hotel and Guesthouse Accommodation Ordinance</i>	
	<i>Prosecutions</i>	<i>Convictions</i>	<i>Prosecutions</i>	<i>Convictions</i>
2000	3	3	14	10
2001	2	0	7	6
2002*	0	2	8	8

* The number of convictions of unlicensed bedspace apartment is more than the number of prosecutions in 2002 because the two prosecutions were both instituted in 2001.

No hotels/guesthouses or bedspace apartments have had their licences revoked in the past three years because staff of the Office conduct regular site inspections of such premises to prevent any violation of the licensing requirements.

- (c) Some old-type buildings with larger floor space may be partitioned to become small rental cubicles with kitchens and toilets for rent or sale. Such works may violate the Buildings Ordinance, which provides that before the commencement of any works (including the partition of cubicles) which may affect the structure or fire safety facilities of a building, prior approval from the Building Authority must be obtained. Works that do not affect the building structure or violate the building regulations will be exempted. The Buildings Department will conduct investigations and take appropriate action upon receipt of related complaints.

The Buildings Department does not keep any statistical data on the number of cubicles with kitchens and toilets and the districts in which they are located. Most hotel rooms and some guesthouses have their own toilets. Only a small number of hotel and guesthouse rooms have their own kitchens. According to information available in the Office, there are now 118 hotels and about 700 guesthouses in Hong Kong. These hotels and guesthouses are mainly located in Yau Tsim Mong, Wan Chai and Central and Western Districts. If these cubicles are rented on a tenancy term of 28 consecutive days or more, their building structure, fire safety and hygiene conditions will, like other self-occupied or rental premises, be governed by the Buildings Ordinance. If the tenancy term of these premises is less than 28 consecutive days, then they will be regulated by the Hotel and Guesthouse Accommodation Ordinance. Staff of the Office will refer to the Buildings Department those cases that do not fall under the Hotel and Guesthouse Accommodation Ordinance but which they suspect are in breach of the Buildings Ordinance.

MR FREDERICK FUNG (in Cantonese): *Madam President, the many inspections mentioned by the Secretary just now were conducted against licensed bedspace apartments and guesthouses. However, as far as we know, as stated in part (c) of the Secretary's main reply, a number of these premises have not*

applied for formal licences. At the District Council (DC) meeting, we have been informed by the Home Affairs Department (HAD) that the number of staff handling this task was just a few half a year ago, and was only increased to about a dozen at present. In fact, a considerable number of premises are partitioned into rental cubicles without authorization and the knowledge of the Government, and are being occupied by two-way exit permit holders.

PRESIDENT (in Cantonese): Mr FUNG, what is your supplementary question?

MR FREDERICK FUNG (in Cantonese): *In respect of these premises not formally registered as guesthouses or bedspace apartments, does the Government have any specific acts or policies to ensure that these premises with partitioned cubicles are not in breach of the Buildings Ordinance or the Fire Services Ordinance.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, in carrying out inspections and prosecutions against unlicensed guesthouses and bedspace apartments, we will liaise with all departments concerned to co-ordinate as far as possible the functions and resources of various departments, so as to achieve the best complementary effect. As noted from the recent media reports and DC discussion, the public is very concerned about the rise in the number of unlicensed guesthouses and bedspace apartments. To tackle the problem, the HAD has prepared a number of measures which include the following:

Firstly, the work of various units under the Office has been reorganized on 23 July this year with additional manpower being deployed to carry out inspections and prosecutions against unlicensed operation of guesthouses and bedspace apartments.

Secondly, the Office has enhanced co-operation with the police in various districts, especially those where the problem of unlicensed guesthouses and bedspace apartments is particularly serious. This has enabled the Office to collect more information on unlicensed operation and to organize joint blitz raids with the police to combat unlicensed operation in the district. The Office has recently conducted several large-scale joint operations with the police in Tsuen Wan, Yau Tsim Mong, Eastern and Sham Shui Po Districts.

Thirdly, in anticipation of the probable rise in the number of applications for guesthouse licence, the Office has made preparations and formulated related measures beforehand. For instance, a telephone enquiry hotline has been set up to provide assistance to prospective applicants and interviews have been arranged to facilitate staff to explain the statutory requirements to applicants, with a view to shortening the time for licensing.

Fourthly, apart from identifying unlicensed guesthouses and bedspace apartments through complaints by the public, the Office will actively collect the relevant information by reading street and newspaper advertisements. The Office will also enhance communication with other departments to enlarge the scope of information collection. Furthermore, reporting forms have been made to facilitate DC members, such as Mr Frederick FUNG and his colleagues, and staff of other front-line departments to report unlicensed operation of guesthouses and bedspace apartments.

Fifthly, the Office will step up publicity in districts where the problem is more serious, such as putting up posters and banners, to enhance the community's awareness and to report unlicensed operation of guesthouse and bedspace apartment.

Sixthly, pinpointing visitors from various places, the Office has co-operated with the Immigration Department in putting up posters at various entry control points. Also, the addresses of licensed guesthouses have been uploaded onto the website of the Office for visitors' reference.

Seventhly, the HAD has contacted the Estate Agents Authority (EAA) and provided information on the Bedspace Apartments Ordinance and Hotel and Guesthouse Accommodation Ordinance and related publicity leaflets. The EAA will remind registered estate agents of the statutory requirements and not to provide referral service for unlicensed guesthouses and bedspace apartments.

Finally, the HAD has also contacted the Travel Agents Registry and provided information on the Bedspace Apartments Ordinance and Hotel and Guesthouse Accommodation Ordinance and related publicity leaflets. The Registry will remind licensed travel agents of the statutory requirements and not to provide referral service for unlicensed guesthouses and bedspace apartments.

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, the Secretary's reply has been very thorough indeed. I have forgotten if the*

Secretary has answered my question that, before some mainlanders were found lodging in unlicensed guesthouses during the inspection conducted last month, whether or not the HAD had made available a list to enable mainlanders to distinguish licensed guesthouses from the unlicensed ones, so that they would not have taken up lodging in these guesthouses unawares?

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, as I have just said, the list of licensed guesthouses and bedspace apartments has been uploaded onto our website and given to the relevant organizations. We will by all means combat the operation of unlicensed guesthouse and bedspace apartments.

MR HOWARD YOUNG (in Cantonese): *Madam President, from the figures in the table in part (a) of the main reply, the number of hotels and guesthouses has basically remained stable in the past three years. Nonetheless, as I have noticed, the number of warnings issued each year has been on the rise. Is it due to a decline in the operation quality of guesthouses or a change in the yardstick for law enforcement? I would also like the Secretary to clarify on the total number of hotels and guesthouses. From the table, the total number of hotels and guesthouses is more than 900, however, in part (c) of the main reply, it is mentioned that there are 118 hotels and about 700 guesthouses in Hong Kong, the total of which is only about 800. As there is a different of about 100 when compared with the former figure, may I ask why there is a discrepancy between the two figures?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, Mr Howard YOUNG is indeed clear-minded. Truly, I pointed out in the main reply that there were 118 hotels and about 700 guesthouses in Hong Kong, the total of which was 818; however, when answering part (a) of Mr Frederick FUNG's question, I did mention that the number was more than 900 at present. The difference in the number is indeed due to the fact that about 140 of them are holiday bungalows and camps.

MR HOWARD YOUNG (in Cantonese): *The Secretary has not yet answered the first part of my supplementary question, that is, while the number of warnings*

issued each year has been on the rise, the number of inspections has remained stable, are there any special reasons for the year-on-year rise in the number of warnings?

SECRETARY FOR HOME AFFAIRS (in Cantonese): There is no special reason.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

MR ANDREW CHENG (in Cantonese): *Madam President, in the last part of the main reply, it was mentioned that only cases of a tenancy term of less than 28 consecutive days are subject to the Hotel and Guesthouse Accommodation Ordinance. As revealed by a recent High Court case, for some luxury serviced apartments, even if they were rented on a tenancy term of less than 28 consecutive days, however, unlike hotels which cannot refuse lodging by visitors, they operated on a selective basis on which visitors could be refused if no reservation was made beforehand. The Court considered that there were loopholes in the Hotel and Guesthouse Accommodation Ordinance where such premises are not subject to its regulation. May I ask the Secretary if the legislation would be further amended so that there is no loophole in law for those premises to avoid regulation?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, the definition of "hotel" and "guesthouse" in the Hotel and Guesthouse Accommodation Ordinance was amended in 1998 to facilitate prosecution. Nonetheless, the Government would, in the light of changes in the mode of operation of various unlicensed guesthouses, that is, taking advantage of the loopholes, review constantly the need for amendments to law. We are aware of the case cited by Mr Andrew CHENG. As I have just said, anyone who holds out that he will provide sleeping accommodation at a fee for any person presenting himself with a tenancy term of less than 28 consecutive days shall apply for a guesthouse licence. Regarding the short-term leasing of luxury apartments, the Office is aware of the situation and is taking appropriate follow-up actions. To avoid prejudicing investigation and prosecution, I am not in a position to comment on any individual case.

MR ANDREW CHENG (in Cantonese): *Madam President, the crux of my question is whether the verdict justified a need to further examine the issue under this Ordinance, that is, insufficient regulation of these serviced premises. As this kind of premises are in fact providing services in the capacity of a guesthouse and yet they are not subject to regulation by the ambit of the Hotel and Guesthouse Accommodation Ordinance, will the Secretary consider amending the Ordinance further as soon as practicable?*

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

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, as far as we know, the verdict was made in 1996. I have made it clear in my reply just now that the definition of "hotel" and "guesthouse" was amended in 1998 to facilitate prosecution. However, we will certainly examine on a regular basis the need for reviewing or amending the legislation if such circumstances arise.

PRESIDENT (in Cantonese): Third question.

Sectional Fares of Franchised Buses

3. **MR ANDREW CHENG** (in Cantonese): *Regarding the fares of franchised buses, will the Government inform this Council:*

- (a) *of the criteria adopted by the franchised bus companies for determining whether sectional fares should be implemented on individual routes, the number of sections and the respective fares;*
- (b) *whether measures are in place to encourage the franchised bus companies to implement sectional fares on more routes or increase the number of sections for routes with sectional fares, and to reduce the fares of various sections to alleviate the burden on passengers; if so, of the particulars of the measures; if not, the reasons for that; and*

- (c) *whether the franchised bus companies applied to the Government for reducing the sectional fares of certain routes or increasing the number of sections over the past three years; if so, of the details of each application, including the name of the bus company making the application, the route numbers involved, the outcome of the application; if some of the applications were rejected by the Government, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese): Madam President, whether section fares will be implemented and the number of sections and the level of section fares to be set are the commercial decisions of individual bus companies.

I understand the public aspiration for the reduction of their expenses on bus fares. In view of limited resources, the primary objective of the Government is to provide relief to those who need assistance most. In general, passengers of long distance bus routes have to pay higher fares, therefore bus companies providing fare concessions on such routes will best address the needs of passengers.

Out of the 593 bus routes currently operating in the territory, 80% (that is, 428) of these routes, excluding the 53 short distance bus routes (that is, shorter than 5 km), are offering section fares.

The Government has all along been encouraging bus companies to implement fare concessions and section fares and worked with them to explore practical measures that could benefit passengers. The bus companies have so far implemented a total of 116 interchange concession schemes covering 365 routes. Passengers on long distances bus routes from the New Territories, for example, can save up to about 38% on fares for each trip. Starting from 1 October 2003, Kowloon Motor Bus Company (1933) Limited (KMB), Citybus Limited (Citybus), New World First Bus Services Limited (NWFB) and Long Win Bus Company Limited (Long Win) have implemented one-year fare concession schemes for long distance bus routes whereby a 10% discount is given for routes charging fares at \$15 or above and 5% discount for those charging fares between \$10 to \$14.9. Furthermore, senior citizens can also travel on most of the routes operated by these four bus companies at a concessionary fare of \$1 per trip on Sundays and public holidays. A total of

more than 500 bus routes are covered by these fare concession schemes. It is estimated that up to about 1 million bus passengers a day could benefit from the schemes. Moreover, starting from the end of August this year, New Lantau Bus Company (1973) Limited has provided special senior citizens concession of \$0.3 to \$1 in addition to the existing half-fare concession for the company's 11 routes on Lantau Island during weekdays.

In determining whether to implement section fares, the fare level of section fares and the number of sections, the bus companies will normally consider a number of factors, including:

(1) *Passenger demand and distribution*

For example, whether the majority of passengers would alight at a certain stop and whether the implementation of section fares could attract more passengers to make use of the remaining capacity so as to enhance the efficient use of bus resources;

(2) *Considerations on route distance*

In general, long distance routes have more en route stops. The passenger demand and distribution in different sections may also differ. Long distance routes are therefore more suitable for introducing section fares;

(3) *Nature of the bus service*

Express routes, for instance, have fewer en route stops. Fewer express routes would have section fares compared with other routes with more en route stops;

(4) *The impact of the introduction or reduction of section fares on the bus company's overall financial projection and the financial implications on the company; and*

(5) *Fares of other parallel public transport services*

For example, whether the fares offered by other public transport services of parallel routes are more attractive than the existing fares

of the relevant bus service, and whether the introduction of section fares could enhance the competitiveness of the bus service.

In the past three years, the bus companies submitted applications in respect of a total of 36 routes for the introduction of section fares, reduction of the level of existing section fares or extension of existing sections. All these applications were approved by the Transport Department. Details of the routes concerned are set out in the Annex tabled. The reduction of section fares ranges from \$0.4 to \$3.5.

Annex

Application for Section Fares from Franchised Bus Companies in the past three years

<i>Bus Company</i>	<i>Route</i>	<i>Destination</i>	<i>Details</i>
KMB	93K	Po Lam - Mong Kok KCR	Extend section fare section
KMB	95	Tsui Lam - Jordan	Extend section fare section
KMB	11X	Sau Mau Ping (Upper) - Hung Hom KCR Station	Extend section fare section
KMB	N216	Yau Tong - Hung Hom KCR Station	Extend section fare section
KMB	91	Diamond Hill MTR - Clear Water Bay	Reduce the level of section fare
KMB	296D	Sheung Tak - Jordan	Reduce the level of section fare
KMB	297	Hang Hau (N) - Hung Hom Ferry	Reduce the level of section fare
KMB	296C	Sheung Tak - Sham Shui Po (Tonkin Street)	Extend section fare section
KMB/NWFB	691	Hang Hau - Central	Add section fare
Citybus	8X	Siu Sai Wan - Admiralty	Extend section fare section
Citybus	61	Central - Repulse Bay	Add section fare
Citybus	73	Wah Fu - Stanley	Add section fare
Citybus	8S	Happy Valley - Siu Sai Wan	Extend section fare section
Citybus	E21	Tai Kok Tsui - Chek Lap Kok Ferry Pier	Add section fare
Citybus	A11	North Point - Chek Lap Kok Airport	Reduce the level of section fare

<i>Bus Company</i>	<i>Route</i>	<i>Destination</i>	<i>Details</i>
Citybus	A12	Siu Sai Wan - Chek Lap Kok Airport	Reduce the level of section fare and add section fare
Citybus	A22	Lam Tin - Chek Lap Kok Airport	Reduce the level of section fare
Citybus	E22A	Tseung Kwan O - Chek Lap Kok Ferry Pier	Add new section fare and reduce the level of section fare
NWFB	796X	Tseung Kwan O - Hung Hom	Add section fare
NWFB	796M	Tseung Kwan O - Lam Tin	Add section fare
NWFB	2	Shauiwan - Central	Add section fare
NWFB	25	Central - Tin Hau Temple Road	Add section fare
NWFB	23	North Point - Pokfield Road	Extend section fare section
NWFB	694	Chai Wan - Sheung Tak	Add section fare
NWFB	792M	Tiu Keng Leng - Sai Kung	Add section fare and then reduce the level of section fare
NWFB	796B	Tiu Keng Leng - Yau Yat Chuen	Add section fare
NWFB	4	Wah Fu - Central	Add section fare
NWFB	46X	Tin Wan - Wan Chai	Add section fare
NWFB	91	Ap Lei Chau - Central	Add section fare
NWFB	94	Lei Tung - Central	Add section fare
NWFB	2A	Yiu Tung - Wan Chai Ferry	Reduce the level of section fare
Long Win	S64	Tung Chung - Chek Lap Kok Airport	Add section fare and extend section fare section
Long Win	E41	Tai Po Tau - Chek Lap Kok Airport	Extend section fare section
Long Win	E42	Sha Tin - Chek Lap Kok Airport	Add section fare
Long Win	E31	Tsuen Wan - Tung Chung	Extend section fare section
Long Win	E34	Tin Shui Wai - Chek Lap Kok Airport	Extend section fare section

MR ANDREW CHENG (in Cantonese): *Madam President, many world cities like Sydney and Singapore offer section fares, under which fares are charged according to the distance, so that all passengers can pay fares that are proportionate to the distances travelled. Will the Government consider adopting this mode in its future studies on bus fares, so that passengers who travel longer distances have to pay more in terms of bus fares and those who travel shorter distances pay less, thus rendering our bus fares more reasonable?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): The existing bus fare schedule was formulated many years ago to tie in with the introduction of air-conditioned buses. I believe Members are very familiar with this rather complex schedule, under which bus routes are grouped together rather than based on one rate and that is, bus fares are not calculated on the basis of mileage. Therefore, it will be a rather big move to adjust the relevant fares on this basis and ongoing discussions are being held with the bus service operators on this issue. Moreover, if bus fares are charged according to the number of kilometres or stops, it will increase the burden on fare management. The bus companies have explained that the existing fares are fairer and more efficient in terms of overall operation. It is not true that this issue cannot be discussed, but we have to discuss it with relevant bus service operators.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I have already read the Annex that the Secretary referred to earlier on. I find that a bus company has obviously responded to the public request for introduction of section fares and it has done so on many of its routes. The company I am referring to is the Citybus. However, a major bus company has introduced section fares for only one of its many routes. In his earlier reply to Mr Andrew CHENG, the Secretary said, technically speaking, it seems that it is very difficult to deal with such problems. However, why can a bus company respond swiftly to the public's request by introducing section fares on certain routes while the most major bus company has not done so?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, of the three bus companies, the KMB has the longest history. In fact, it has already implemented section fares for 269 of its routes, which constitutes 62.9% of the total number of the routes it operates. As regards the Citybus, and that is, the bus company cited by Miss CHAN in her earlier example for having done more in this aspect, according to conditions laid down in its franchise, section fares were implemented for 83 routes in the first round, constituting only 19.4% of the total number of its routes. If comparisons are made on the basis of percentages, the KMB has actually implemented section fares for more of its routes. However, the Annex I gave Members earlier was on the additional routes for which section fares were implemented in the last three years. Since a certain bus company has already implemented section fares for a large number of its routes, the number of its

additional route is naturally smaller in comparison. As regards the franchise conditions of the Citybus, only 15 of its routes have implemented section fares in the second round, constituting 3.5% of its total number of routes.

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

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the most important part of my supplementary question is the last part. In her earlier reply to Mr Andrew CHENG's question, the Secretary said technically speaking, it is very difficult to deal with this issue, but I find that some companies can manage to do so. Why does the Secretary still say that technically it is very difficult to determine the fares on the basis of distance or mileage? The additional explanation given by the Secretary earlier illustrated that it could be done and was not infeasible.*

PRESIDENT (in Cantonese): Miss CHAN, which part of your earlier question has not been answered?

MISS CHAN YUEN-HAN (in Cantonese): *I said in the last part of my supplementary question that in her response to Mr Andrew CHENG's question, the Secretary had said that technically speaking, it was difficult to determine the relevant section fares, and for that reason, I referred to the Annex when I asked the Secretary why she said that it was impossible when some bus companies could actually manage to do so. However, the Secretary also said earlier that the relevant bus companies have actually implemented section fares, only that the newly added routes are not too many in number. Does this mean that there is really no technical problem?*

PRESIDENT (in Cantonese): Miss CHAN, you asked a supplementary question earlier and the Secretary answered it. You then stood up, indicating that you thought the Secretary had not answered part of your earlier question. I only want you to state the part of your supplementary question that has not been answered and if it has already been answered, then you do not have to raise the question again.

MISS CHAN YUEN-HAN (in Cantonese): *Thank you, Madam President, the Secretary has not answered the last part of my supplementary question.*

PRESIDENT (in Cantonese): What is it?

MISS CHAN YUEN-HAN (in Cantonese): *In her reply to Mr Andrew CHENG's question, the Secretary said technically speaking, it is difficult to determine the fares on the basis of mileage, and thus she has not responded to this point.*

PRESIDENT (in Cantonese): I see.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I understand the Honourable Member's question but the last part of the supplementary question is actually different from this point for our present arrangements on section fares are not made on the basis of mileage. It is really as simple as that.

What Mr Andrew CHENG would like us to do is to prescribe different fares on the basis of stops and kilometres travelled. The section fares we have at the moment are calculated as a whole, for example, Tsuen Wan to Kwai Fong is regarded as one section and Kwai Fong to Tai Wo Hau is regarded as another section, rather than calculated on the basis of mileage. Mr Andrew CHENG has requested that fares be calculated on the basis of mileage, but we cannot do so at the moment.

MS MIRIAM LAU (in Cantonese): *Madam President, I understand that at present most franchised buses will charge a lower fare from a certain point en route and this is the mode used for determining section fares. If a passenger boards a bus at the beginning of that bus route, he still has to pay full fare even if he only travels for one stop, and this has attracted a lot of criticisms from the public. Can the Secretary tell us why bus companies cannot adopt a truly fair mode for determining section fares? Does the existing mode for determining fares have anything special to do with the fact that they are collecting fares*

through the Octopus system? Can new measures be put in place to improve such arrangements?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I would like to thank Ms Miriam LAU for her question and this question has also been troubling me. I am not very familiar with the operation of buses and during the past year, I have been studying why passengers who alight at the earlier part of a bus journey are not allowed to pay less in fare. I have been told by bus companies that the Octopus system can be adjusted to charge lower fares in the middle of a route, but they do not believe that passengers will actually alight at the earlier part of a bus journey. If passengers indicate that they will only travel for the first section but do not alight accordingly, how can drivers be able to tell? Moreover, bus companies have proposed, and we have considered, installing two Octopus processors (one at each end of the bus), so that passengers alighting at the early part of the bus journey can press their Octopus cards once again to prove that they are alighting from the bus but some people think that passengers can just press their cards against the processors without alighting. In that case, we may have to revert to the previous mode of stationing bus conductors on the buses so that they can check whether passengers are really alighting.

Recently, my colleagues have done some observations on their overseas visits (like what Ms Miriam LAU did) to see how the buses of other places collect fares. I believe ways can be found, such as in the adjustment of machinery systems, and further discussions will be held with bus companies. They will also consider whether this will increase their operational costs and whether it is worthwhile to do so if a large number of facilities have to be installed to check whether passengers have paid fares in full. I believe we will try to explore this issue.

MR WONG SING-CHI (in Cantonese): *Madam President, I would like to follow up the main reply of the Secretary. The Secretary said in the second paragraph that the Government would help the most needy, and she also said in the fourth paragraph that a 10% discount is given for certain long distance routes charging fares at \$15 or above and a 5% discount for those charging between \$10 to \$14.9. Is the Secretary aware that some people do not have to pay as much as \$15 for a single trip, but they have to take several bus rides each*

day and the total fares for all these trips are over \$15 or more? Will the Secretary talk to the bus companies so that a 10% discount will also be given to such passengers, if possible?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, this is a matter of principle for given the limited resources, our target will be to choose to help the most needy people. In reply to Mr WONG Sing-chi's earlier question on interchange concessions, and that is, for people who have to switch buses, he hopes that the bus companies can offer them interchange concessions. Concessions for routes charging fares between \$10 to \$15 under the present arrangement are simply discounts for single long distance trips. I hope we can meet the needs of the public in different ways.

DR RAYMOND HO (in Cantonese): *Madam President, the Secretary thinks that passenger of long distance routes have greater need for concessions or assistance because among the existing 593 bus routes, 57 are short distance routes (that is, less than 5 km in distance) and 428 of these routes have implemented section fares. As such, there are 108 routes that cover more than 5 km in distance and have not implemented section fares, and this is a rather large figure in terms of number. According to the Secretary's reply in the sixth paragraph, is it true that bus companies need to apply for the Government's approval if they wish to implement section fares and the Government itself will not take the initiative to ask the bus companies to implement section fares for certain routes, or if a certain company is not willing to implement sectional fares, then will other companies be asked to take over the operation of such routes? Can the Secretary provide us with some specific information on whether the Government has ever taken the initiative to make such requests?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, issues like section fares and interchange concessions for passengers are subjects of ongoing discussions between colleagues of the Transport Department and the bus companies. Therefore, we can find section fares being introduced for 36 bus routes in the past and such outcomes are the result of our discussions. We do take the initiative to make requests to the bus companies, and if the District Councils or the public come to

us with any proposal, we will also talk to the bus companies to see whether it is feasible.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *Madam President, as regards the fare arrangements mentioned by the Secretary earlier, some companies may have such arrangements, some may not, but it is also optional for others for the fares are all based on a fare schedule. Basically, the schedule was last formulated in 1997, when our economy was at its best, thus, the level of the fares are rather high. In this regard, will the Secretary consider reviewing such schedules as soon as possible so that the fares will not be set at a too excessive level?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, as regards the bus fare schedules to which Mr LAU Kong-wah has referred, I have reviewed this issue with my colleagues recently, in particular, the pricing mechanism and we will review this issue together.

MR LAU KONG-WAH (in Cantonese): *Madam President, I did not catch the answer. Is the review underway and that a conclusion can be reached in future?*

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

PRESIDENT (in Cantonese): Fourth question.

Lessons Learnt from the March on 1 July

4. **MR MICHAEL MAK** (in Cantonese): *Madam President, during his meeting with a Hong Kong delegation on the 10th of last month, XU Kuangdi,*

vice-chairman of the Chinese People's Political Consultative Conference, said that he believed the march on the 1st of July "was a 'bad thing', but it could be turned into a 'good thing'". Also, there are many public comments that the march attended by 500 000 people has set off a crisis in governance. In this connection, will the Government inform this Council:

- (a) whether it has studied the meaning of the "bad thing" and "good thing" in Mr XU's comment;*
- (b) of the lessons which the Government has learned from this "crisis in governance"; whether it has assessed how it can gauge public opinions in a better and more accurate way in performing its work, to avoid setting off massive processions again; and*
- (c) as the Government has indicated that the Chief Executive and the principal officials will strengthen their communication with Members of this Council, civic organizations, religious groups, and so on, through regular meetings, of the specific approach to be adopted?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, there were a number of reasons for the 1 July rally. The flash point was the anxiety stemming from the proposed legislation to implement Article 23 of the Basic Law (Article 23) and the grievances against the governance of the Government of the Hong Kong Special Administrative Region (SAR). The 1 July rally has enlightened us on our style of governance and way of thinking.

As I have pointed out in concluding the Government's response to the motion debate in the Legislative Council last week, we have realized, from the process of legislating Article 23 and the 1 July rally, that no matter how effective we believe a certain policy is, we should not, and cannot, expect the public to accept it as a matter of course. As the Chief Executive has stated publicly, it is far from adequate for us to just assume that we have gauged the views of the general public. We must strive to do a better job in listening to a wider cross-section of opinions with an open mind; we must also explain our policies to the public in a more modest manner. As our community attaches great importance to openness, freedom, and tolerance, the Government must adhere strictly to preserving these values in implementing our policies. We must make these

adjustments to our style of governance if we are to move with the times. We must be as good as our words, pragmatic and progressive; we must always bear in mind the overall interests of the public and Hong Kong, in serving the community and meeting their aspirations as far as possible.

The Chief Executive has openly stated that he would meet different political parties, major sectors, the media and leaders of public opinion on a regular basis, and to keep in close touch with the public through various means. The Chief Executive has also requested all bureaux to open up channels for political discussion in a proactive manner, and to inject more professionals and public-spirited persons into the many advisory and statutory bodies, to facilitate their contributions to the governance of the SAR Government.

MR MICHAEL MAK (in Cantonese): *Madam President, first of all, the Secretary has not answered part (a) of my main question, that is, whether he has studied the meaning of the "bad thing" and "good thing" in Mr XU's comments. And then, my supplementary question is on the last sentence of the second paragraph of the Secretary's main reply, "..... meeting their aspirations as far as possible". May I ask of the objective criteria adopted by the Secretary or the government officials concerned in interpreting "as far as possible"? For example, the Government has declined to set up an independent commission to investigate the SARS incident*

PRESIDENT (in Cantonese): Mr Michael MAK, you have already raised your supplementary question. If you wish to give some examples, will you please save them for other day?

MR MICHAEL MAK (in Cantonese): *This is also related to the phrase "as far as possible". How can the Government make a good case that effort has been made "as far as possible"? I do not aim to mention the independent investigation of Severe Acute Respiratory Syndrome (SARS) in specific.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, I think I have already answered Mr Michael MAK's question. Perhaps the Member expects me to paint a complete picture in my reply explaining it explicitly.

In my main reply, I have already told the Legislative Council that the 1 July rally has enlightened the Government on its style of governance and way of thinking. Regarding our future governance, the Government will listen to different opinions with an open mind and explain our policies to the public in a more modest manner. We will always bear in mind the overall interest of the public and Hong Kong, and will meet the public aspirations as far as possible. Thus, in this respect, the 1 July rally has already given rise to this positive consequence.

Regarding the gauging of public views, at present, we have several channels in place to conduct this work. For instance, since the Secretary for Home Affairs assumed office in last July, three rounds of visits to the 18 districts have been conducted to come into contact with district organizations and persons concerned to try to understand district issues and livelihood problems. In addition, the Government has proactively made frequent contact with civic organizations and different sectors via the Home Affairs Department and district officers of the 18 districts to reinforce communication. As for religious groups, we have maintained close contact with them and have established a good relationship. For example, in June this year, the Home Affairs Bureau held a memorial and blessing session with 12 religious groups to pronounce blessing for persons affected by SARS. Moreover, I know that the Secretary for Home Affairs often meet with people from the religious sectors to listen to their views on social affairs and other matters. We will continue to maintain communication through this channel. Furthermore, the Central Policy Unit meets regularly with members of different sectors, including civic organizations and religious groups, to gauge their views on public policies, reinforce communication and foster mutual trust.

In my main reply, I also said that the Government would be more open in its governance, listen to different opinions, act in a modest manner and bear in mind the overall interest of Hong Kong. At present, the channels we use to gauge public views include the 18 District Councils and the 73 area committees. As for other district matters, since these institutions may also have a bearing on territory-wide issues, they do play an important advisory role. Moreover, District Office of every district often collects views from members of the district and civic organizations on the administration and policy formulation of the Government. Weekly reports on the views collected are provided to officials in all the Policy Bureaux in writing. Government officials will also take an active role to understand public views by means of district visits, seminars, advisory committees and the media.

All these prove that we will continue to use the above channels and reinforce our effort in this respect. After 1 July, we have conducted a positive review of these channels. We think we would step up our effort in certain areas and work systematically. We will improve our future way of communication according to these approaches.

PRESIDENT (in Cantonese): Honourable Members, nine Members are waiting to ask supplementary questions, so will Members please be as concise as possible in asking their supplementary question, so that more Members can ask questions.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Chief Secretary said earlier that the 1 July rally had certainly brought some good effects. However, I think the good effects stated in the reply are superficial and an average run-of-the-mill kind. At present, the Executive Council is the core of power of Hong Kong as a whole. My main concern is whether or not the Government has reviewed the composition of the Executive Council, the way to enhance its openness and reshuffle it after 1 July, aiming to realize the openness, freedom and tolerance of the highest echelon of authority as stated in the main reply, and make improvement in these aspects. However, we do not see any improvement in this highest echelon of authority. May I ask the Chief Secretary whether or not this has been considered, and why no improvement has been achieved in the end?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The Chief Executive has stated openly that in view of the resignation of a Member of the Executive Council after 1 July, he had considered whether or not the Executive Council on a whole should be reshuffled. In considering this, he has to take into account several important principles: firstly, to maintain and continue to handle properly the co-operative relationship between the executive authorities and the legislature; secondly, to manifest the general principle of executive-led governance as stipulated in the Basic Law. Moreover, since the accountability system has been implemented for just a year, the Chief Executive considers it necessary to allow more time and opportunities for the arrangement to be implemented fully and substantially. In fact, the election for the Legislative Council will be held in September next year. I think it would be more appropriate to consider the composition of the Executive Council on a whole after the election.

MR ALBERT CHAN (in Cantonese): *Madam President, the Chief Secretary has said a lot about the enhancement of communication in various aspects by the Government. However, the Chief Executive remains his same old self; he is still biased and he refuses to repent. At an earlier time, when the Chief Executive met with Members of the Legislative Council, I was out of town and was not able to meet him. Since my return on August, I have twice written to the Chief Executive to request for a meeting. However, so far, the Chief Executive has not made any arrangement. Is this the way used by the Government to enhance communication as mentioned by the Chief Secretary just now? Why were the requests of a Member of the Legislative Council to meet with the Chief Executive made within two months turned down once and again? Will the Chief Secretary explain why the Chief Executive has not adopted the attitude mentioned in enhancing communication?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The Chief Executive has made it clear that he would regularly meet with Honourable Members, major political parties and various sectors. Though Mr Albert CHAN was out of town at that time, I know that he is very busy, the Chief Executive did meet with different camps of the Legislative Council in July, including Members of the pro-democracy camp. Arrangements of this kind will continue, but certainly on a regular basis.

MR ALBERT CHAN (in Cantonese): *Madam President, he has not answered my supplementary question. According to the previous practice of government officials or government convention, if a certain Member is out of town at the time of appointment, alternative arrangement will be made. However, this time around, the Chief Executive has not done so. Why does the Chief Executive remain the same as before, not adopting the attitude mentioned by the Chief Secretary in enhancing communication?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I will surely relay this message to the Chief Executive. The next meeting between the Chief Executive and Members of the Legislative Council will certainly be arranged for a time when Mr Albert CHAN is in Hong Kong. *(Laughter)*

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, in the first paragraph of the main reply, the Chief Secretary for Administration says that the 1 July rally has enlightened the Government on its style of governance and way of thinking. In the last few months, the Government swiftly implemented the arrangement for mainlanders visiting Hong Kong individually and the Closer Economic Partnership Arrangement (CEPA) has brought a short boom to the market. Will the Chief Secretary inform us of the long-term policy the Government has in place to sustain the prevailing boom, such as extending the individual-visit arrangement to more provinces and municipalities in the Mainland?*

PRESIDENT (in Cantonese): Mr HUI Cheung-ching, will you please tell me how your supplementary question is related to this question or the reply of the Chief Secretary? *(Laughter)*

MR HUI CHEUNG-CHING (in Cantonese): *The Government said that it had been enlightened on its way of thinking. Now that the market situation seems to start to pick up, how can it sustain the improvement in this respect? This is also part of the new way of thinking.*

PRESIDENT (in Cantonese): Fine. Thank you, Mr HUI Cheung-ching. *(Laughter)*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, I always respect your ruling. However, according to Rule 26 of the Rules of Procedure, I think the two issues can hardly be related. But, as I said, I respect your ruling. This supplementary question is in fact on a macroscopic issue that if extended to each and every aspects of government policy, I believe, it can be related to every policy of the Government. But as I respect your ruling, I will try to answer this question.

PRESIDENT (in Cantonese): Let me explain it here. The President can rule to allow a Member to raise this supplementary question, while how an official will reply the question, it is up to the official.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Briefly speaking, the individual-visit arrangement for mainlanders is at present very successful. The arrangement has been extended to several major municipalities of the Mainland, in particular, the various major municipalities in Guangdong Province. The market situation has turned for the better. However, we have to do some summing up to determine the economic benefits of the arrangement and the benefits brought to the retail sector and farther corners of the economy. The most important point of all is to consider whether law and order, transportation and other aspects will be adversely affected, and how we can adapt to and handle the situation. However, in any case, the individual-visit arrangement for mainlanders has already become a trend. I believe the arrangement will be extended to other municipalities of the Mainland in succession.

MR FRED LI (in Cantonese): *Madam President, it so happens that I am going to talk about individual visit for mainlanders. Madam President, it is certainly related. According to the latest opinion poll conducted by the University of Hong Kong, with the recent implementation of individual-visit arrangement for mainlanders and the CEPA, the economy has improved. The people's confidence in the prospects of Hong Kong has risen four percentage points to 52%. On the contrary, their confidence in the SAR Government has dropped 8% to 25%, the lowest in the six years since the reunification. In view of this scaring figure, will the Chief Secretary for Administration inform us what the SAR Government has done in the past six years since the reunification to cause the public to be so disappointed and distrustful of the Government? Has the Government had a moment's reflection on this painful experience? How can it explain the drop in the figures?*

PRESIDENT (in Cantonese): Mr Fred LI, I give you another chance. Your supplementary question is not directly related to the main question, but you should be able to link them together for I have already thought of a method. *(Laughter)*

MR FRED LI (in Cantonese): *Madam President, regarding the crisis in governance mentioned in the main question, the drop in public confidence in the Government to the existing low level is visibly posing a further crisis. Moreover, in view of the loads of actions taken by the Government after 1 July, I wish to know the other lessons that the Government has drawn from the incident.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): It is a rather complicated issue to use the level of confidence as the indicator in a survey. I have seen surveys gauging the level of trust of the public in some very important institutions in Hong Kong, such as the Legislative Council, and the results are also far from satisfactory. I think the crux of the matter is that we should think carefully about the results of this type of survey, undergo self-reflection and conclude the causes of these consequences. Unfortunately, the recent survey fails to provide any guidance of this kind. However, as I said in the main reply, the 1 July rally and the host of events taking place before it reflect that the public does have doubts about the Government in many aspects. There are many cases where the public are not convinced and much discontented with the policies of the Government. We have begun to conclude our experience. I have already explained to Members the actions we will take to make further improvement.

MR ALBERT HO (in Cantonese): *Madam President, in the first sentence of the main reply it is said that there were a number of reasons for the 1 July rally and the flash point was the handling of the issue on Article 23. All along, I have heard the Government saying that economic and external factors, which are beyond the control of the Government, are the major causes of the rally. I seldom hear that the Government is reflecting on itself to identify the problems caused by previous blunders, which had given rise to the flash point on the handling of Article 23. Will the Chief Secretary share with us, in view of the time constraint, the major blunders you considered had given rise to the 1 July rally?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I said earlier that the issue on Article 23 was the most significant flash point. In my main reply, I said that the general public were discontented with certain aspects and adopted a doubtful attitude in respect of our governance. As mentioned by Members, the economic environment has caused worries to lots of people. Besides, the sustaining high unemployment rate and the gravity of the negative equity assets problem have caused psychological impact on the general public. The emergence of our neighbours has increased public worries about the impact on the long-term development of Hong Kong. Apart from these various individual factors, the SARS incident has saddened everyone in Hong Kong; some have even lost their lives, while some 2 000 contracted the disease. These individual incidents have posed great problems, and people have to air their feelings.

MR ALBERT HO (in Cantonese): *Madam President, the focus of my previous question is on the blunders of the Government, not external factors. Apart from Article 23, the Chief Secretary apparently has not stated the major governance blunders, as concluded by the Government, that require review and constitute the cause of the 1 July march.*

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

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I believe what I said is quite satisfactory. That is, I consider our overall approach of governance, depth of study, our response to the public and many other issues may involve specific individual policies. However, I think it is rather difficult to make such a speculation.

PRESIDENT (in Cantonese): We have spent more than 19 minutes on this question. Last supplementary.

MR JAMES TO (in Cantonese): *Madam President, I would like to follow up Mr Albert HO's supplementary question. The slogan for the 1 July march is "to oppose Article 23 and return political power to the people". However, in the first paragraph of the main reply, the Government said that Article 23 was the flash point, and that the rally stemmed from numerous reasons. It fails to acknowledge that the public considers the democratization of the political system not fast enough and unable to meet public aspirations. Now, failing to understand the public aspirations for a democratic political system, the Government takes extensive and substantial actions to launch work in this respect, and yet it has been so sloppy as to delay the development of democratization. May I ask the Government how it can really feel the pulse of the public and answer their aspirations as it has claimed? Does the Government wish to push itself to a blind alley?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): In the main reply earlier, I did not say that any one of those incidents were not the aspirations of the public. I just think that the aspirations are on many different aspects.

Regarding the agenda of democratization, the Chief Executive stated on the occasion of the National Day celebration that we would promote the progress of democratization according to the Basic Law. The public has this aspiration on the present Government. In other words, he made it clear that it was a demand of the general public on this Government. According to the Chief Executive, this is a compelling obligation of the present Government. He has already indicated that a public consultation on the political development after 2007 will commence in the year 2004. The Constitutional Affairs Bureau has also conducted internal research on this subject, and some progress has been made and reported to the Legislative Council on individual occasions. We therefore anticipate that the SAR Government will give an account of the schedule for the review and public consultation on political development by the end of this year. The Legislative Council will be consulted when the schedule is finalized, so that we can study the progress agenda together.

PRESIDENT (in Cantonese): Fifth question.

Legislation to Implement Article 23 of the Basic Law

5. **MR JAMES TO** (in Cantonese): *Madam President, after announcing the withdrawal of the National Security (Legislative Provisions) Bill, the Government has not publicly explained the way forward for the public consultation on the making of legislation to implement Article 23 of the Basic Law (Article 23). In this connection, will the Government inform this Council whether:*

- (a) *it will commence the making of the legislation concerned only after the Chief Executive and all Members of the Legislative Council are returned by universal suffrage; and*
- (b) *it will publish a White Bill for public consultation on the contents of the provisions of the bill to implement Article 23?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, enactment of legislation to implement Article 23 is a duty that the Hong Kong Special Administrative Region (SAR) must fulfil. This duty under the Basic Law has no linkage with the constitutional development in Hong Kong.

As pointed out by the Chief Executive on 5 September, the Security Bureau will review afresh the issues relating to the implementation of Article 23, and there is no fixed timetable for the task. In respect of the format of consultation to be conducted, the Government has an open mind and views from all sectors are welcome.

MR JAMES TO (in Cantonese): *Madam President, may I know if it is definitely impossible for the Government to adopt the election of the Chief Executive and all Members of the Legislative Council by universal suffrage as the baseline for finalizing the enactment of laws to implement Article 23? The Basic Law stipulated that the SAR should enact laws on its own. If the public can be made to feel more at ease with the developments in connection with Article 23 legislation and the democratic government in Hong Kong, and if the Article is implemented only after there is greater assurance, this will be consistent with the point about "on its own" insofar as the timing is concerned. Is it the case that the Government definitely cannot accept this baseline and timetable?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have said that there is no definite linkage between legislation to implement Article 23 and the constitutional review. I cannot see why these two legislative tasks cannot be carried out in parallel and concurrently.

MR JAMES TO (in Cantonese): *Madam President, the Secretary has not answered my supplementary. The Secretary said in his reply that there was no definite linkage between the two, however, if the public believes that there is a definite linkage, since this is public opinion, is it definitely impossible for the Government to accept this point, that is, one should precede the other, meaning universal suffrage should precede legislation to implement Article 23? Is the Government's baseline that of not acceding to such a strong aspiration of the public?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I can only represent the Security Bureau and reply from the viewpoint of Article 23 legislation. The stance of the Security Bureau is that to enact laws to implement

Article 23 is our constitutional duty. Of course, the constitutional review falls under the portfolio of Secretary Stephen LAM. As I have said, the Security Bureau does not think there is a definite linkage between the two.

MR JAMES TO (in Cantonese): *Madam President, if an official cannot give a reply on the Government's behalf and there is no other official in this Chamber to give an answer, then should the Government not give a reply in writing or do something else? It seems the Secretary's reply means that he cannot answer this question for the Government.*

PRESIDENT (in Cantonese): Mr James TO, it is up to the public officer concerned to decide how to reply. The President is in no position to direct how the Secretary should reply. However, now that you have expressed your view, I believe, and I hope that the government representative seated here will convey your view to the Policy Bureau concerned.

MS AUDREY EU (in Cantonese): *Madam President, the second paragraph of the main reply says that the Security Bureau will review afresh the issues relating to the implementation of Article 23. I would like to ask about the review. Madam President, in saying that a review would be conducted afresh, the Secretary meant that the review had not yet started. May I ask the Secretary when the review will begin? Which officials in the Security Bureau will be in charge of the review and what will actually be done? Why has the review not begun after such a long time?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I would like to thank Ms Audrey EU for asking this supplementary. In fact, since I assumed office, I have been reviewing matters relating to Article 23 legislation. Although the lineup of our formal team has not yet been determined, some of our colleagues are already working on relevant matters. If a team is to be formally established, this will incur resources. Moreover, my Permanent Secretary will not formally assume office until this week. I have to discuss and deliberate with him before making a decision. We will make an announcement on the establishment of a formal and permanent team later.

PRESIDENT (in Cantonese): Ms EU, has your supplementary not been answered?

MS AUDREY EU (in Cantonese): *No, Madam President. The Secretary said that an announcement would be made in future. If he will make public the list of all members on the team, it is of course not necessary for him to give a reply in writing, otherwise, I would like him to do so to let us know who the officials in charge of carrying out the review are, that they have commenced work, as well as a name list of the officials concerned.*

PRESIDENT (in Cantonese): It is up to the Secretary to decide on this because when government officials reply to Members' supplementaries, they do so only according to all the information on hand at the time — Ms Audrey EU, please be seated first — therefore, Members cannot ask the Secretary to make undertakings at this stage to give a reply on matters that have not yet happened. However, if the Secretary has the relevant information to hand, then he can make an undertaking to give you a reply in writing.

MS EMILY LAU (in Cantonese): *Madam President, I also wish to ask a supplementary on legislation to implement Article 23 and constitutional development. The Secretary said that there was no definite linkage between the two and I do not necessarily disagree with this claim. May I ask the Secretary if, given there is no definite linkage, the authorities will not rule out introducing universal suffrage first and begin the work on enacting laws to implement Article 23 only after the people of the SAR have elected their own Government through "one person, one vote"? Is it the case that such a possibility cannot be ruled out altogether, even though the two have no definite linkage?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the position of the Security Bureau is that we think we have to fulfill the responsibility to enact legislation on Article 23 policy-wise. Of course, we are also aware that the public still have some misgivings about enacting legislation

on Article 23. I have said earlier on, and so has the Chief Executive, that we will proceed very carefully with the enactment of laws to implement Article 23. We will conduct the relevant legislative process only after we have gained the understanding and approval of a great majority of the public. However, I have to reiterate that we do not see any definite linkage between Article 23 legislation and constitutional development. We do not see such a linkage.

MS EMILY LAU (in Cantonese): *Madam President, the Secretary has not answered my supplementary. I have already agreed with his claim that there is no definite linkage between the two. What I am asking is whether, this being the case, the authorities will not entirely rule out introducing universal suffrage before legislation? Secretary Stephen LAM was in the Chamber a while ago, but I do not know why he left when we began to raise questions. Therefore, I can only ask Secretary Ambrose LEE to reply.*

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

SECRETARY FOR SECURITY (in Cantonese): The supplementary asked by the Honourable Member is about whether such an approach will be ruled out. In fact, I can easily give the Member an answer because I only have to say that this will not be ruled out. However, I still do not see any linkage between the two. From the viewpoint of the Security Bureau, we will continue to consult the public and make preliminary preparations for the Article 23 legislation.

MISS MARGARET NG (in Cantonese): *Madam President, although the Government has withdrawn the National Security (Legislative Provisions) Bill, there is nothing in terms of procedure to prevent the Government from tabling the entire National Security (Legislative Provisions) Bill to the Legislative Council again. Therefore, can the Secretary undertake not to table this Bill, which has been so severely criticized, to the Legislative Council again in its original form or with only cosmetic changes?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, in the Chief Executive's statement given on 5 September and the letter I wrote to the Legislative Council on 2 October, it was clearly stated that the Government would withdraw the Bill and that since we would no longer take up the legislative process in this Session, the Bill will lapse at the end of this Session. I think my letter and the Chief Executive's statement have made it clear that this Bill would be withdrawn and would not be tabled for discussion by Members the Legislative Council in this Session.

MISS MARGARET NG (in Cantonese): *Madam President, I did not ask whether or not the Bill would be tabled to the Legislative Council again this year, but rather, whether it would be tabled to the Legislative Council in its original form or with only cosmetic changes this year, next year or the year after.*

SECRETARY FOR SECURITY (in Cantonese): I think the Government has said more than once that although we had expended a lot of efforts on what we did in the past year, we understood that the public still had some concerns and misgivings about the original Bill. This is why we have withdrawn the Bill and begun to explain to and consult the public afresh. We have also said that unless we have obtained the understanding and approval of the majority of the public, we would not start the legislative process anew.

MISS MARGARET NG (in Cantonese): *The Secretary still has not answered my supplementary. I am not asking about the process or when the Bill will be tabled again, or whether it will be tabled again before or after consultation. I am asking the Secretary if the Bill will be tabled to the Legislative Council again without making any changes or with only cosmetic changes.*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, perhaps I have to reiterate that irrespective of any bill or the approach adopted when the

consultation is relaunched, the understanding and approval of the majority of the public will have to be obtained. Regarding what the future bill will be like, I think we have to consult the public afresh, and obtain the understanding and approval of the majority of the public before tabling it to the Legislative Council again for discussion.

MS CYD HO (in Cantonese): *Madam President, I cannot accept the Secretary's behaviour of marking off his own turf and claiming that because constitutional reform was not within his ambit, he was not going to address it. This is because the aim of the public in taking part in the march was very clear, which is to come forward and give a response regarding the timing of the legislation. I think the Secretary for Security is duty-bound to address this response. Therefore, if the public believe, that constitutional reform should precede legislation to implement Article 23, I hope the Secretary can give a reply on how he is going to respond to this public aspiration. Even if the Secretary cannot give a reply today, I think he has a duty to take this matter to the Executive Council and ask the entire ruling echelon to give a reply. Does the Secretary think he has such a duty?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, if Members have any views in this regard, I will be glad to relay them to my colleagues in the Government.

MS CYD HO (in Cantonese): *Madam President, in the first part of my supplementary, I asked the Secretary if he had responded to the public's expression of their stance on Article 23 legislation. Therefore, the Secretary should first reply how he himself will respond to members of the public who came forward to make known their stance. If he rules out doing so, then he has to answer the second part, that is, to bring the matter up in the Executive Council and let the entire Government make known its stance. I hope the Secretary can answer the first part before the second part.*

PRESIDENT (in Cantonese): Secretary for Security, the Member is teaching you how to answer questions.

SECRETARY FOR SECURITY (in Cantonese): I do not understand what Ms Cyd HO means by making known the stance. What kind of stance does she want me to make known? *(Laughter)*

PRESIDENT (in Cantonese): Ms HO, it would be the clearest if you can repeat the supplementary you have just asked, do you think so?

MS CYD HO (in Cantonese): *I understand that the Secretary does not want to declare a stance. Madam President, my supplementary is this. Since the public have clearly made known their stance on the legislation to implement Article 23 and believe that democratic constitutional reform should precede Article 23 legislation, does the Secretary think that he has the duty to respond to this public opinion? It seems the Secretary has been thinking all along that he does not have such a duty. That is why I asked him if he thought he did not have the duty to give a response.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, on this point, I do not quite agree with Ms Cyd HO's view. I think that according to our contact with members of the public in the past year, the majority of the public do not oppose the enactment of laws to implement Article 23. Of course, some of them may have concerns and misgivings about the legislative process or the contents of the legislation. We understand this. However, I do not agree that the public think that legislation has to come after the introduction of universal suffrage into the political system of Hong Kong. Of course, some members of the public have expressed such a view and we have noted it.

MR NG LEUNG-SING (in Cantonese): *Madam President, it is said in the main reply that the duty under the Basic Law has no linkage to constitutional development. Will the Government evaluate whether, in the event that the pace of constitutional development is too fast and the changes are too great, thus giving rise to a new composition of members in the legislature, the fulfilment of the duty to enact legislation on Article 23 will be affected?*

PRESIDENT (in Cantonese): Mr NG Leung-sing, I am sorry, for I think your supplementary is hypothetical in nature. Members are not allowed to ask hypothetical questions.

MR NG LEUNG-SING (in Cantonese): *Perhaps I can phrase my supplementary in another way. It is mentioned in the main reply that the duty under the Basic Law has no linkage with the constitutional development in Hong Kong. Even though it is said here that there is no linkage with the constitutional development, it is necessary to assume that there will be changes brought about by future developments. Concerning the changes to be brought about by such developments, if the developments will bring about changes, may I know if there will be any effect? There is no linkage, but will there be any effect?*

PRESIDENT (in Cantonese): Secretary, Mr NG has asked a question in pursuance of the first paragraph of your main reply and he hopes that you will give a reply on the other side of the issue, that is, the other side of the coin.

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not know how to answer this supplementary from Mr NG Leung-sing. He is asking if constitutional changes will have any effect on Article 23 legislation, but I am really unable to answer this. Madam President, as you have said, this is a bit hypothetical, yet Mr Stephen LAM is not in the Chamber at the moment. *(Laughter)* However, I can say the Security Bureau's stance is that we still consider it the constitutional duty of the SAR Government to enact legislation on Article 23.

PRESIDENT (in Cantonese): We have spent more than 17 minutes on this question. Last supplementary question.

DR RAYMOND HO (in Cantonese): *Madam President, the Secretary said that preliminary preparations are being carried out and the review will continue. This will of course include issues such as the manner of consultation. May I ask the Secretary if he has borne in mind the fact that in the past, certain sectors were not consulted in any particular way and that the Government had not*

listened to their voices? This can be seen from the compendium of the views of the public, and in particular, the example of the 800-member Election Committee, whose members were chosen from a wide spectrum of society. May I know if the authorities will invite this kind of groups or other groups that have not expressed their views to do so and take the initiative to consult them?

SECRETARY FOR SECURITY (in Cantonese): Madam President, in launching a new round of consultations in the future, we will consult extensively. I am grateful to Dr Raymond HO's view on the 800-member Election Committee. We hope future consultations will extend to various sectors as far as possible.

PRESIDENT (in Cantonese): Sixth question.

Investigation of Loans Made Out by Banks

6. **MS EMILY LAU** (in Cantonese): *Madam President, it has been reported that following the exposure of the questionable loan made out by the Bank of China (Hong Kong) Limited to New Nongkai, the Hong Kong Monetary Authority (HKMA) deployed a working group to conduct thorough investigations on all local Chinese banks, to find out if unusual arrangements had been made for their major loan accounts. In this connection, will the executive authorities inform this Council:*

- (a) of the reasons for the HKMA's deploying a working group to conduct the above investigations and the results thereof;*
- (b) whether the HKMA has taken other measures to ensure the quality of the loans granted by Chinese banks; and*
- (c) whether the HKMA deploys staff to conduct regular investigations on banks to ascertain if unusual arrangements have been made for their loan accounts; if regular investigations have been conducted, of the number of such investigations, the banks investigated and the results thereof respectively in the past three years; if regular investigations have not been conducted, whether the HKMA will consider doing so with a view to preserving the confidence of local and international investors in local banks?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, first of all, I would like to emphasize that the banking supervisory standards of Hong Kong are fully in line with international standards and are consistent with those in other major international financial centres. This is confirmed by the very satisfactory results of the International Monetary Fund's recent assessment of Hong Kong's compliance with the Bank of International Settlement's core principles of banking supervision. Further, the effectiveness of Hong Kong's supervision of banks is demonstrated by the fact that Hong Kong has a sound and stable banking system which has a high capital adequacy and liquidity ratio as well as good asset quality.

On the questions raised by the Honourable Emily LAU, I would like to provide the following information:

- (a) The HKMA has conducted a series of specialized on-site examinations to review the policies, procedures, and systems of control in respect of lending activities, the loan classification system and adequacy of loan loss provisions of a number of institutions. However, under the restriction of section 120 of the Banking Ordinance, we cannot disclose the identity of these Authorized Institutions (AIs) or details of the findings of these examinations.
- (b) Under section 120 of the Banking Ordinance, we cannot comment on our supervisory approach for individual or a specific group of AIs. Generally speaking, the HKMA's supervisory approach is based on a policy of "continuous supervision" through a combination of on-site examinations, off-site reviews and prudential meetings. It is consistent with the relevant Basle Committee's Core Principles on Banking Supervision. In line with the practices of banking regulators in most other financial centres, the HKMA adopts a risk-based approach where the amount of supervisory efforts devoted to a particular institution would depend on the HKMA's assessment of the risk profile and risk management system of the institution concerned. In relation to asset quality, the HKMA regularly conducts comprehensive and specialized examinations to review the asset quality of AIs. The frequency and

scope of these examinations will vary from institution to institution, depending on the HKMA's assessment of the institution's credit risk, credit risk management system, lending policies and procedures, level of problem loans and adequacy of loan loss provisions, and so on. Apart from conducting regular and specialized on-site examinations to assess the asset quality of AIs, the HKMA also conducts ongoing analysis and assessment of the asset quality of individual AIs by reviewing information collected from the statutory returns and other sources. Asset quality is also a common topic discussed at the HKMA's prudential meetings with the Board and senior management of individual institutions.

- (c) The HKMA conducts regular on-site examinations on all AIs in Hong Kong. A total of 778 on-site examinations were conducted by the HKMA in the last three years and 190 on-site examinations were conducted in the first eight months of 2003. These examinations can take the form of either a comprehensive examination or a specialized examination. Under the risk-based supervisory approach mentioned earlier, the objective of a comprehensive on-site examination is to review whether the risk management systems in place are effective and adequate to identify, measure, monitor and control the various risks commonly associated with an AI, namely, credit, interest rate, market, liquidity, operational, legal, reputation, and strategic. The scope of these examinations will normally cover a wide range of an institution's operations. A specialized examination usually focuses on specific areas of concern or interest which have come to the attention of the HKMA. If any of these examinations identifies any weaknesses or deficiencies in the institutions' operations or control and risk management systems, the institutions concerned will be required to take appropriate and prompt actions to address the problems.

Again, I would like to stress that the banking sector in Hong Kong is financially sound and stable, and the supervisory standards of banks in Hong Kong are fully in line with international standards. The HKMA will continuously review and enhance its supervisory approach to AIs by taking into account experience learned from exercising its functions.

MS EMILY LAU (in Cantonese): *Madam President, the Secretary mentioned in part (a) of his main reply that the HKMA had conducted a series of specialized on-site examinations on a number of institutions. However, under the restriction of the law, he could not disclose the identity of those authorized institutions or details of the findings of those examinations. Nevertheless, perhaps some of the information could be disclosed, Madam President, when they took place, for example. Were they actions subsequent to the exposure of the New Nongkai case just as I pointed out in my main question, and when did they take place? Furthermore, how many institutions were involved with regard to "a number of"? Is the Secretary prohibited by law from disclosing the number? The Secretary could not disclose the identity of these AIs or details of the findings of these examinations, could he inform us whether actions have been taken subsequent to the examinations, including whether a report was submitted to the Chief Executive or the Chief Secretary for Administration?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I mentioned just now that 190 on-site examinations had been conducted by the HKMA up to end of August of 2003. With regard to the details raised by Ms Emily LAU, under section 120 of the Banking Ordinance, I am sorry that I cannot make any disclosure.

MS EMILY LAU (in Cantonese): *Madam President, my supplementary was about a series of specialized on-site examinations conducted by the HKMA, while in part (c) of the main reply, the Secretary mentioned that 190 on-site examinations had been conducted in the first eight months of 2003. They are two different matters, Madam President. Did the Secretary mean that the two matters were identical?*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, with regard to the specialized on-site examinations mentioned by Ms Emily LAU, I can inform Honourable Members that these on-site examinations were conducted between June and July.

MS EMILY LAU (in Cantonese): *Madam President, my supplementary was about the legal aspect, perhaps the Secretary for Justice could provide some assistance. Is disclosure totally prohibited by law? I thought that only the disclosure of the identity of those institutions or findings of those examinations were prohibited, but the supplementary I raised just now had nothing to do with that.*

PRESIDENT (in Cantonese): Secretary, the supplementary raised by Ms Emily LAU was: When did the HKMA conduct a series of specialized on-site examinations as mentioned in part (a) of the main reply? The main reply mentioned "a number of" institutions, so how many of them were involved and was there any follow-up action on the findings of these examinations?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I have already replied just now. Some of the examinations were conducted in June and July 2003. With regard to the number of institutions and findings of these examinations, according to our HKMA colleagues, we are probably not allowed to disclose the information under section 120 of the Banking Ordinance. However, due to the insistence of Ms Emily LAU, I will enquire with my HKMA colleagues again. If I could reply on that, then I will provide a written reply. (Appendix)

DR TANG SIU-TONG (in Cantonese): *Madam President, the Government pointed out in the main reply that the HKMA had been conducting continuous assessments and had been prudent. With regard to the New Nongkai case or similar cases, has the Government benefited from foresight or hindsight?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I have explained in my main reply that the banking supervisory system of Hong Kong is sound and stable. However, no matter how faultless the banking supervisory system is, it would be inevitable that individual AIs may have problems in the granting of loans. Moreover, I believe no institution could be totally free of bad debts in any banking system of the world. All I can say is that the banking supervisory standards of Hong

Kong are fully in line with international standards. Whenever the HKMA faces the situation mentioned by me just now, it will draw on the experience to perfect the banking supervisory system.

MR JAMES TO (in Cantonese): *Madam President, several months ago, I raised a question on some banking issues, and the Government also cited section 120 of the Banking Ordinance in response to the question. On that occasion, I asked whether the Government had enquired with the relevant banks in accordance with the Banking Ordinance and whether it had obtained their consent in accordance with the law, since it was the Government's duty to respond to the question of the Legislative Council and address public concerns. Now I wish to ask the same question. With regard to this incident, has the Secretary made enquiries with the Bank of China about whether disclosure could be made? If not, why not?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, in fact everybody knows that following the exposure of the questionable loan made out by the Bank of China, a report of the special committee was published, which should be thorough enough.

MR JAMES TO (in Cantonese): *Madam President, the Government has not answered my supplementary. Is the Government afraid of replying it? Does it the report suffices as a response? I consider that is the responsibility of the Government.*

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I have nothing to add.

PRESIDENT (in Cantonese): Secretary, the supplementary raised by Member is: Have you made enquiries with the Bank of China about whether or not disclosure

can be made? Although you have given your reply, the Member considered you have not answered his supplementary. Now I ask whether you have anything to add, if you have nothing to add, you may reply "no", if you have something to add, please do so.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I have nothing to add, Madam President.

MS EMILY LAU (in Cantonese): *Madam President, I wish to follow up the supplementary raised just now. The Secretary said that he could not disclose the relevant circumstances under the law. But what I wish to ask is whether a report has been submitted to the Chief Executive or the Chief Secretary for Administration on the findings of the examinations. We should be kept informed of this, and if we are not even kept informed of that, then I think there is something wrong with the law. With regard to this, is it necessary for the Secretary to go back to his office and look into the matter before giving us a reply?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I have said earlier that the Bank of China has published a detailed report of the special committee. Moreover, I do not wish to comment on any individual case in this Council. As to the question raised by Ms Emily LAU, I would follow it up with the HKMA.

MR JAMES TO (in Cantonese): *Madam President, the same supplementary. According to section 120 of the Banking Ordinance, information can be disclosed with the consent of the institution concerned. The Government did respond to a similar question last time, but it declines to make any response this time around. Has the Government found this a better way to shirk its responsibility?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I cannot see why the Government has to shirk its responsibility.

MS EMILY LAU (in Cantonese): *Madam President, I wish to follow up part (c) of the main reply concerning the number of examinations. The HKMA has conducted 700-odd examinations within three years. The Secretary pointed out in the last part of that paragraph that if any of these examinations had identified any weaknesses or deficiencies, the institutions concerned would be required to take appropriate and prompt actions to address the problems. May I ask how many of them were found with deficiencies and what were those deficiencies? In addition, what prompt actions had been taken by the institutions concerned to address the problem?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I believe Ms Emily LAU also understands that whenever the HKMA examines a bank, sometimes it involves the credit aspect, and sometimes it involves other issues. If Ms Emily LAU wishes to obtain the detailed information, I will make enquiries with the HKMA and see whether the law permits us to provide the information to the legislature.

MS EMILY LAU (in Cantonese): *Madam President, it is not about the details as the Secretary has answered it already, but the reply was too vague, and that is why I have to raise a follow-up supplementary. The Secretary said that prompt actions would be taken if problems were identified. Given that, how many problems were identified and what actions had been promptly taken? It is not about the details at all, Madam President. Could it be said that it is impossible for the Secretary to answer this question today?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I wish to take this opportunity to explain to Ms Emily LAU that the HKMA conducted 190 examinations in the first eight months of 2003 alone, and I believe there are numerous detailed particulars in each examination. If Members are to be informed of what the HKMA has done and what actions have been taken in these 190 examinations, including those details, I really need to make enquiries with the HKMA about whether the law permits the disclosure of such information. However, I believe the answer Ms Emily LAU wants is whether the HKMA has taken any actions and whether the banking supervisory mechanism of the HKMA is sound. I can assure Honourable Members that the banking supervision effected by the HKMA is sound.

Even if I provide all the details, Ms Emily LAU, would it be of any use to you? Could it be said that you are proficient in supervision?

MS EMILY LAU (in Cantonese): *Madam President, I really do not understand why the Secretary would say. We simply raise our supplementaries. He said there had been more than 100 examinations, which means there are many problems. If there are many problems, then he should not say that Hong Kong has a sound and stable banking system. For that reason, it is necessary for us to ask questions. In fact, I thought that the answer would be there was no problem at all and nothing had been found. However, he said no, as every case was questionable, but he could not tell us the relevant circumstances of each examination.*

Secretary, if you are unable to tell us, I have no alternative but to accept it. All you should do is to write as much as you can, however, if you write like that, then I will not be able to understand how you can come to this conclusion at the beginning and the end of your reply.

PRESIDENT (in Cantonese): The time for this oral question is almost up. We have spent more than 17 minutes on this question. I can feel that some Members consider their supplementaries have not been answered, but there are some difficulties for the Secretary to give replies. I hope that questions of this kind can be thoroughly answered on other occasions in future.

Oral question time ends here.

WRITTEN ANSWERS TO QUESTIONS

Number and Clearing of Public Rubbish Bins

7. **MISS CHOY SO-YUK** (in Chinese): *Madam President, I have received a complaint that a member of the public was charged with littering by staff of the Food and Environmental Hygiene Department (FEHD) on Kin Wah Street, North Point, after leaving a small bag of garbage next to a public rubbish bin which was already full. In this connection, will the Government inform this Council whether it regularly reviews the adequacy of the number of public rubbish bins*

and their clearing frequencies, so as to prevent recurrence of the above situation; if so, of the details; if not, the reasons for that?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): Madam President, the FEHD provides a total of over 18 000 litter containers at public spots throughout the territory to facilitate disposal of small pieces of litter by pedestrians. These containers are emptied at a frequency commensurate with their utilization rate, ranging from four to eight times daily.

The FEHD regularly reviews the adequacy of public litter containers, their distribution and clearing frequency on the basis of on-the-spot inspections as well as the views of District Councils, area committees and members of the public. Where there is evidence indicating an under-supply of public litter containers at a certain locality, the FEHD will increase the number of containers and/or their clearing frequency to avoid overflow of containers at that locality.

It has always been the Government's policy objective to increase public awareness about the need to maintain self-discipline in keeping our city clean.

Review of Coverage of Frontier Closed Area

8. **MR LAU WONG-FAT** (in Chinese): *Madam President, in reply to my question on 12 February this year, the Administration advised that "the Security Bureau is now reviewing the coverage of the Frontier Closed Area (FCA). We intend to consult the concerned parties on the outcome of the review in mid-2003". In this connection, will the Government inform this Council whether the review has been completed; if so, of its conclusions?*

SECRETARY FOR SECURITY (in Chinese): Madam President, the FCA south of the land boundary was established by the Hong Kong Special Administrative Region to provide a buffer zone to help our security forces to maintain the integrity of the land boundary and combat illegal immigration and other cross-boundary criminal activities. Access to the FCA was controlled by the police through the issue of FCA permits based on need so as to prevent excessive presence of people and activities therein, which will hinder the operations of our law enforcement agencies. Since its establishment, the FCA has played an important role in maintaining security in the boundary area.

As said in our reply to the Honourable LAU Wong-fat's question on 12 February this year, the Administration notes that there have been extensive discussions in the community on the FCA policy since the reunification. In view of the concerns of the community and boundary security considerations, the Security Bureau is conducting a review on the coverage of the FCA.

The initial outcome of the review indicates that there is scope for reducing the coverage of the FCA, while the scale of reduction will have to take into account considerations in aspects including planning, transport, land use, environment and infrastructure. The Administration is now conducting an internal study on the details of the scope for reduction of the FCA coverage and the implications involved. As the issues involved are complicated, the internal study is still ongoing and we have yet to reach a conclusion. The Administration will consult the concerned parties on the outcome of the review of the FCA coverage and the related issues as soon as the internal study is completed.

Monitoring Charitable Fund-raising Activities

9. **DR RAYMOND HO** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of the total amount of funds raised by local organizers of charitable fund-raising activities in the past year;*
- (b) *whether it has received complaints about the mechanism for monitoring local organizers of charitable fund-raising activities over the past three years; if so, of the details; and*
- (c) *whether, in the past three years, it had prosecuted any staff of charitable fund-raising organizations or people involved in fund-raising activities for embezzling the funds raised; if so, of the details?*

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

- (a) The Government only has official records of the total amount of funds raised through the following charitable fund-raising activities:

- (i) Between 1 July 2002 and 30 June 2003, the Social Welfare Department issued 522 Public Subscription Permits (PSP) for conducting Flag Days and other fund-raising activities for charitable purposes in public places. The amount of net proceeds raised through activities conducted under PSP and completed between 1 July 2002 and 30 June 2003 was \$106 million.
- (ii) From 1 July 2002 and 30 June 2003, the Television and Entertainment Licensing Authority issued 115 Lottery Licences to charitable or non-profit-making organizations for conducting lotteries to raise funds for their organizations or for supporting charitable purposes. The total amount of funds raised was \$40 million.
- (b) In the past three years, the Government has not received any specific complaint by members of the public against the mechanism for monitoring local organizers of fund-raising activities.
- (c) Under the police's classification, cases involving the embezzlement of charitable funds are not separately captured, but included in the established categories of offences (for example, theft or fraud). Therefore, separate statistics on such cases are not available.

Law Enforcement by Mainland Customs Authorities in Hong Kong Waters

10. **MR LAU KONG-WAH** (in Chinese): *Madam President, it was reported that on the 7th of last month, Mainland Customs officers forcibly boarded a cargo ship near Wong Mau Chau in Sai Kung within Hong Kong waters, and escorted the ship to the Mainland for detention and investigation. In this connection, will the Government inform this Council:*

- (a) *whether it knows the details of the incident, including whether Mainland Customs officers took law enforcement actions within Hong Kong waters;*
- (b) *whether the police had received any request from the Mainland Customs authorities for assistance in pursuing the cargo ship before it was intercepted;*

- (c) *of the number of cases in which the police received requests from the Mainland Customs authorities for assistance in pursuing cargo ships sailing within Hong Kong waters in the past three years; and*
- (d) *of the number of cases in which Mainland Customs officers took law enforcement actions within Hong Kong waters over the past three years, and whether they had contacted the Hong Kong police in advance on each occasion?*

SECRETARY FOR SECURITY (in Chinese): Madam President, our reply to the question raised by the Honourable LAU Kong-wah is as follows:

- (a) The Hong Kong police received a report in the early morning of 7 September that a Hong Kong cargo vessel had been intercepted by an unknown vessel near Nam Sze Wan within Hong Kong waters.

Twenty minutes after the receipt of the report, a police launch which was dispatched to the scene located the concerned Hong Kong cargo vessel at three nautical miles east of Tap Mun. It was then heading to the Mainland under the escort of a mainland patrol vessel bearing the Chinese characters "中國海關" on the side of the hull. Attempts were made by the police launch to stop the two vessels but were to no avail. The two vessels subsequently left Hong Kong waters.

The Hong Kong police contacted the Mainland Customs afterwards to make enquiries about the incident. The Mainland Customs confirmed that the Hong Kong cargo vessel in question was intercepted by their vessel on suspicion of engaging in smuggling activities. The cargo vessel was later escorted back to the Customs base at Yantian, Shenzhen.

The Administration is very concerned about this incident of incursion. The police have written to the mainland authorities to reflect our concern about the incident and request the mainland side to carry out a thorough investigation to prevent future occurrence.

- (b) According to the record of the police, the Mainland Customs authorities have not raised any requests with the police for assistance in pursuing the cargo vessel in question within Hong Kong waters before it was intercepted.
- (c) No requests from the Mainland Customs authorities have been raised with the police for assistance in pursuing cargo vessels sailing within Hong Kong waters in the past three years.
- (d) In the past three years, there were three cases in which Mainland Customs vessels entered Hong Kong waters without giving prior notice to the police. Upon investigation, it was found that these Mainland Customs vessels had inadvertently entered Hong Kong waters while on duty because of sea currents or other environmental factors. Hong Kong police had made reports to the mainland authorities on all these incidents in writing afterwards and expressed concern over these incursion cases.

Employment for Ex-prisoners

11. **DR RAYMOND HO** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *whether it provides information on vacancies of jobs which are designated for application by discharged prisoners only; if so, of the details, such as the numbers and titles of the jobs concerned, in the past two years;*
- (b) *of the employment rate of discharged prisoners in the past year; and*
- (c) *whether it has put in place mechanisms to follow up the employment situation of discharged prisoners?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) The Government do not have information on vacancies of jobs which are designated for application by rehabilitated offenders. For government vacancies, there is no employment quota in the

Civil Service specifically for rehabilitated offenders. The Government are an Equal Opportunities Employer. Selection of candidates for appointment is based on the ability, potential and performance of the applicants, as well as qualifications, experience and the level of integrity required for the post under recruitment. The best candidate for the job will be selected. All applicants, irrespective of whether they are rehabilitated offenders, are subject to the same set of open and fair selection process.

The Correctional Services Department (CSD), Social Welfare Department (SWD) and some non-governmental organizations (NGOs) provide services targeted for meeting the employment needs of rehabilitated offenders. The Society of Rehabilitation And Crime Prevention, Hong Kong (SRACP), is the only NGO dedicated to providing services for rehabilitated offenders which is subvented by the SWD. The statistics about the number of successful placement of rehabilitated offenders under the employment programmes offered by SRACP in the past two years are given below:

<i>Employment Programme of SRACP</i>	<i>No. of clients placed with jobs in 2001 to 2003</i>
1. Employment Development Unit	924
2. Employment Rehabilitation Centre	336
3. "WAYS"	359 ¹
4. Bright Services Company Limited	2 473

- (b) We do not have the overall employment rate of rehabilitated offenders prisoners. However, according to existing legislation, certain discharged prisoners are subject to supervision of the CSD after release². During the supervision period, the CSD will provide aftercare services, including employment services, to the discharged prisoners. Last year, 2 576 prisoners were required to be put under supervision. The employment rate of all supervisees was about 95%.

1 Cumulative figure from the start of project in April 2001 up to 31 August 2003

2 Young offenders, drug addicts, those who have committed offences related to violence, sex or triad activities and have been sentenced to two to six years in jail as well as prisoners whose term of imprisonment exceeds six years are required to be put under supervision of the CSD for a period of several months to a few years after release, during which the discharged prisoner will need to comply with the conditions of the supervision order, for example, holding suitable employment

The Government are fully aware of the difficulties faced by rehabilitated offenders in finding employment. To eliminate prejudice against rehabilitated offenders and misunderstanding about their time in prison held by some employers, the CSD organized seminars on the employment of rehabilitated offenders together with the Centre for Criminology, University of Hong Kong in 2001 and 2003 to provide a venue for rehabilitated offenders and their employers to share experience with a view to getting a better understanding of them as well as calling upon employers to provide them with more job opportunities. It is part of the CSD's publicity strategy in 2003 to send a stronger message to the business sector and employers in order to achieve the abovementioned goals. Details on how the employment needs of rehabilitated offenders are followed up are given below.

- (c) Before release, all prisoners will take part in the Pre-release Reintegration Orientation Course to obtain information on different support services and the latest employment trend. The CSD will also identify those prisoners who will likely encounter difficulties and refer them to the SWD or appropriate NGOs for follow-up action.

Moreover, the SWD provides support to all members of the community, including rehabilitated offenders, through its extensive network of service units run by the Department and NGOs. Rehabilitated offenders who need support are referred to the SWD and NGOs by the Welfare Officers of the CSD or they may approach these service units direct as appropriate.

In 2003-04, annual subventions of about \$45 million are provided to SRACP for rendering counselling, group activities, residential services and employment opportunities for rehabilitated offenders aimed at helping them to reintegrate into the community and lead a law-abiding life. Social workers of SRACP's Pre-release Preparation Service visit the prisoners in the penal institutions of the CSD regularly to promote its services. The to-be-discharged prisoners are helped to formulate discharge plans through individual interviews, talks, video presentation and distribution of information leaflets, and so on. Those who are needy would be referred to the

Social Therapy Centres of SRACP for follow-up upon release from prison.

In addition, effective from July 2003, the SWD provides annual subventions of \$1.3 million to the Society for Community Organization (SOCO) to operate the "Care and Support Networking Team" to assist underprivileged persons, including rehabilitated offenders, to reintegrate into the community through provision of outreaching, support, casework and group work services. For those who are unemployed, social workers of the SOCO would make referrals to the appropriate employment services.

Internet Frauds

12. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, the Hong Kong Monetary Authority (HKMA) issued a press release last month to alert the public to a suspected Internet fraud involving a website with the domain name similar to that of a bank's former subsidiary. Moreover, it has been reported that in recent months there have been cases of swindlers impersonating staff of licensed banks and sending out e-mails with the intent of obtaining bank account particulars of the e-mail recipients so as to defraud them. In this connection, will the Government inform this Council:*

- (a) *of the current number of authorized institutions (AIs) under the Banking Ordinance which adopt e-Certs (for example, server certificates or other technologies) for consumers to verify the authenticity of their websites;*
- (b) *whether it has formulated any measures or guidelines requiring the attachment of e-Certs to the websites of all the AIs (including licensed banks or virtual banks providing services to their clients through Internet or other electronic forms) and to the electronic messages (such as e-mails and mobile short messages) sent out by the institutions, to facilitate the verification of the authenticity of the websites and the identity of the senders of electronic messages; and*
- (c) *whether it has drawn up plans to educate consumers to guard against Internet fraud or deception; if so, of the details?*

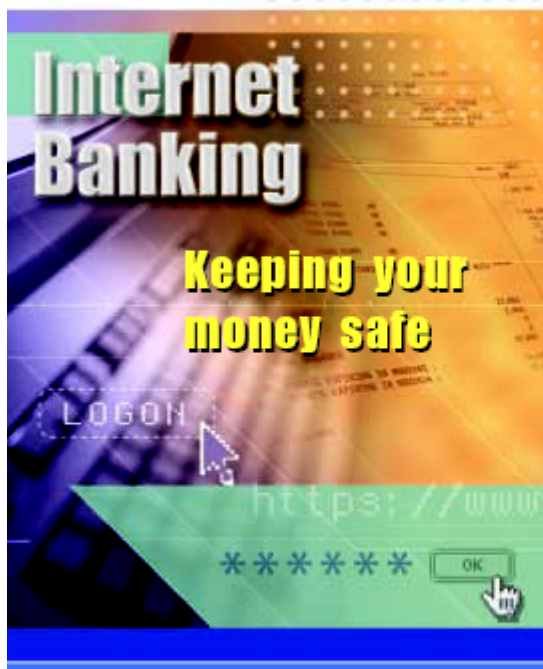
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President,

- (a) All of the 35 AIs that are offering e-banking services have installed digital certificates on their e-banking servers to allow customers to verify the authenticity of the e-banking websites.
- (b) The HKMA issued a guidance note "Management of Security Risks in Electronic Banking Services" to all AIs in July 2000. The guidance note requires AIs to implement appropriate measures (for example, digital certificates) for the customers to verify the identity and genuineness of AIs' websites for accessing e-banking services. The guidance note, however, does not mandate the use of digital certificates for authenticating electronic messages due to certain technical limitations such as:
 - (i) digital certificates cannot be used to verify the source of an SMS message, according to the HongkongPost; and
 - (ii) popular web e-mail services including Yahoo and Hotmail do not generally provide functions for their users to verify e-mails authenticated by digital certificates.

A more pragmatic approach is recommended in the HKMA's circular "Overseas Fraud Cases involving Fake E-mails or Websites" and a related press release issued in May 2003 (which was reissued in August 2003). The circular proposes that AIs take the following measures:

- (i) ensuring that their e-banking customers are made aware that the institution or its agents/business partners will never ask for customers' sensitive account information (such as PIN numbers or passwords) by e-mail;
- (ii) advising their e-banking customers of ways to ensure that they are communicating with the official site, for example, by checking the digital certificate of the e-banking site. Customers should be asked not to access the institution's e-banking website through hyperlinks embedded in e-mails; and

- (iii) searching the Internet regularly to see if there are other websites with domain names which could be mistaken for that of the institution or websites which have established hyperlinks to the institution's site. If the intent of these websites is doubtful, the institution should consider disputing the use of those similar domain names or seeking the assistance of the police or the HKMA.
- (c) The HKMA, the police and the Hong Kong Association of Banks (HKAB) have co-operated to launch a multi-channel consumer education programme to promote awareness of e-banking security precautions among the general public. This programme includes:
 - (i) *an educational leaflet (please see the Annex)* — the leaflet is now available to the public at over 10 types of outlets (for example, banks, public libraries, district offices, and secondary schools) and 10 websites (for example, the HKAB, the HKMA, the police, ESDlife, and educational portals). The leaflet is issued by the HKAB and endorsed by the HKMA, the police and the Consumer Council;
 - (ii) *TV episode* — TVB Jade Channel has shown a short TV episode on e-banking security at 7.00pm on 21 September 2003;
 - (iii) *radio segments* — Commercial Radio 1 has started broadcasting four radio segments on e-banking security on 6 October 2003. Each segment is to play three times a day for an entire week; and
 - (iv) *Police's TV programme* — TV programme Police Magazine (in Chinese), Police Report (in English), the Road Show programme for public buses and China-Hong Kong Shuttle Buses have been broadcasting six TV episodes on e-banking security since July and will run until December 2003.



You, your computer and the internet

Practical Tips

Millions of people are now taking advantage of internet banking and the convenience of being able to control their finances at any time, anywhere. Most banking and investment services are available online — all you need to do before you logon is take a few simple precautions.

▶ 1. You

- 🔒 Be alert – only open e-mails or attachments from known sources. Only download software from trusted sources.
- 🔒 Do not disclose your personal information online (e.g. HKID, address, bank account/credit card number) unless the site is both *secure* and reputable.
- 🔒 Check the website's privacy policy statement and statement on security safeguards before providing personal data to the website.
- 🔒 *Spoof websites* – always verify the domain name displayed on your browser's website address line, or access websites through your browser's bookmarks.
- 🔒 Change your online passwords regularly.

▶ 2. Your computer


- 🔒 Take personal responsibility for protecting your computer – limit the number of people who can use it and set your own password for your computer if it has this facility.
- 🔒 Install *personal firewall software* and *anti-virus software* and regularly download updates to *anti-virus software*.


▶ 3. The internet


- 🔒 Always disconnect from the internet when not using it.
- 🔒 Do not conduct transactions online unless the website is both *secure* and reputable.


▶ 4. Internet banking

- 🔒 Select personal identifiers (e.g. user ID/password) that are easy to remember but difficult to guess – do not use your birthday, telephone number or common names (such as girls' or boys' names and cartoon characters' names).
- 🔒 Do not disclose your password to anyone (including bank staff and the Police) and avoid recording it in your diary or computer.
- 🔒 Do not use your internet banking user ID or password for other online services (e.g. e-mail, internet access).

 Review and follow the security tips published by your bank.

 Never access your internet banking website from a public computer (e.g. cybercafé) or through hyperlinks embedded in e-mails.

 Check your bank balance and transactions regularly – with internet banking you can do this any time 24 hours a day. You should notify your bank immediately if you discover any errors or unauthorised transactions.

 When a website claiming to be a bank looks suspicious to you, contact the Hong Kong Monetary Authority or the Police.

Banks and the Police will never ask you for your password. If you receive such a request, contact your bank immediately.

Personal firewall software and **Anti-virus software** – help block hackers and viruses from getting into your computer. Anti-virus software needs to be updated regularly to detect new viruses. Products available vary in features, support and price (certain products offer a free version for home use but with less features and support). More information can be obtained from vendors and the internet.

Secure websites – sometimes a tiny padlock or key icon will appear at the bottom of your browser. This indicates that the information you transmit to the website will be encrypted.

Spoof websites – a fake website which looks genuine by using similar graphics and domain name to those of the legitimate website. Double click the tiny padlock or key icon shown on your browser to check the digital certificate of the website. The certificate should be issued to the genuine domain name/ organisation and have a valid date.

▶ Enquiries

For any enquiries about internet banking, please contact your account-holding bank.

▶ Useful links

- Information Technology Services Department:
www.infosec.gov.hk/english/general/protect/index.htm
- Hong Kong Police Force:
www.info.gov.hk/police/hkp-home/english/ccd/tcd.htm
- Hong Kong Monetary Authority:
www.hkma.gov.hk
- Consumer Council:
www.consumer.org.hk

Issued by the Hong Kong Association of Banks and endorsed by the Consumer Council, the Hong Kong Monetary Authority and the Hong Kong Police Force.

 消費者委員會
CONSUMER COUNCIL

 HONG KONG MONETARY AUTHORITY
香港金融管理局



List of Financial Consultancy Firms to Provide Service to Bureaux/Departments

13. **MR HENRY WU** (in Chinese): *Madam President, in June this year, the Government published in the Gazette the list of firms for the provision of financial consultancy services to bureaux/departments (the list), and set out at the same time the two criteria used for selection of firms to be included in the list: (i) the business of the firm is to provide financial consultancy services; and (ii) the firm must be a registered company in Hong Kong or possess a valid Hong Kong business registration certificate. In this connection, will the Government inform this Council:*

- (a) *whether it has adopted criteria other than the two listed above, such as the size of the firm, for selection of firms for inclusion in the list;*
- (b) *of the number of firms which applied for inclusion in the list in the past three years, the number of rejected cases among them and the reasons for rejection; the number of specific tasks for which bureaux/departments invited firms on the list to submit expressions of interest, with details such as the names of the tasks, the amount of financial consultancy fees involved, the names of firms invited to submit expressions of interest and the names of those selected; and*
- (c) *of the mechanism for continuously monitoring whether the firms should be retained on the list?*

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

- (a) Apart from the two criteria published in the Gazette, we have not adopted other criteria for selection of firms for inclusion in the list of financial consultants. Consulting firms will be included in the list upon their application by providing supporting records and certain basic information on areas of specialization and previous consultancy studies to demonstrate that they meet the criteria.

- (b) During the years from 2000-01 to 2002-03, nine new consulting firms applied for inclusion in the list of financial consultants and their applications were all accepted.

A summary showing the names of the major financial consultancies¹ conducted in the past three years, the amount of consultancy fees involved and the names of those consulting firms selected is given in the attached Annex. In most cases, we invite all firms on the list to submit expressions of interest. In special cases of restricted tender, it is not appropriate to disclose the names of the unsuccessful bidders without their consent.

- (c) We review the list regularly to ensure that up-to-date information on the consulting firms is maintained and to ascertain whether there are circumstances (for example, cessation of business or cessation of provision of financial consultancy services) requiring deletion of the name of a particular firm from the list. We have also put in place a mechanism to continuously monitor the performance of these consulting firms.

1 Financial consultancies exceeding \$1.3 million which have to be approved by the Central Consultants Selection Board.

Annex

Major Financial Consultancies During 2000-01 to 2002-03^{Note}

<i>Item No.</i>	<i>Name of Consultancy</i>	<i>Value of the consultancy (\$'000)</i>	<i>Name of the selected consulting firm</i>
1.	Financial Adviser for the Partial Privatization of the Mass Transit Railway Corporation	15,600	Merrill Lynch (Asia Pacific) Limited
2.	Consultancy Study on the Review of Government Financial Management Information Systems	2,919	PricewaterhouseCoopers Consultants Hong Kong Limited

<i>Item No.</i>	<i>Name of Consultancy</i>	<i>Value of the consultancy (\$'000)</i>	<i>Name of the selected consulting firm</i>
3.	Financial Consultancy on the Sha Tin to Central Link Project	8,190	Salomon Smith Barney
4.	Financial Adviser for the Secondary Offering of the MTR Corporation Limited and other infrastructural development projects	18,308	Deutsche Bank AG
5.	Provision of Consultancy on the Replacement of the Existing Government Financial Management Information System	24,700	Accenture Company Limited
6.	Consultancy Study on the Feasibility of Establishing Policyholders' Protection Funds	4,800	PricewaterhouseCoopers
7.	Financial Adviser for the Proposed Merger of Kowloon-Canton Railway Corporation and MTR Corporation Limited	1,600	N M Rothschild & Sons (Hong Kong) Limited

Note: Major financial consultancies refer to those consultancies exceeding \$1.3 million which have to be approved by the Central Consultants Selection Board chaired by the Permanent Secretary for Financial Services and the Treasury (Treasury).

Improperly Positioned Bus Stops

14. **MR ALBERT CHAN** (in Chinese): *Madam President, I have received many complaints that some roadside bus stops are improperly positioned, for example, being too close to road junctions, pedestrian crossings or car-park accesses, which does not conform to road safety standards and is prone to*

causing accidents. In this connection, will the Government inform this Council of:

- (a) the number and locations of bus stops the positions of which do not conform to road safety standards;*
- (b) the number of traffic accidents due to improperly positioned bus stops and the number of casualties thus caused last year; and*
- (c) the measures the Administration will adopt to improve the situation of bus stop locations not conforming to road safety standards?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, there are guidelines stipulated in the Transport Planning and Design Manual (TPDM) which set out the factors to be considered when locating bus stops. Such factors include visibility on bends or junctions, flow of vehicular traffic, proximity to pedestrian crossings and junctions. Other relevant site specific factors such as site constraints, local traffic condition and convenience to passengers will also be considered. In all cases, road safety is the primary consideration.

The guidelines will be followed as far as practicable but in case the location of a particular bus stop cannot fully meet the guidelines, the Transport Department (TD) will introduce appropriate mitigating measures such as provision of bus lay-by, traffic sign and road marking, and so on, to maintain road safety. As a result, all existing bus stops comply with the following two conditions:

- (i) the bus stops will not cause sightline obstruction to pedestrians or motorists; and
- (ii) the bus stops will not cause disruption to weaving of vehicles.

According to the TD's record, there was no traffic accident attributed to the location of bus stops in the past year.

The TD will continue to closely monitor the operation of bus stops and initiate appropriate improvement measures where necessary.

Participation of Health Care Personnel in Voluntary Retirement Schemes

15. **MR MICHAEL MAK** (in Chinese): *Madam President, the Hospital Authority (HA) launched the Voluntary Early Retirement Scheme at the end of last year for full-time non-civil-servant staff, whereas the second Voluntary Retirement (VR) Scheme introduced by the Government at the beginning of this year was open to civil servants of the HA and Department of Health (DH). In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of staff in the medical, nursing and allied health grades in the above two organizations who have been approved to leave their service in respect of each of the above two VR schemes, and the following figures in connection with those numbers:*
 - (i) *breakdowns of the numbers by the ranks of the staff concerned and the types of medical institutions to which they belonged;*
 - (ii) *the respective percentages of the numbers in the total numbers of applicants, and the relevant percentages in respect of each grade and rank; and*
 - (iii) *the respective percentages of the numbers in the total numbers of staff, and the relevant percentages in respect of each grade and rank; and*
- (b) *in view of the huge pressure brought by the outbreak of Severe Acute Respiratory Syndrome (SARS) on the medical system of Hong Kong, will the authorities concerned consider retaining those staff who have been approved to leave their service; if not, of the plan it will put in place to ensure sufficient health care staff to meet the service needs when there is an epidemic?*

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

Madam President,

- (a) A total of 244 civil servants in the nursing and allied health grades working in the DH and 389 civil servants in the medical, nursing and allied health grades working in the HA have been approved to retire under the second VR Scheme of the Government. Breakdowns of the relevant figures for the DH and the HA are shown in Annexes A and B respectively.

The HA has also launched a Voluntary Early Retirement Programme for its full-time non-civil service staff. Under that programme, a total of 678 HA staff in the medical, nursing and allied health grades have been approved to retire. A breakdown of the relevant figures is shown in Annex C.

- (b) The DH and the HA will closely monitor the manpower situation following the departure of staff under the two VR schemes. The release of staff under the schemes will be staggered to ensure that the provision of health care services will not be unduly affected. We will meet the service demand through service reengineering, redeployment of the serving staff and adopting alternative modes of service delivery. Training will be provided for serving staff to facilitate their redeployment and job transition. We may also consider recruiting non-civil service contract staff to strengthen manpower support in specific areas, where necessary. In addition, the DH and the HA will explore ways to develop closer collaboration with the private health care sector and non-government organizations in the voluntary sector in case of an epidemic as recommended by the SARS Expert Committee.

Civil Servants in the DH approved to leave service
under the second VR Scheme of the Government

<i>Staff Group</i>	<i>No. of staff approved</i>	<i>No. of Eligible Applications Received</i>	<i>% Successful Applications</i>	<i>Total No. of staff in that rank</i>	<i>% of approved staff in that rank</i>
<i>(a)</i>	<i>(b)</i>	<i>(a) ÷ (b)</i>	<i>(c)</i>	<i>(a) ÷ (c)</i>	
<i>Nursing Grade</i>					
Senior Nursing Officer	7	7	100%	26	26.9%
Nursing Officer	73	73	100%	301	24.3%
Registered Nurse	66	66	100%	815	8.1%
Enrolled Nurse	73	73	100%	295	24.7%
Midwife	2	2	100%	16	12.5%
Sub-Total:	221				
<i>Allied Health Grade</i>					
Chief Dispenser	2	2	100%	9	22.2%
Senior Dispenser	3	3	100%	22	13.6%
Dispenser	2	2	100%	42	4.8%
Senior Medical Technologist	5	9	56%	22	22.7%
Medical Technologist	5	5	100%	83	6.0%
Medical Laboratory Technician II	1	1	100%	112	0.9%
Radiographer I	1	1	100%	12	8.3%
Radiographer II	1	1	100%	13	8.3%
Scientific Officer (Medical)	2	2	100%	18	11.1%
Speech Therapist	1	1	100%	10	10.0%
Sub-Total:	23				
TOTAL:	244	248	98.4%	1 796	13.6%

*Civil Servants in the HA approved to leave service
under the second VR Scheme of the Government*

<i>Staff Group</i>	<i>No. of staff approved (a)</i>	<i>No. of Eligible Applications Received (b)</i>	<i>% Successful Applications (a) ÷ (b)</i>	<i>Total No. of staff in that rank (c)</i>	<i>% of approved staff in that rank (a) ÷ (c)</i>
<i>Medical and Health Officer Grade</i>					
Consultant	2	2	100%	524	0.4%
Senior Medical and Health Officer	8	8	100%	886	0.9%
Medical and Health Officer	10	10	100%	2 862	0.3%
Sub-Total:	20				
<i>Nursing Grade</i>					
Departmental Operations Manager	5	5	100%	169	3.0%
Nurse Specialist	3	3	100%	214	1.4%
Senior Nursing Officer	5	5	100%	80	6.3%
Senior Nursing Officer (Psychiatric)	1	1	100%	11	9.1%
Nursing Officer (Education)	2	2	100%	82	2.4%
Nursing Officer (Psychiatric)	16	16	100%	206	7.8%
Nursing Officer	97	97	100%	1 633	5.9%
Registered Nurse	60	60	100%	11 475	0.5%
Registered Nurse (Psychiatric)	17	17	100%	994	1.7%
Enrolled Nurse	60	60	100%	3 425	1.8%
Enrolled Nurse (Psychiatric)	32	32	100%	650	4.9%
Midwife	1	1	100%	39	2.6%
Ward Manager	33	33	100%	618	5.3%
Sub-Total:	332				

<i>Staff Group</i>	<i>No. of staff approved (a)</i>	<i>No. of Eligible Applications Received (b)</i>	<i>% Successful Applications (a) ÷ (b)</i>	<i>Total No. of staff in that rank (c)</i>	<i>% of approved staff in that rank (a) ÷ (c)</i>
<i>Allied Health Grade</i>					
Chief Dispenser	3	3	100%	11	27.3%
Senior Dispenser	6	6	100%	131	4.6%
Dispenser	3	3	100%	517	0.6%
Department Manager	5	5	100%	144	3.5%
Audiology Technician I	1	1	100%	9	11.1%
Medical Technologist	2	2	100%	417	0.5%
Medical Laboratory Technician I	2	2	100%	104	1.9%
Senior Occupational Therapist	1	1	100%	25	4.0%
Occupational Therapy Assistant	5	5	100%	226	2.2%
Senior Radiographer	4	4	100%	47	8.5%
Radiographer I	5	5	100%	431	1.2%
Sub-Total:	37				
TOTAL:	389	389	100%	28 498	1.4%

*HA Staff (Non-civil servants) approved to leave service
under the Voluntary Early Retirement Programme of the HA*

<i>Staff Group</i>	<i>No. of staff approved (a)</i>	<i>No. of Applications Received (b)</i>	<i>% Successful Applications (a) ÷ (b)</i>	<i>Total No. of staff in that rank (c)</i>	<i>% of approved staff in that rank (a) ÷ (c)</i>
<i>Medical and Health Officer Grade</i>					
Consultant	12	15	80.0%	524	2.3%
Senior Medical Officer/Assistant Consultant	31	37	83.8%	886	3.5%
Medical Officer	35	48	72.9%	2 862	1.2%
Sub-Total:	78				
<i>Nursing Grade</i>					
Midwife	10	10	100%	39	25.6%
Enrolled Nurse	128	139	92.6%	4 075	3.1%
Register Nurse	226	284	79.6%	12 469	1.8%
Nursing Officer and above	167	186	89.8%	3 014	5.5%
Sub-Total:	531				
<i>Allied Health Grade</i>					
Clinical Psychologist	2	2	100%	69	2.9%
Dietitian	4	9	44.4%	81	4.9%
Dispenser	8	10	80.0%	659	1.2%
Medical Laboratory Technician	30	31	96.8%	1 078	2.8%
Occupational Therapist	2	3	66.7%	461	0.4%
Pharmacist	0	1	0.0%	199	0.0%
Podiatrist	0	1	0.0%	18	0.0%

<i>Staff Group</i>	<i>No. of staff approved</i>	<i>No. of Applications Received</i>	<i>% Successful Applications</i>	<i>Total No. of staff in that rank</i>	<i>% of approved staff in that rank</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) ÷ (b)</i>	<i>(c)</i>	<i>(a) ÷ (c)</i>
<i>Allied Health Grade (continued)</i>					
Speech Therapist	0	1	0.0%	52	0.0%
Physicist	1	1	100%	37	2.7%
Physiotherapist	6	8	75.0%	705	0.9%
Prosthetist-Orthotist	2	3	66.7%	94	2.1%
Radiographer	10	11	90.9%	799	1.3%
Scientific Officer (Medical)	2	2	100%	52	3.9%
Social Worker	2	3	66.7%	165	1.2%
Sub-Total:	69				
TOTAL:	678	805	84.2%	28 498	2.4%

Body Checks on Persons Detained in Penal Institutions

16. **MR JAMES TO** (in Chinese): *Madam President, regarding the body checks conducted by staff of the Correctional Services Department (CSD) on persons detained in penal institutions for detection of internal concealment of drugs, will the Government inform this Council:*

- (a) *of the respective numbers of persons detained in penal institutions in each of the past three years and, among them, the number of those who were found to have drugs concealed inside their bodies, and the types and amounts of drugs seized;*
- (b) *of the methods used by CSD staff for conducting the above body checks and whether these methods have been reviewed by the authorities; if so, of the details; if not, the reasons for that;*
- (c) *whether it has studied if the checks can be conducted with the aid of scientific and technological devices; if so, of the results; if not, the reasons for that; and*
- (d) *whether it knows the methods used by other countries and regions for conducting such checks and whether they have tried new methods for the purpose; if they have, of the details?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) In order to prevent prisoners from smuggling dangerous drugs into correctional institutions by concealing them inside their bodies, a thorough body search is carried out on every prisoner upon admission. In the past three years, the number of prisoners admitted into correctional institutions and the number of cases where dangerous drugs were found being concealed inside the prisoners' bodies are as follows:

<i>Year</i>	<i>No. of prisoners admitted</i>	<i>No. of cases where dangerous drugs were found being concealed inside the prisoners' bodies</i>
2000	30 155	35
2001	33 484	44
2002	37 092	46

The dangerous drugs found were mainly heroin and dormicum and were usually separately packed in small quantity.

- (b) According to the Prison Rules (Cap. 234A), every prisoner shall be searched on admission and the Medical Officer or any person authorized by the Medical Officer may search the rectum, nostrils, ears and any other external orifice of prisoners. Under the Prison Rules, the searching of a prisoner shall be conducted with due regard to decency and self-respect. The methods of conducting body search, standing orders/ instructions for execution of searching duties and the related monitoring system are regularly reviewed to ensure their effectiveness and compliance with the relevant legislative provisions.

- (c) and (d)

The CSD is collecting relevant information and conducting research on whether there are high-tech devices for detecting dangerous drugs concealed in the prisoners' bodies reliably and safely. In the process, reference will be made to overseas experience. So far, the CSD has not identified suitable devices which can replace the existing methods of conducting body search. The Department will continue to pursue this matter.

Polling Hours for Elections

17. **MS EMILY LAU** (in Chinese): *Madam President, on the 26th of last month, the Electoral Affairs Commission (EAC) withdrew its previous decision to shorten the polling hours for the forthcoming District Council Elections. In this connection, will the executive authorities inform this Council whether they know:*

- (a) *if the EAC has gathered information on the polling hours for elections held in foreign countries; if so, of the details;*
- (b) *if the polling hours in Hong Kong are the longest, compared to those for the countries mentioned in the reply to (a) above; and*
- (c) *the supporting facilities put in place in the countries with shorter polling hours than those in Hong Kong to facilitate the voting of electors?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Chinese): Madam President, in considering whether to shorten the polling hours for the 2003 District Council Election, the EAC has gathered information on polling hours in a number of overseas countries, including Australia, Canada, Germany, Japan, New Zealand, Singapore, the Netherlands, the United Kingdom and the United States. The polling hours for elections at various levels in the great majority of these countries range from 10 to 13 hours. The only exception is the United Kingdom where polling stations are open for 15 hours.

In Hong Kong, the polling hours for District Council Election are from 7.30 am to 10.30 pm, totalling 15 hours. This length is longer than the polling hours in most of the countries mentioned above, and is the same as that in the United Kingdom.

Singapore has no special arrangements to facilitate electors to vote. All the other countries mentioned in the first paragraph above have various forms of special arrangements such as advance polling and postal polling, but we do not have information about the full details of the respective schemes.

Undertaking to Amend Criminal Procedure Ordinance

18. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, the High Court ruled in September last year that sections 67C(2), (4) and (6) of the Criminal Procedure Ordinance, concerning the arrangements for the minimum terms to be determined by the Chief Executive in respect of minors convicted of murder, were inconsistent with Article 80 of the Basic Law which provides that the judicial power should be exercised by the Courts. The Government*

subsequently indicated to me that it would not lodge any appeal against the ruling of the Court, and undertook to introduce a bill into the Legislative Council within the last Legislative Council Session to amend the relevant provisions of the Ordinance. In this connection, will the Government inform this Council of:

- (a) the reasons for not honouring its undertaking; and*
- (b) the legal basis for the continued detention of those offenders convicted of murder, despite the relevant ruling of the Court?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) In its replies to the Honourable LEUNG Yiu-chung on 26 September 2002 and 15 November 2002, the Security Bureau indicated that the Government would not appeal against the judgement of the Court of First Instance of the High Court on 9 September 2002. The Bureau undertook to prepare detailed legislative amendment proposals for submission to the Legislative Council as soon as possible. However, no legislative timetable was given, nor was there any undertaking to introduce an amendment bill within the last Legislative Session. Subsequently, the Department of Justice also sent a reply to the Honourable LEUNG Yiu-chung on 14 July 2003, explaining that the drafting of the legislative proposals would require careful consideration of relevant principles and consultation with the Judiciary Administrator. Whether a legislative slot would be allocated to the proposed amendments would depend on the priority of other competing bids in the legislative programme.

The legislative proposals are now being prepared and the Government plans to introduce the relevant amendment bill in the 2003-04 Legislative Session.

- (b) The prisoners concerned were minors convicted of murder and detained at Her Majesty's pleasure prior to the enactment of section 67C of the Criminal Procedure Ordinance. Upon the commencement of section 67C of the Criminal Procedure Ordinance and the Long-term Prison Sentences Review Ordinance, prisoners

detained at Her Majesty's pleasure have become prisoners detained at Executive discretion. Detention at Executive discretion is subject to an indeterminate sentence. The judgement of the Court of First Instance of the High Court on 9 September 2002 has no bearing on the legal effect of the indeterminate sentences given to the prisoners concerned. Thus, they remain legally detained.

The indeterminate sentences of the minors convicted of murder are subject to review by the Long Term Prison Sentences Review Board on a regular basis in accordance with the Long-term Prison Sentences Review Ordinance.

Installation of Safety Nets at Tsing Ma Bridge

19. **MISS CHOY SO-YUK** (in Chinese): *Madam President, it has been reported that there have been four cases of people jumping off the Tsing Ma Bridge (the Bridge) to commit suicide since the Bridge was open to traffic in 1997. In this connection, will the Government inform this Council whether it plans to take measures, such as installing safety nets under the Bridge, to minimize and prevent cases of people jumping off the Bridge to commit suicide?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Chinese): Madam President, the Bridge, which is not provided with pedestrian facilities, is not readily accessible by members of the public. To prevent people committing suicide by jumping off the Bridge, the Tsing Ma Management Limited has stepped up surveillance such as asking their staff to stay more alert when monitoring the operation of the Bridge through the closed circuit television and to increase the frequency of patrolling.

We consider the proposal to install safety nets at the Bridge not feasible because they will:

- (i) affect the stability of the Bridge especially under severe wind conditions; and
- (ii) obstruct routine inspection and maintenance of the bridge deck.

Security Facilities at Police Stations

20. **MR LAU KONG-WAH** (in Chinese): *Madam President, in late August this year, an unguarded suspect escaped custody from the Mongkok Police Station by crawling through the gap under an unguarded electronic gate at the police station's carpark entrance and exit point. In this connection, will the Government inform this Council:*

- (a) of the number of police stations where electronic gates were installed at the entrance and exit points in the past 12 months to dispense with deploying police officers on gate guard duty;*
- (b) whether the police has issued guidelines to police officers on how to prevent suspects from escaping whilst they are detained at police stations for the laying of charges; and*
- (c) whether the police has reviewed the security facilities at police stations in the past three years; if so, of the results of the review; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): Madam President:

- (a) During the past 12 months, 48 police stations have been installed with the Automated Station Security System to replace guard posts manned by police officers.
- (b) There are guidelines on the handling of suspects whilst they are detained at police stations for the laying of charges to prevent them from escaping. In addition, whenever an escape from lawful custody at a station is reported, the commander of the police division concerned will conduct a comprehensive investigation to find out whether any officer(s) involved is/are responsible. The commander also has to comment in the investigation report whether there is any procedural loophole, so that necessary action can be taken to prevent recurrence of similar incidents.
- (c) The police attach much importance to the security arrangement of police stations. Following the completion in March 2002 of the

final review on the security system of police stations, the Automated Station Security System was introduced to enhance security at various stations. In addition, Police District Commanders formulate, implement and regularly review their own security plans to meet specific needs of the police stations in their districts. At present, every police station has a designated officer, appointed by the District Commander, to formulate and manage the station security system. All police stations carry out drills and exercises on station security arrangements from time to time and conduct reviews afterwards.

The police also keep closely in view cases relating to escape from lawful custody and the adequacy of legal sanctions against such behaviour. It is a common law offence for any person to escape from legal custody. Past sentences from the Courts against such offenders are considered sufficiently deterrent. Nevertheless, the police will continue to keep the subject closely in view in conjunction with the Department of Justice, in order to maintain the deterrent effect under the law to prevent cases of escape from lawful custody.

STATEMENT

PRESIDENT (in Cantonese): Statement. The Secretary for Housing, Planning and Lands will now give a statement on "Government's Policy on Housing".

In accordance with Rule 28(2) of the Rules of Procedure, no debate may arise on the statement, but I may in my discretion allow short questions to be put to the Secretary for Housing, Planning and Lands for the purpose of elucidating it.

Government's Policy on Housing

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, last November, I delivered at this Council a statement on housing policy, repositioning the Special Administrative Region Government's housing policy and proposing a series of measures to deal with the serious

imbalance of supply and demand in the property market, with a view to restoring the confidence of the public and investors. I would like to take this opportunity to brief Members on the latest situation concerning the supply of private flats. I would also wish to explain how we are going to implement and consolidate the relevant policies and measures on the basis of the prevailing housing policy.

In the Statement on Housing Policy announced last year, I clarified that the Government's role was to provide subsidized rental housing for families in need, and that the Government would withdraw from the role of property developer by halting the production and sale of public subsidized flats, thereby minimizing its intervention in the market. We must also maintain a fair and stable environment to enable the sustained and healthy development of the private property market. The public have in general considered that it is the right direction.

During the process of implementing the measures, we have been aware of various opinions, some saying that the measures have not fully realized the desired effects. Moreover, there have occasionally been speculations in the market as to whether the Government will introduce any new measures. I fully understand the public's concern on the development of the property market. Actually, when I announced the Statement last year, I already said that we should not expect the measures to be able to resolve all the problems immediately. However, I firmly believe that a clear, comprehensive and consistent housing policy is instrumental in restoring the confidence of the public and investors in the property market.

The question of when supply and demand in the property market can achieve equilibrium, which hinges on the overall economic situation and market confidence, remains a matter of public concern. In order to have a firm grasp of the latest position of the property market, the Government has devised a comprehensive monitoring system and database on private housing, and the data are updated regularly for the implementation of timely measures. According to the number of Notifications of Commencement of Foundation Works filed with the Buildings Department, the number of works commencement in the private sector has decreased substantially from 1998 onwards. In 1998, foundation works for more than 35 000 new units commenced; in 2002, some 17 000 new units commenced; and in the first nine months of 2003, only 11 000 new units. It is anticipated that the total number of works commencement throughout 2003 will hit a record low. As for 2004 and thereafter, the number of works

commencement will be even less. It is estimated that the number of sites immediately available for commencement of foundation works in the market will produce no more than several thousand units in one year.

Although the current supply of private residential housing is still abundant, the production "peak" has passed. Based on a normal lead time of about three years for housing production starting from the foundation works, the current number of works commencement reflects that there will be a drop in the production volume of private housing in the next few years. According to the number of projects for which construction works have already commenced, it is anticipated that while the supply of flats will remain in excess of 20 000 in both 2004 and 2005, the number will decrease to only about 10 000 in 2006, and drop even further to about 4 000 in 2007. Judging from the current situation, the supply of new flats in the next few years will only be on the decrease.

We have now a clear grasp of the supply of private flats in the next few years. The property market has begun to stabilize and there have been initial signs of a rebound in recent months. We therefore believe that we must implement and consolidate the relevant policies and measures on the existing basis to further co-ordinate the supply of new flats. This will help strengthen public confidence in the market and help the property market regain its vitality.

First of all, the property development projects of the two railway corporations have always been an issue of public concern. There are indeed many stations along the railways of the two corporations above which sites are available for property development. We have to ensure that the construction and completion of these projects will not have an adverse impact on the market.

The Government has negotiated with the Kowloon-Canton Railway Corporation (KCRC) in this connection. The KCRC also announced yesterday that the residential development projects at the sites of the Tai Wai maintenance centre and Tai Wai Station of the Ma On Shan Rail, which involve 7 200 flats, will be carried out in phases and that the first batch will be completed no earlier than 2008. The KCRC will not invite expression of interests for these two development projects until 2005 the earliest. Development schedules for the remaining property developments at Wu Kai Sha Station and Che Kung Temple Station of the Ma On Shan Rail have yet to be finalized, pending the KCRC's review on the development priorities of individual projects and its further co-ordination with the Government. As for the property developments along the

West Rail, the Government has entered into an agreement with the KCRC in respect of the railway and its residential development projects. As such, the Government has decided to review the development and timetables for the property sites along the West Rail first according to the latest market situation. And the KCRC, being a government agent, has also expressed openly that the first batch of the residential developments along the West Rail, which will be carried out in phases, will only be completed in 2008-09 at the earliest. Besides, the KCRC will not invite expression of interests for the projects concerned before 2005-06.

On the other hand, a major project that has yet to be launched by the MTR Corporation Limited (MTRCL) is the residential development in Tseung Kwan O Area 86, which can provide 21 000 residential flats and is expected to be developed in nine phases. According to the latest announcement made by the MTRCL in September, it will review the planning for Tseung Kwan O Area 86 to further enhance the property developments there. Therefore, it is anticipated that the first batch of 2 000 residential flats will not be completed until 2007 the earliest. In other words, no new residential flats will be provided by the MTRCL in the coming three years except those which are already under construction. The MTRCL has also revealed earlier in public that being a listed company, it will definitely not sell land "at a pathetic price", and that it will take into account the demand of the market before inviting tenders for property development rights.

In order to enable an orderly disposal of the railway related property developments according to market demand, we will step up liaison with the two railway corporations on the pace and timing of tendering their property developments under the existing mechanism co-ordinated by the Director of Lands. I will also take a personal interest in the matter and keep it under constant review in conjunction with the railway corporations having regard to the prevailing market conditions.

When I announced the Statement on Housing Policy last November, I clearly stated that land supply should be determined by market demand. Therefore, the Government decided last year that scheduled land auctions should be stopped. At the same time, in view of the exceptional dire state of the property market, the Government also decided to suspend the Application List System until the end of 2003. Thereafter, the supply of new land will only be triggered from the Application List.

As I have just mentioned, the supply of new private flats in the next few years will be on the decrease and the situation of supply in excess of demand will hopefully be rectified gradually. To uphold the implementation of government policies, we will regulate the demand for land through market forces to foster a healthy and normal development of the property market. In view of this, the Government has decided to resume the Application List System from January 2004.

Under the Application List System, any developer interested in any of the sites on the list may submit an application to the Government, but the developer must offer a minimum price that it pledges to pay for the site. If the Government considers the minimum price offered by the applicant reasonable and acceptable, it will put up the site for sale by open tender or public auction taking the offered price as the upset price and following the principle of selling the site to the highest bidder. In case the site cannot be successfully sold at that upset price or above in the public auction, the Government will withdraw the site. We will ensure that the sites on the Application List will not be sold at pathetic prices.

In fact, in addition to lowering the risk of over-supply and reducing government intervention in the property market, supplying land through the Application List System can also provide the property market with information on land sales by the Government and increase the transparency of the market. The Government is now preparing the Application List and making operational arrangements to tie in with the resumption of land sales through the Application List System next year. Before deciding on how to draw up the Application List, the Government will take into account market situation and development needs, and consider carefully the quality and location of individual sites as well as the number of flats that can be built on these sites. Details will be announced in January 2004.

Let me reiterate that land is an important asset of Hong Kong. Under no circumstances will we sell land at a pathetic price.

To address the issue that a fairly large number of new flats will be completed in the short term, the Government proposes to extend the period of the building covenants of development projects which originally will expire between 1 November 2003 and 31 October 2004 for one year without additional charges. Subject to the conditions of individual sites, building covenants lasting three to

five years are normally given. A developer is required to complete the development of a site within the prescribed period after acquiring the site or modification to the land lease. The Government hopes that the proposed concessionary measure can provide the developers with flexibility in adjusting the completion dates of their development projects according to market situation before offering them for sale. The Lands Department will later issue practice note to the industry to explain the details.

On the other hand, to carry through the Government's policy objective of withdrawing from the private property market, I announced last year that, except for a small number of unsold and returned flats, the production and sale of Home Ownership Scheme (HOS) flats would cease indefinitely. I would like to reiterate today that we will follow through this policy. We will propose to the Hong Kong Housing Authority (HA) that no unsold and returned HOS flats will be offered for sale as subsidized housing before the end of 2006. There are now about 10 000 HOS flats which are completed or under construction but have never been offered for sale. The HA is actively exploring various disposal options.

The final point I want to raise is that the Government has undertaken a comprehensive review of the Landlord and Tenant (Consolidation) Ordinance, with the objective of relaxing all excessive protection of security of tenure and revitalizing the rental market to attract more property investors, which will benefit the overall property market. In fact, as Members know, we have already submitted the Landlord and Tenant (Consolidation) (Amendment) Bill 2003 to the Legislative Council for consideration in June this year. I hope to secure an early passage of the Bill.

The performance of the property market is closely linked with the economy. In the second quarter of this year, property prices fell by 5% to 10% at one point as a result of the substantial blow brought about the SARS on Hong Kong's economy and property market. Now that SARS has been over, the local economy is starting to improve, and the property market is becoming active. According to statistics from the Land Registry, the number of sale and purchase agreements of properties has been on the rise since May. Take the primary market as an example, the number of property transactions more than doubled from over 1 200 in May to over 2 700 in August. As regards the secondary market, the number of property transactions during the same period increased from over 2 800 to about 3 800, rising by as much as 32% and reaching a record

high in four months. Although the number of registered transactions in September fell slightly, latest indications are that the actual number of transactions last month recorded a substantial rise, which will be reflected in the number of registered transactions in October.

Looking from a macro-perspective, Hong Kong's economy is showing good signs of recovery, as shown by the following favourable news and statistics in recent months:

- (1) The export figures for July and August remain strong with an average monthly growth of 7.3% in export value, while exports to some of our major trading partners in Asia maintain a double-digit growth.
- (2) With the introduction of the "individual visit" scheme for mainland visitors, the number of visitors to Hong Kong has increased significantly. The total number of mainland visitors for July and August was 1.64 million, which represents a sharp increase of 34% over the same period last year. According to the statistics of the Immigration Department, the number of mainland visitors to Hong Kong exceeded 338 000 in the National Day Golden Week just passed, representing an increase of 20% over the same period last year. The boom of the tourism industry helps to boost the business of the service, retail and catering industries, thereby creating new employment opportunities.
- (3) After signing the main parts of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) in late June, the Hong Kong Government and the Central Government also signed the Annexes to CEPA on the implementation details in late September. This will enable the business and professional sectors to further explore their business opportunities in the huge mainland market or expand their mainland business.
- (4) The Government has announced the introduction of the Capital Investment Entrant Scheme which will be open to application from 27 October 2003 onwards. We believe that the Scheme will help the inflow of investment funds, which will benefit our economy by adding impetus to activities in the financial and property markets.

- (5) With the bank deposits adding up to more than \$3,300 billion, and the interest rate remaining at its 25-year low, huge sums of money are seeking opportunities for good investment returns.
- (6) Deflation and unemployment rates are beginning to show signs of abatement.

The Government estimates that the Gross Domestic Product (GDP) will grow by as much as 2% this year, and many securities and investment organizations are predicting a stronger 3% to 5% growth in Hong Kong's GDP in the coming year. The future economic prospects of Hong Kong are encouraging. This will hopefully boost public confidence and hence the demand for properties.

I have always firmly believed that so long as the Government can carry through and consolidate its housing policy, and work towards the objective of "small government, big market", the private property market will become active again and develop in a steady and healthy way when the economy further improves. I am optimistic about the long-term development prospects of the property market.

Lastly, no matter you consider my announcement today as the so-called "tenth measure" or as a "non-measure", I would like to tell you that I have only one "measure", which is to gain the public's trust that the Government is steadfastly committed to a clear, comprehensive and consistent housing policy. As long as we continue to convey this clear and adamant message to the Hong Kong people, public confidence in the property market will be restored.

Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, the Secretary has not mentioned in his Statement whether or not the building of public rental housing units will continue. Will the Secretary please make an elucidation in this respect?*

PRESIDENT (in Cantonese): I am sorry, Mr TAM Yiu-chung, the Secretary is not obliged to elucidate anything which is not mentioned in the Statement. Perhaps later on I will give you an opportunity to raise another question seeking elucidation. Members are not allowed to seek elucidation on things not mentioned in the Statement or not found in its contents.

MR ALBERT HO (in Cantonese): *Madam President, the Secretary mentions at the end of the fourth paragraph of the Statement that as for 2004 and thereafter, the number of works commencement will be even less; it is estimated that the number of sites immediately available for commencement of foundation works in the market will produce no more than several thousand units in one year. May I seek the Secretary to elucidate if the estimate has taken into account a factor, that is, whether the real estate developers will continue to exercise the exchange entitlement and seek lease modifications after 2004? If this factor has not been considered, would this imply that you would not give approval to exchange entitlements and lease modifications for the construction of buildings anymore?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we have taken this factor into account. We know that there are "raw" and "ripe" lands as they are commonly called. If someone owns a piece of farmland and he has not made an application for planning and gained an approval from us to modify the terms of the land lease, his piece of land is called "raw" land. If the use of this piece of land is to be changed to enable immediate development, it will often take a lengthy process as the owner will have to apply to the Town Planning Board to change the land use. The Board will also need to undertake some statutory procedures in accordance with the relevant town planning regulations to ensure that no objection is raised. Such procedures are often lengthy. After these are done, the owner will need to discuss with us matters like regranteeing the premium. So if these procedures are not complete and if the construction is to begin, when the construction is finished, the buildings will have been completed beyond the timeframe which we are now talking about. That is why with respect to the question raised by Mr HO, though the construction of some buildings has yet to start, the buildings do fit the criteria which he has mentioned as the relevant procedures are complete. We have included such buildings in our calculation.

MR ALBERT CHAN (in Cantonese): *Madam President, the Secretary mentions in the seventh paragraph that the construction and completion of these projects will not have an adverse impact on the market. Earlier on the Government stopped the production of Home Ownership Scheme flats and imposed a moratorium on land sales, thus aggravating the difficulties faced by the construction industry. Now the postponed development of railway land will add to the gravity of the employment situation in the construction industry.*

PRESIDENT (in Cantonese): Mr CHAN, you are expressing an opinion.

MR ALBERT CHAN (in Cantonese): *I wish to seek an elucidation on the point of not causing an adverse impact on the market. Does the market to which the Secretary has referred not include the employment market of the construction industry?*

PRESIDENT (in Cantonese): Secretary, what is the market which you have referred to?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, what I was referring to was the property market, that is, the question of supply and demand. An adverse impact would not be caused if there is an equilibrium in demand and supply. It remains of course, that the major premise is that we should have a timetable with respect to the supply of flats on railway land so that we will know how many flats will become available each year and how the supply from other sites can tie in with this. For example, we have said earlier that we will revive the Application List System, thus it will lead to an increase in the supply of flats. So in the few years ahead, we will strive to ensure that there will not be any serious imbalance in demand and supply as we have seen in the past. That does not mean that we will stop housing construction. My major argument is that if we do not take action, the volume of housing construction will reduce after 2006. Therefore, if we go by our policy and provided that market response is positive, a certain number of flats will be produced every year and so workers will be given suitable employment prospects.

MS EMILY LAU (in Cantonese): *Madam President, I seek an elucidation from the Secretary with respect to the 12th paragraph. He says that the supply of new private flats in the next few years will be on the decrease and the situation of supply in excess of demand will hopefully be rectified gradually. Can the Secretary elucidate whether this means that although 40 hectares of land have been set aside for the development of the project of a cultural centre in West Kowloon under the leadership of the Chief Secretary for Administration and funding will be made for the construction of cultural and leisure facilities there, this project will not be undertaken? If it is said that the supply will be on the decrease, that is, there will not be any substantial development there even if the place can be developed quickly, then I do not understand this remark made by you.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, the development project in West Kowloon is primarily not a housing project. The Chief Secretary for Administration in his briefing on the project has mentioned that our objective is to build a world-class cultural and arts centre in West Kowloon and to make the place a cultural landmark for Hong Kong. The project is therefore different from a typical property development. It is primarily cultural in nature and the property side to it is only supplementary.*

Our focus is not on property development and we will invite all interested parties, including those from the real estate sector and others, to submit a proposals to us on how this objective of building a cultural centre can be reached and in what combinations. We certainly hope that some people can come up with proposals and demonstrate to us how the project can be financially viable and done well. We will select the best proposal taking account of various circumstances. Having said that, we will not judge proposals from a real estate perspective and we do not want to see too many real estate developments there.

MS EMILY LAU (in Cantonese): *Madam President, the Secretary has not elucidated the project. As developers will not do anything for nothing and there is bound to be some sort of a deal. Just how many flats will be produced there? And when these flats are completed, how will the number rectify the imbalance? I hope he can elucidate this point. Or is he saying that the developers are all nice people and they do this for charity and they will build the cultural and leisure facilities for free and never ask for the building of anything in exchange? I wish the Secretary can elucidate this.*

PRESIDENT (in Cantonese): Ms Emily LAU, you may now sit down. Are you saying that in the 12th paragraph, the Secretary says that the supply of new private flats in the next few years will be on the decrease.....

MS EMILY LAU (in Cantonese): *Yes.*

PRESIDENT (in Cantonese): Since there will be a development in West Kowloon.....

MS EMILY LAU (in Cantonese): *Forty hectares.*

PRESIDENT (in Cantonese): Why is it that the supply will be on the decrease and whether this decrease has taken account of the development in West Kowloon?

MS EMILY LAU (in Cantonese): *Yes, Madam President. And how many flats?*

PRESIDENT (in Cantonese): Secretary, please elucidate.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I have said that the West Kowloon project is not a real estate development project. It is primarily a cultural project and the real estate side to it is only supplementary. We also understand that a cultural project needs enormous capital and we may perhaps need a suitable level of property development as a supplement. Of course, we do not expect some people will finance the project by making a large-scale residential development. Even if such a kind of proposal is made, it is very likely that it will not be accepted. So the precondition is that we will look at the main part of the project to determine if it is a cultural project and if it deviates from what we have in mind, then there are chances that proposal will be turned down, for it is not a project put up for bidding. We are only inviting the submission of proposals, that is, the making of recommendations in the form of a proposal.

MR ABRAHAM SHEK (in Cantonese): *Madam President, on the issue of subsidy for land and government policy, would the Secretary elucidate the eighth paragraph? The point is property developments along the West Rail can produce about 70 000 flats. Now as the Government says that it wishes to adopt a "small government, big market" policy, has consideration been made to resume all the lands concerned and put them on the Application List? Why is the KCRC allowed to continue with its property developments, hence creating another source of land supply?*

PRESIDENT (in Cantonese): Mr SHEK, this is a question, not just a request for elucidation from the Secretary.

MR ABRAHAM SHEK (in Cantonese): *I would like the Government to elucidate. Since it is mentioned that developments in Ma On Shan and Tai Wai will involve 7 200 flats, but as far as I know, there are some 70 000 flats coming from the sites along the West Rail. Another point I wish the Government to elucidate is when these flats in the West Rail developments are scheduled to complete. He mentioned later that these flats would be completed in 2008 or 2009, that means 70 000 flats in four years or about 20 000 flats each year.*

PRESIDENT (in Cantonese): Mr SHEK, please be seated first? Are you saying that you would like to request an elucidation from the Government regarding the development schedules for the residential projects along the West Rail?

MR ABRAHAM SHEK (in Cantonese): *Yes.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we may refer to the eighth paragraph. I pointed out *inter alia* that residential developments along the West Rail will be carried out in phases. All residential developments on the alignment will be carried out in phases. What Mr SHEK has said seems to suggest that we will defer the developments to 2008 and all the projects will complete at that time. This is not true. All the projects will be carried out in phases, and the earliest ones will

complete in 2008. As a matter of fact, what we have mentioned is only deferring the completion date of the developments which will be carried out in phases.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, the point on which I wish to seek an elucidation is in the 17th paragraph. The paragraph mentions that there are about 10 000 Home Ownership Scheme (HOS) flats which are completed or under construction, but have not been offered for sale. The Hong Kong Housing Authority (HA) is actively exploring various options of disposal.*

I wish to seek an elucidation on how long it will take to actively explore and whether or not these flats will be used for other purposes such as quarters of the disciplined forces.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we have been troubled by this problem for some time. I have mentioned many times in the meetings of the relevant panel of this Council that the disposal options were first proposed in March. At that time, we considered proposing the following four options to the panel, that is: (1) selling these flats to the HA for relocation purposes; (2) using them as quarters for the Civil Service (as mentioned by the Member earlier); (3) conversion into hostels; and (4) conversion into public rental units.

Due to various reasons, we will convert only a small number of these units that is, about 2 000, for use as public rental units. As for the use as government quarters, we are actively discussing the issue within the Government as quite a significant financial commitment has to be made on the part relevant Bureaux. The HA simply cannot give away these HOS flats for free, so some kind of financial arrangement has to be worked out. Discussions on the arrangement are still ongoing.

As to converting them into hostels, as Members are aware, the matter has been brought up again due to the increase in the number of mainland visitors two or three months ago as a result of the "individual visit" scheme. We plan to invite the submission of proposals from interested parties in the near future and see if they are interested in the idea. When we proposed this option last time,

quite a lot of people expressed interest in this, but there were also many people who opposed to the idea. Therefore, we will consider whether there are people interested in this development before tender is invited. Depending on the number of people who are interested in the idea, we will consider the next course of action. If no one expresses any interest in the idea, we can only give it up.

MR FRED LI (in Cantonese): *Madam President, I would also like to seek an elucidation on the 17th paragraph. It is about figures. The Secretary has said that there are about 10 000 HOS flats which are completed or under construction but have never been offered for sale. However, as I can recall, previous information puts the figures at being some 20 000. Can the Secretary elucidate whether the correct figure should be some 20 000 or 10 000? If it should be some 20 000, then what has happened to the other flats?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, as I have said, some of these flats were once offered for sale but they remain unsold, so some of these are remaining stocks while some are returned flats. These flats cannot be converted for other uses and their number is about 5 900. Some other flats are in housing estates where the flats have been offered for sale, but as flat sales are in phases, so flats in some more recently completed blocks have never been offered for sale. As they belong to the same housing estate and their land lease and deed of mutual covenant are similar, so they cannot be used for other purposes. There are 4 700 such flats. When these flats are to be disposed of later, we must consider selling these flats as subsidized housing. There are now about 10 600 such flats. As I have mentioned earlier, these flats will not be offered for sale before 2006. As for the remaining flats, I have said that there are 10 000 flats which should be disposed of by other means, when these are added, the total volume is some 20 000 flats.

MR ALBERT HO (in Cantonese): *Madam President, again on the 17th paragraph. The Secretary says that no unsold and returned HOS flats will be offered for sale as subsidized housing before the end of 2006. Does it mean that there is no other disposal option apart from offer for sale as subsidized housing, or will the Secretary not consider disposing of these flats by some other means?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): No, Madam President. As I have explained to Mr Fred LI about how these flats should be treated separately, this is because we cannot dispose of them by other means. Since that involves land sales and there are restrictions like land lease, title deeds and deeds of mutual covenant, we have no other options.

MS EMILY LAU (in Cantonese): *Madam President, I would like to ask the Secretary to elucidate the reference to property developments of the two railway corporations as mentioned in eighth and ninth paragraphs, it is because it seems that all the development projects will be postponed. For example, the projects in Ma On Shan will be postponed to 2008 and that means they will not be completed before 2008. Developments along the West Rail will also be postponed to 2008, and the developments of the MTRCL in Tseung Kwan O will be postponed to 2007. I would like the Secretary to elucidate as to whether he has discussed the matter with the Secretary for the Environment, Transport and Works and whether this would affect the income of the two railway corporations. If their income would be affected, would this exert a great pressure on the fares?*

PRESIDENT (in Cantonese): Secretary, you only need to elucidate the remarks made in the Statement.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I can say that within the Government we do maintain communication with the other Bureaux and we will reach a unanimous view before we proceed to take any action.

For example, with regard to the MTRCL, I have mentioned in my Statement that the MTRCL made an announcement about its decision after discussing the matter with us. The MTRCL has stated in public that it being a listed company will take into account the demand of the market before inviting tenders for property development rights. If the market situation is unfavourable, the flats offered for sale in a bad market situation will not fetch a good price. So after discussion with us, the MTRCL thinks that this is an acceptable development schedule and it was also devised by them.

PRESIDENT (in Cantonese): This is the end of the session on the Secretary's Statement and requests for elucidation by Members. Now the next item on the Agenda.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under the Interpretation and General Clauses Ordinance in relation to extension of the period for amending five items of subsidiary legislation laid on the table of the Legislative Council on 9 July 2003.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS MIRIAM LAU (in Cantonese): Madam President, I move that the motion standing in my name as printed on the Agenda be passed.

Members agreed at the meeting of the House Committee on 3 October 2003 that two Subcommittees should be set up to consider the four items of subsidiary legislation relating to consular matters and the Statutes of the University of Hong Kong (Amendment) (No. 2) Statutes 2003.

To allow more time for the Subcommittees to deliberate on the items and report the outcomes to the House Committee, I move a motion in my capacity as Chairman of the House Committee to extend the scrutiny period to 5 November 2003.

Madam President, I implore Members to support this motion.

Ms Miriam LAU moved the following motion:

"That in relation to the —

- (a) Registration of Persons (Amendment) Regulation 2003, published in the Gazette as Legal Notice No. 165 of 2003;

- (b) International Organizations (Privileges and Immunities) (Office of the Commission of the European Communities) Order, published in the Gazette as Legal Notice No. 166 of 2003;
- (c) Administration of Estates by Consular Officers Ordinance (Amendment of Schedule) Order 2003, published in the Gazette as Legal Notice No. 167 of 2003;
- (d) Consular Conventions (Application of Section 3) Order, published in the Gazette as Legal Notice No. 168 of 2003; and
- (e) Statutes of the University of Hong Kong (Amendment) (No. 2) Statutes 2003, published in the Gazette as Legal Notice No. 186 of 2003,

and laid on the table of the Legislative Council on 9 July 2003, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) and deemed to be extended under section 34(3) of that Ordinance, be extended under section 34(4) of that Ordinance to the meeting of 5 November 2003."

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.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: the movers of the motions will each have up to 15 minutes for their speeches including their replies, and another five minutes to speak on the amendments, the movers of amendments will each have up to 10 minutes; other Members will each have up to seven minutes for their speeches. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Better contingency mechanism and preventive measures on the Severe Acute Respiratory Syndrome.

BETTER CONTINGENCY MECHANISM AND PREVENTIVE MEASURES ON THE SEVERE ACUTE RESPIRATORY SYNDROME

MR MICHAEL MAK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. Ladies and Gentlemen, I wish to declare an interest here. I am an employee of the Hospital Authority (HA).

Insofar as Severe Acute Respiratory Syndrome (SARS) is concerned, I think Members, especially myself, have lots of feelings about it. The work carried out by the Government in relation to the treatment and prevention of SARS has aroused great controversies and criticisms. With regard to the report of the government-appointed SARS Expert Committee, I think its recommendations are not comprehensive enough. For example, there is no mention of implementing primary health education in the community and at schools so as to enhance public understanding and awareness of infectious diseases, and no recommendation is made to the Government to promote continuously with all efforts the territory-wide participation in sustainable measures on public health and cleanliness or to vigorously enforce quarantine and health measures at exit and entry points in order to reduce the chances of virus attacks.

Some time ago, I consulted my fellow workers in my sector. They were generally of the view that the Government should expeditiously put in place a better contingency mechanism and adopt effective preventive measures to pre-empt problems. In this connection, I have summed up their views into seven points, and I hope to put forward some views through this debate, so that the authorities can set priorities earlier for better preventive work against SARS. I would also like to take this opportunity to instil a stronger sense of crisis in Hong Kong people and raise public awareness of epidemic prevention, rather than saying in a much simpler way that the recommendations in the report of the government-appointed SARS Expert Committee should be adopted as soon as possible. I will respond to the two amendments one by one later.

Vice Premier of the State Council and the commander in chief in the fight against SARS in China, Ms WU Yi, once said to the effect that while the wound has been healed, we must never forget the pain. She made this remark particularly to remind the relevant mainland authorities to learn a lesson from the past experience and implement preventive measures thoroughly. I think this remark also inspires vigilance on the part of the Government and Hong Kong people, because we have lost a total of 299 lives in this battle, a battle without the smoke of gunpowder though, including eight medical and health care workers.

First of all, I wish to talk about enhancing co-ordination and collaboration of the work of public and private medical institutions as well as residential care homes for the elderly in the treatment and prevention of SARS and issuing standardized guidelines in this respect. Earlier on, in the independent inquiry report of a retired Judge appointed by the Baptist Hospital, it was pointed out that the Baptist Hospital had not reported to the Department of Health on the SARS outbreak as required. It was stated that there had been delays in terms of reporting and the hospital had failed to inform patients and their families of the situation. Paragraphs 4.39 to 4.42 of the Expert Committee's report also criticized the Government and private hospitals of failing their roles in the reporting of the SARS outbreak. In fact, during the SARS epidemic, I had contacted private hospitals, the HA and the persons concerned time and again and called for better co-ordination in the partnership relationship between public and private medical institutions by, for instance, entrusting private medical institutions with certain kinds of public health services. Regrettably, this proposal and many other initiatives advocated by me eventually fell through because of the charging arrangements. I hope that the Administration will do its utmost to foster co-operation with private medical institutions in respect of

long-term development and expeditiously enhance co-ordination between private and public medical institutions in this respect. For example, the HA should provide private medical institutions with information relating to the epidemic and outsource some medical services to private medical institutions during the epidemic. In simpler terms, midwifery and the treatment of many diseases, such as cancer, can be outsourced to private medical institutions, so that concerted efforts can be made to improve the monitoring of infectious diseases and enhance control over infections.

In the course of controlling the SARS epidemic, co-ordination was lacking whether among Policy Bureaux, government departments or local universities, in that work had been carried out individually. While the SARS epidemic has subsided for three months only, the highest management of the HA has again put on the stage a farce which is both ludicrous and saddening. When the management proposed at the general meeting of the HA a three-tier alert system like a traffic light, members of the Board kept on asking: What messages is this alert system intended to send to the people? How will it tie in with the two-tier alert system of the Health, Welfare and Food Bureau? But these questions have not been clarified, and in the end, the authorities have made the public and the many front-line health care workers feel baffled and confused. The Government has still given us no answer. We can thus see that after the battle against SARS, the authorities have, as usual, reacted slowly despite prompt actions are warranted. Co-ordination and standardized guidelines are lacking. So is communication.

As for the prevention of SARS in residential homes for the elderly, I think this should absolutely not be ignored, particularly as many private residential homes for the elderly do not have proper and satisfactory access to information due to resource constraints. So, I hope the Government can provide adequate support for them in this respect. I propose that in the event of an epidemic outbreak, at least two nurse specialists in infection control should be sent to the residential homes for the elderly to assist in the formulation of relevant measures to curb the further spread of the infectious disease. I believe Dr LO Wing-lok will definitely put forward the proposal of "one doctor for each residential home". I absolutely consider this proposal worthy of support.

On the provision of sufficient and proper protective gear and infection control training for front-line health care workers, I have some views to share with Members. I believe Members still remember vividly that front-line

medical and health care personnel had continuously reflected their requests through the media during the battle against SARS, complaining about insufficient protective gear and infection control measures. On the question of face masks, for example, the controversies over whether N95 masks or surgical masks should be provided were largely conflicts between rational and sensational considerations, so to speak. I really do not wish to see that in the event of a resurgence of SARS, the question of standardized measures and standardized protective gear is still not addressed properly. As reflected to me by many colleagues, they were like "barefooted doctors" during the onslaught of SARS, in that they had to take care of the patients without sufficient protective gear, like going to the battlefield bareback. In fact, I have visited many hospitals personally. All my colleagues had reflected the same situation to me and that is, they were not given clear guidelines on, for instance, how they should take care of their patients, how they should take care of their families, where they should go after work, and so on. Some colleagues even described their dilemma at that time as playing Russian roulette. I hope the relevant authorities will ensure that our front-line workers will not have such fears and anxieties again. It is also not our wish that they will become martyrs.

Besides, with regard to training, the HA has only 53 nurse specialists in infection control for deployment to the 44 hospitals in Hong Kong. As such, one can imagine how unlikely the epidemic could be effectively controlled during the SARS outbreak. For this reason, I urge the Government to expeditiously step up training in this regard and increase the number of nurse specialists in infection control as soon as possible.

On isolation facilities, I visited the isolation facilities at Princess Margaret Hospital at the invitation of the Health, Welfare and Food Bureau some time ago. I am very much satisfied with these facilities, but the progress is extremely slow indeed. These facilities include 1 200 isolation beds for infection control. But so far, from the information obtained by me, only 70% of the beds can be provided at the end of the month, which means that it is unknown as to when the many beds or hundreds of beds can be provided. So, I hope the Government can speed up its work and complete this task earlier.

On the mechanism for reporting suspected and confirmed SARS cases, I have many views to put forward too and I hope the Government will pay attention to them. The incident concerning a SARS panic case in a private hospital, namely, the Adventist Hospital, earlier has precisely laid bare the

whole situation. Where should the tests be conducted? In this connection, I do not have a conclusion for the time being. How should private and public medical institutions make arrangements to facilitate the reporting of SARS or flu cases? Do we have in place a clear verification mechanism so as to avoid belated reports, false reports or omission in reporting?

Moreover, I wish to talk about the implementation of primary health education in the community and at schools so as to enhance public understanding and awareness of infectious diseases.

Little has been done by the Government to promote participation from community groups in primary health education, and at least this issue is not mentioned in textbooks of primary and secondary schools. I very much hope that the Government will expeditiously incorporate primary health education into the school curriculum, so that students can understand the importance of primary health education and the benefits of infectious disease prevention when they are young at age. Besides, I support the proposal of "one nurse for one school". Some time ago, I conducted a pilot scheme on health education and physical assessment at some schools jointly with the Department of Nursing of The Chinese University of Hong Kong, and the scheme was very well received. I hope the Government can provide support for this scheme to further benefit the public as a whole.

In fact, I also hope that all members of the public can continue to participate in the community-wide cleaning campaign proposed by the Chief Secretary for Administration. Ongoing efforts must be made in this regard. To profess his determination, the Chief Secretary for Administration stated that zero tolerance will be the attitude in eliminating unhygienic habits and enforcing public health legislation. However, we can see that the situation has remained unchanged after several months, for cases of littering and dripping of water still exist.

Finally, I wish to talk about the quarantine and health measures at exit and entry points.

Members who have travelled overseas or returned to Hong Kong from overseas will know that it is necessary to fill in this form in my hand now. But guess how this form is collected. It is collected by the officers concerned in the course of customs clearance. But will these officers read carefully the contents

of the form? As we all know, we only have to take a very common pill and our body temperature can be properly controlled. This so-called quarantine measure has a host of loopholes. I hope the relevant authorities can truly and earnestly implement this measure, in order to stop infectious diseases, particularly SARS, from spreading to the territory through the exit and entry points.

I hope that mainlanders who are keen to come to Hong Kong on individual visits will have regard for the interest of Hong Kong. They should not take risks or bring problems to our medical and health care system just because they wish to come to Hong Kong to visit this Pearl of the Orient as soon as possible. Thank you, Madam President.

Mr Michael MAK moved the following motion: (Translation)

"That, in view of the possible resurgence of the Severe Acute Respiratory Syndrome (SARS), this Council urges the Government to devise a better contingency mechanism and adopt preventive measures to safeguard public health and ensure that the spread of the disease can be effectively contained in case of an outbreak, with a view to minimizing the damage; these measures should include:

- (a) Enhancing the co-ordination and collaboration of the work of public and private medical institutions as well as residential care homes for the elderly in the treatment and prevention of SARS, and issuing standardized guidelines in this respect;
- (b) Providing sufficient and proper protective gears as well as infection control training to front-line health care workers to ensure that they work in a safe environment;
- (c) Expediting the construction of isolation facilities in public hospitals;
- (d) Establishing a clear mechanism for reporting confirmed and suspected SARS cases for public and private medical institutions;
- (e) Implementing primary health education more extensively in the community and at schools so as to enhance public understanding and awareness of infectious diseases;

- (f) Promoting continuously with all efforts the territory-wide participation in sustainable measures on public health and cleanliness; and
- (g) Vigorously enforcing quarantine and health measures at exit and entry points."

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

PRESIDENT (in Cantonese): Mr CHAN Kwok-keung and Mrs Sophie LEUNG will move amendments to this motion respectively. Their amendments have been printed on the Agenda. The motion and the two amendments will now be debated together in a joint debate.

PRESIDENT (in Cantonese): I now call upon Mr CHAN Kwok-keung to speak first, to be followed by Mrs Sophie LEUNG; but no amendments are to be moved at this stage.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, I propose an amendment to the original motion on behalf of the Democratic Alliance for Betterment of Hong Kong (DAB) by adding "implementing as soon as possible the recommendations of the SARS Expert Committee" to the motion. The 46 recommendations made by the Expert Committee not only address the inadequacies of the existing preventive mechanism, but also cover contingency planning, clinical management and occupational health. We agree with the recommendations and urge the Government to implement them as soon as possible to ensure that Hong Kong is well-equipped for the possible resurgence of SARS in the territory.

Besides, we consider paragraph 16.2 of the Expert Committee's report very important, but seldom is it mentioned. It concerns the impact and after-effects of the epidemic on the community, an area that needs to be seriously addressed by the community and the Government. The need to care for the recovered SARS patients and families of the deceased is given particular stress

therein. This point is not included in today's motion, but it is already covered by my amendment.

The seven proposals made in the original motion are broadly in line with the recommendations of the Expert Committee, echoing the principles of the Expert Committee by suggesting, among other things, the adoption of standardized guidelines for prevention, dissemination of information, and improvement of the health care system. Certainly, the 46 recommendations of the Expert Committee have addressed the issues in greater depths than those proposed in the original motion. The original motion has only dealt with the prevention and control of the epidemic, without putting forward any specific suggestions on contingency.

Contingency, so to speak, is inseparable from the after-effects of the epidemic. This is like the possibility of Hong Kong facing terrorist attacks, as we cannot fantasize that our security measures are strong enough to stop terrorists from entering Hong Kong. On the contrary, we must be prepared for such an attack; we must know what actions to take in order to contain damages. "To contain damages" is the key to any contingency planning. Certainly, we hope that SARS will never return and that there is zero infection every day. But let us ask ourselves: Is this assumption realistic?

Once there are cases of infection, will our contingency mechanism function in a better and more comprehensive way than last spring? I am referring to how we are going to assist people infected with the disease to tide over difficulties and help families of the deceased to face the misfortunes. These two areas of work are integral to the preventive and contingency mechanisms. We must prevent the epidemic, and it is all the more necessary to comfort the people's heart. Only when those who contracted the disease or families of the deceased are provided with sufficient support can they face their lives in a more positive way.

In a press conference held by the DAB last week, a recovered SARS patient was invited to recount his experience during and after hospitalization. This recovered SARS patient used to be a bus driver. He was unfortunately infected with SARS and was once admitted to the Intensive Care Unit. He recalled that he had thought of killing himself thrice because he could not bear the pain. Fortunately, it was the encouragement from a group of warmhearted medical workers that made him carry on with the struggle bravely. Finally, he

was recovered and discharged from hospital. He was once full of hope about rejoining society on discharge from hospital. But good times did not last long as he began to feel an ache in his bones in July, which had seriously affected the functions of his legs. But when he attended a follow-up appointment at the HA, he was not given a clear diagnosis of his symptom. Perpetual pain had seriously upset his emotions and finally in August during a follow-up consultation session with the Department of Psychiatry, the attending doctor noticed the severity of his problem and wrote him a referral letter for re-examination at the Department of Orthopaedics. It was subsequently found that there was a vary degree of degeneration in the bones of his legs and a surgery would be required. The recovered patient told reporters in tears that he had been told that he was a lucky person for he was able to come out of the hospital alive. But after he was discharged, he found himself half alive only. How does he feel?

The ordeal of this recovered patient is not unique. The DAB has come into contact with many recovered SARS patients. Some face financial problems after their discharge from hospital; some have emotional problems; and some are even badly tortured by the sequelae of the disease. Press reports last week also revealed that some recovered SARS patients may suffer from avascular necrosis due to high steroid dosage over a long period of time. This shows how neglectful the Government and society have been to the need of caring for recovered SARS patients and families of the deceased in the aftermath of the epidemic subsided.

As we all know, a more coherent and integrated medical and health care system is required to control infectious diseases. Regarding the ways to improve the system, I believe Members will discuss this at length later. But apart from the medical and health care system, it is also necessary for society to properly address the after-effects of the epidemic. To those people who have lost their loved ones, those who have lost their health and those who have suffered badly from the disease before recovery, they need consolation in order to be healed from the traumas that they have suffer. To those lives claimed by the disease, their last wish is sound protection for their families. Recovered patients also face lots of difficulties. Some may have lost their jobs and their health because of the disease. So, the Government and all sectors of the community should lend them a helping hand. To this end, the DAB has the following suggestions:

- (1) the HA should appoint a member of the senior management to take charge exclusively of co-ordinating the follow-up treatment of recovered SARS patients and making special arrangements to ensure timely treatment for all recovered patients in order to relieve their sufferings of the sequelae of the disease;
- (2) the Government should immediately set up a contingency fund to provide financial assistance for families affected by SARS, in order to help them overcome the difficulties in their daily lives;
- (3) the Government should actively remove the administrative barriers and co-ordinate the efforts of the relevant departments to provide suitable services for families affected by SARS; and
- (4) we also urge employers of recovered patients to make compassionate arrangements by transferring them to posts that suit their conditions so as to help them rejoin society.

These suggestions of the DAB precisely underscore the points made in paragraph 16.2 of the report of the Expert Committee, that the HA should assess the medical and psychological needs of recovered SARS patients and develop a programme to cater for their needs, that the Social Welfare Department should assess the needs of the families of deceased SARS patients and offer follow-up support as appropriate, and that assessments should be made on the extent and impact of discrimination against former SARS patients, their families and contacts, and appropriate support for subjects of discrimination should be considered.

I believe a caring attitude of the Government and all sectors of the community towards recovered SARS patients and families of the deceased is the last defence of the entire contingency mechanism in the event of an epidemic outbreak, which is essential to containing the damages of the epidemic to the minimum. An underlying reason of my proposal to implement the recommendations of the Expert Committee as soon as possible is to include this long-term measure in order to contain the damages of the epidemic to society.

Madam President, I so submit.

MRS SOPHIE LEUNG (in Cantonese): Madam President, it appears that discussions on SARS in the community now tend to trace the responsibilities of government officials. Certainly, the Liberal Party agrees that there is a need to clarify who should be held responsible. But at a time when the World Health Organization (WHO) has issued an alert on the resurgence of SARS and as we face the threats of a serious infectious disease, the Liberal Party considers that our prime task now is to learn from experience and take preventive actions, as spelt out in the title of the Report of the Severe Acute Respiratory Syndrome Expert Committee: *SARS in Hong Kong: From Experience to Actions*. We must take all necessary preventive measures and set up a better contingency mechanism to cope with the possible resurgence of SARS. The Liberal Party considers it imperative to protect public health and maintain the normal operation of society while preserving the momentum of economic recovery spurred by the relaxation of restrictions on mainlanders visiting Hong Kong individually and CEPA, to ensure that the overall interest of Hong Kong will not be affected.

In fact, the Expert Committee's report has provided a thorough and impartial analysis on the SARS outbreak, putting forward 46 recommendations. Some of the recommendations have significant implications on epidemic prevention and the improvement of the contingency mechanism, and warrant serious follow-up.

Firstly, organizational and institutional shortcomings. The most obvious shortcoming was confusing lines of command in the fight against SARS. Initially, the powers and duties of the relevant departments were unclear and co-ordination was seriously lacking. As a result, orders from the higher levels were not implemented by the lower levels or the views of the lower levels could not be conveyed to the higher levels, and this greatly undermined the ability of the Government to handle the crisis and caused misunderstandings between the management and front-line workers, thus impeding the progress of epidemic control. While the HA had introduced a system made up of the green, yellow and red alerts, a "two-tier warning system" was also proposed by the Health, Welfare and Food Bureau later. But as the two systems are not entirely compatible and due to the lack of clear guidelines, front-line medical workers have been confused.

The Liberal Party agrees with the recommendations in the Expert Committee's report and supports the setting up of a command group chaired by the Secretary for Health, Welfare and Food and comprising heads of the

subordinate departments. This command group will be responsible for co-ordinating and commanding the prevention of epidemics and making all major decisions, with a view to fostering a tacit understanding and co-operation in all aspects and hence enhancing the ability of the medical system in crisis management.

Secondly, improvements to the necessary medical equipment. As a common saying goes, "Effective tools are prerequisites to success". During the SARS outbreak, there were often complaints from front-line workers about insufficient protective gear. Certainly, the personal habits of medical workers, that is, whether they have complied with all the steps and procedures in using the protective gear and whether they have considered these steps and procedures as protocols to protect themselves, are equally important as the protective gear. It is because protective gear is, after all, hardware, and the role of people, which is software, is often the decisive factor. To prevent the spread of virus in hospitals and even to the community, the Liberal Party agrees that there is a need to speed up the provision of isolation wards for SARS patients exclusively. Effective virus segregation facilities are also necessary inside the wards to prevent extensive infection.

Thirdly, the lack of co-operation between private and public medical systems. As stated in the Expert Committee's report, during the SARS outbreak, some private practitioners and private hospitals had offered to take care of non-SARS patients. But as pointed out in the report, ".....it appears that this extra capacity was not fully utilized".

The Liberal Party has all along supported the interface of public and private medical institutions. We consider it necessary for the authorities to foster co-operation between the public and private sectors in respect of disease surveillance, support services, exchange of information, and so on. This can reduce the burden on the public medical system in times of emergency and at the same time make full use of the professional skills and knowledge of the private sector, thereby enabling the overall resources of the community to achieve the maximum effects.

Finally, I would like to say that awareness of public health is generally lacking in the community. In this connection, the Liberal Party very much supports the proposal of conducting public health studies as suggested by the Expert Committee in its report. SARS is so frightening not only because it is a

new virus with unpredictable paths of transmission. It is so frightening also because of our ignorance of the culture of public health, which allowed the virus to spread before we knew it and thus magnifying the destructive power of the virus on human beings.

Madam President, we are faced with the 21st century, and as said by the Liberal Party in this Chamber before, we must have the mentality of the 21st century in handling public health issues.

Following the globalization of the world economy, the cross-boundary movement of people has become frequent and public health has already transcended the limits of boundaries. The Liberal Party considers that the authorities must build up a basis for co-operation with mainland and international health care organizations, particularly in view of our increasingly close co-operation with the Mainland in tourism and in economic development. It is therefore imperative indeed to cultivate in the public an awareness of public health and upgrade the public health policies in Hong Kong to meet the international standards of the 21st century.

Madam President, the Liberal Party very much appreciates the intentions of Mr Michael MAK in proposing the motion today. I propose an amendment on behalf of the Liberal Party because we consider that the seven proposals in the motion are not as comprehensive as the series of recommendations made in the Expert Committee's report, and may not be effective in addressing the possible outbreak of the epidemic in the near future.

As for Mr CHAN Kwok-keung's amendment, it is in fact very close to the proposals of the Liberal Party. However, we consider that the Panel on Health Services has an irreplaceable role to play. Through the Panel, studies can be conducted in collaboration with the Government on the feasibility of the 46 recommendations made in the report one by one and from a practical perspective with an attitude of serving the public and caring for society, and priorities can be discussed in the light of resources and the reality, with a view to assisting the authorities to implement measures of epidemic prevention.

The Liberal Party, therefore, considers that while the authorities should implement the recommendations of the Expert Committee's report as soon as possible, they should also take into full consideration the discussion on the report

by the Legislative Council Panel on Health Services, so as to perfect and better the contingency mechanism and preventive measures.

Otherwise, why should there be this Panel on Health Services?

With these remarks, Madam President, I will propose an amendment.

DR LAW CHI-KWONG (in Cantonese): Madam President, two other Members of the Democratic Party will speak on today's motion later to make some specific suggestions on the preventive measures that should be taken by the Government to tackle the possible resurgence of SARS in the future. I just wish to share with Members my views on several issues of principle and on the attitude in handling the SARS incident.

In fact, some of my points can be discussed with reference to some problems raised in the Expert Committee's report, particularly with reference to a principle mentioned therein. One of my criticisms of this principle is that it is not consistently adopted as the principle for making judgements on all the incidents. This principle is expressed once in the report as "prudent precaution". The question of whether it is appropriate to apply this principle in considering and handling the SARS incident is still debatable.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

The principle adopted in the United States can be called "ultra-prudent precaution". Even during the SARS outbreak, this principle of "ultra-prudent precaution" was actually adopted by my university, that is, the University of Hong Kong, for the handling of related issues. Regarding the practices of the Government, should we expect them to be "very prudent", "ultra-prudent" or "extra prudent"? On this point, I think we ought to consider where the line should be drawn.

Having said that, however, I think "prudent precaution" is already the minimum level of prudence. I hope the Government's attitude will not be any less prudent than the general level of precaution, for that would not be enough. In case of an epidemic outbreak, I think our attitude should at least be very prudent, if not ultra-prudent, in considering the related matters.

The second principle also has to do with my criticism of the Expert Committee's report. I would say that when we look into how a problem arises, particularly if our purpose is to curb the spread of diseases, information is of great importance because information forms the basis of all preventive endeavours. So, as mentioned in the Expert Committee's report, judgements on the right and wrong are made on basis of the principle of "have been known and could be done". But when we are faced with an epidemic, I think we should actually be asking "what should be known", that is, what information should be made known to us and what information we should find out as much as possible. So, in the event of an outbreak, whether from the perspective of the entire strategy and the utilization of resources, it is certainly very important to collect information to ensure that we can effectively curb the spread of the disease. If we exhaust all means to collect information but not from a prevention viewpoint right from the beginning, then I think this would be strategically incorrect.

I wish to make another point, though we might have to await investigations before we know more about it. Nevertheless, I only hope to raise a point concerning public panic. As we can see in many movies, whenever issues such as epidemics come into question, it is very funny to find that the government departments will normally withhold the truth from the public using the reason of pre-empting public panic, whereas the people's heroes will try their best to reveal the truth to the people. I am not saying that the Government has concealed the truth from the people. But I wish to say that while it is sometimes undesirable to cause public panic when an epidemic occurs, we should think about this: a reasonable level of worries can make people more prudent in taking precautions against an infectious disease. So, it is good to let them know the truth in an appropriate measure. Therefore, when considering the spread of an epidemic, we basically should not allow "pre-empting public panic" to become the starting point of any public discussion. Rather, when we are going to provide information to the people, we should consider how we can reduce unnecessary misunderstanding, and that is most important.

The Expert Committee's report has mentioned another problem that Members have often discussed, that is, the problem of co-ordination. I think you, Madam Deputy, may also have played a game in childhood called "123 traffic lights". Recently, this game has become a joke, for people always say that we should go for "123 traffic lights" to prevent SARS. I trust Members know what this is all about. "123" means the mechanism as referred to by the Government, whereas "traffic lights" refers to the mechanism of the Hospital

Authority (HA). I think the Secretary is unlikely to have played "123 traffic lights" before. To win the game, one of the ways is to be the fastest, or to be the first to reach the finish. The "123 traffic lights" this time also gives the impression that the objective is to be the fastest. That is, the HA, in order to be the fastest, has introduced a "traffic lights", whereas the Government has later come up with a "123", making it a complete game of "123 traffic light" eventually.

This fully reflects that although we have survived an epidemic and come to realize that the crux of the problem is the lack of co-ordination in many aspects, we still cannot inspire confidence in the public because the people has been given the impression that this "123 traffic lights" is again an example of lack of co-ordination. I do appreciate that it involves the division of many powers, many policies and the decision-making process, which are all core problems. Actions must be taken expeditiously to deal with these problems concerning powers, responsibilities, collaboration, and so on.

Due to the time constraint, I will speak on the two amendments in brief. The words "in winter" in Mr CHAN Kwok-keung's amendment are unnecessary and inappropriate. Although it is possible that SARS may attack again in winter, it is pointless to add these words to the motion. However, he also mentioned "implementing as soon as possible the recommendations of the SARS Expert Committee" and this, I very much agree. So, although the words "in winter" are unnecessary and somewhat superfluous, I do agree with the latter part of his amendment, and it is difficult for me to oppose this part that he proposes to add to the end of the motion. So, I think it is necessary to accept this amendment.

As for Mrs Sophie LEUNG's amendment, we very much agree with the part that she proposes to add to the motion. Being Members of the Legislative Council, we do hope that the Government can take into full consideration the views of all our panels. Nevertheless, she has deleted the other important parts. They are things that should be done but she seeks to delete them. So, we consider it rather difficult to support this amendment. Thank you, Madam Deputy.

MS AUDREY EU (in Cantonese): Madam Deputy, the motion topic today is on perfecting the contingency mechanism and preventive measures for SARS. Madam Deputy, I think the key issue here indeed is how the preventive measures are to be implemented. Naturally, all of us do not wish to see any fresh

outbreak of SARS, but the fact remains that we must really discuss the preventive measures required. For this reason, I must thank the three Honourable colleagues for moving the motion and amendments on the same subject.

Many colleagues have talked about our health care services, and I know that others will also do so later on. But I think that it all depends on the leader who is responsible for reviewing and implementing all these measures. Madam Deputy, the Saturday before last, I heard Secretary Dr YEOH said in a radio programme that he had been considering his resignation practically every day then. Hearing this, I became very much worried. Members who have read the Expert Committee's report all know that there are many recommended measures. If the leader responsible for steering the reforms concerned spends all his time on considering to resign or not to resign, how can the public put their minds at ease? Therefore, I very much hope to see a decision from the Secretary. The Secretary has now decided to stay; he has told us so, and he may therefore give us some assurance. The game called "123 traffic lights" mentioned by Dr LAW Chi-kwong just now is one of the examples. SARS has subsided in Hong Kong for quite some time, but as far as we can observe, preventive measures have not yet been properly put in place so far. So, in this respect, I hope that since the Secretary has decided to stay, he can let us see what assurances he can give us.

Madam Deputy, as for other measures mentioned in the Expert Committee's report, the experts have in fact said a lot, and I cannot possibly discuss these measures any better and in any greater depths than the experts. But the point I wish to raise is that according to the report, the recent epidemic outbreak has exposed the inadequacies of the existing legislation on the control of infectious diseases, especially at boundary checkpoints. The report hence recommends to conduct a comprehensive review on all the legislation related to contagious diseases. Madam Deputy, the main piece of legislation, the Quarantine and Prevention of Disease Ordinance, was enacted in 1936. In the aftermath of the recent SARS outbreak, attempts were made in great haste within a very short time to find out how this Ordinance, which was drawn up in 1936, could be amended to make it capable of dealing SARS. But all was done in a bit of a rush at that time. Thus I hope that the Government can now conduct another review on the legislation related to quarantine, disease prevention and boundary checkpoint control.

Apart from looking at these laws, actually there is also a need to examine the many guidelines involving the relevant legal issues. We already saw this

need during the recent onslaught of SARS. First, it is the question of privacy. If it is suspected or confirmed that a person has contracted an infectious disease, how should we deal with his personal information, his family's or that of those with whom he has had contact? This actually involves the problem of striking a balance between the protection of personal privacy and the public interest. All these problems must require further studies.

Another problem is about the obligation of the individual. For instance, if a person thinks that he has contracted an infectious disease, must he stop going to work or isolate himself and also notify others? In the context of Hong Kong, these are very big problems because, as we all know, there is an acute problem of unemployment here, and so many people will simply go to work despite their sickness. We must therefore also look at the question of individual obligation.

Then, there is the problem of employment. If a person suspects that one of his employees has contracted an infectious disease or has had contact with some patients of an infectious disease, then as the employer, can the person ask the employee concerned not to go to work? Or, if a family member of one of the person's employees is suspected of having contracted an infectious disease, can he ask the employee not to go to work? What is more, does the employer need to pay any wages to the employee in question? Is the leave specified in the relevant legislation? Should the leave be considered part of the fringe benefits of permanent employment? Many of these problems were not thoroughly and adequately discussed at the time of the SARS outbreak. We should now have the time to do so.

Another problem is about occupational injuries. SARS is not one of the occupational disease specified in the Employment Ordinance. My view at that time was that hospital staff or cleaning workers (found in large numbers in the Department of Health, for example) who have contracted SARS as a result of performing their duties should obviously be treated as having sustained an occupational injury as well. However, again because all of us were preoccupied with combating the epidemic, no in-depth discussions on these legal issues were conducted. I notice that the anti-SARS measures put forward by the Government and Members are all about medical issues, making no mention of the legal issues involved. That is why when we discuss and debate all these issues and problems today, I hope that the government officials concerned and Members can also consider these legal issues and the relevant guidelines.

Thank you, Madam Deputy.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, following the SARS outbreak, the Government has been trying hard to improve the work in various aspects of epidemic prevention, but the force is just not strong enough. Now that the Expert Committee's report on SARS has been published and as many as 46 specific recommendations have been made, the Liberal Party hopes that the Government can expedite its work of SARS prevention, taking account of the experts' recommendations and the Legislative Council's advice. If it does not do so, should there be a fresh outbreak of SARS in the near future, the consequences will be inconceivable.

In the following part of my speech, I wish to focus on reforms to institutional framework of health care reforms and the mechanism for disease control at the boundary.

The Expert Committee's report on SARS contains a remark which is most to-the-point — there is an imbalance between responsibility, authority and accountability in the health care system. The current organizational separation between the Health, Welfare and Food Bureau and the Department of Health may lead to a lack of coherence in policy formulation, decision-making, resource deployment, monitoring, audit and accountability. I think we should take this point seriously, because if there is any confusion and lack of coherence in the command structure of the health care system, the latter as a whole will fail to function, and front-line health care workers will be at a loss as to what they should do, thus greatly reducing the effectiveness of our anti-epidemic work.

The Expert Committee's report recommends a conglomeration of the functions of the separate departments under the Health, Welfare and Food Bureau. The Liberal Party thinks that this idea is worth considering, because with a clear-cut division of responsibilities among various departments made possible by effective and proper resource allocation, we will be able to avoid lots of confusion. That way, the work of preventing and fighting epidemics will become much smoother.

In regard to early warning systems, as we have recently learnt from the press, many health care organizations have criticized that the "Green, Yellow and Red" alert system and the two-tier alarm system announced respectively by the Hospital Authority (AA) and the Health, Welfare and Food Bureau may easily confuse front-line health care workers and members of the public. Many health care workers in public hospitals simply do not know clearly what they

should do under the various levels of alert. Even professional health care workers are also confused by the alert systems, let alone ordinary members of the public. It is hoped that the Government can really sort out its internal communication, so as to avoid any further blunder in the work of preventing and fighting SARS.

Madam Deputy, Hong Kong is a world city and even China's southern gateway to the world. In particular, following the implementation of the scheme of individual travellers from the Mainland, the flows of people through the various immigration control points have increased very greatly. Effective boundary disease control to prevent the spread of viruses has thus become a matter that must not be ignored.

I may just quote one example. We have installed infrared body temperature detectors at our boundary control points, but there has been a new case in Singapore which confirms that a SARS patient may not necessarily have a fever in the early stage of infection. This shows that we must not be complacent at all, and we must handle the visitor health declaration system properly, so as to prevent it from becoming a mere formality. It is only in this way that we can spot visitors with health problems at the soonest possible time, successfully track down infected patients and apply appropriate remedies in the event of incidents.

Naturally, when trying to strengthen boundary disease control, we should not cause too much inconvenience to visitors or even make them feel that they are being discriminated against or trammelled.

Besides, as pointed out in the Expert Committee's report, the spread of communicable diseases knows no geographical boundaries. If there had been a satisfactory notification mechanism on communicable diseases between Hong Kong and the Mainland, we would have been able to take early precautions, and the SARS onslaught might have been avoided. Anyway, bygones are bygones, and we hope that the Government can work with the Guangdong Provincial Government to enhance and perfect the existing notification system. Provided that the Governments of the two places can enhance their co-operation under a complementary partnership, their efforts will definitely yield the best results and lead to a win-win situation.

Dr LAW Chi-kwong has said that he will not support Mrs Sophie LEUNG's amendment because she has sought to delete several of the most

important items put forward by Mr Michael MAK. Although Dr LAW Chi-kwong is not in the Chamber now, I still wish to tell him that the Liberal Party's amendments to the 46 recommendations have already covered the amendments of Mr Michael MAK. Therefore, we do not wish to repeat them. Actually, we also think that it is not enough to have these several items only. So, we should follow up all the 46 recommendations.

Madam Deputy, I so submit.

MR NG LEUNG-SING (in Cantonese): Madam Deputy, the recent SARS outbreak was probably the most serious one seen by the whole world in a century. Unforgettable scenes of the outbreak are still engraved on the memories of Hong Kong people — memories, for example, of how local front-line health care workers persevered amidst hardships and difficulties, of how people from all walks of life in Hong Kong and even the Central People's Government rendered their full support and joined hands in the fight against the epidemic. Looking back at how SARS was fought against on the two sides of the Strait, we will certainly remember how the Xiaotangshan Hospital in Beijing was completed in just one week to combat the epidemic, and how some 1 000 health care workers were able to report duty immediately after the completion of the hospital. While this swiftly-built hospital managed to bring the virus quickly under control, none of its health care workers had ever contracted the disease. The decisiveness and efficiency displayed and also the total dedication of the health care team have definitely left deep impressions on our mind. On the other side of the Strait, in Taiwan, some 200 health care workers were, however, reportedly absent from duty, and people in isolation hospitals were seen fleeing. Although the epidemic has been brought under control globally, all these should be treated as lessons of history which we should recap and think about from time to time.

The SARS Expert Committee appointed by the Government released its report early this month. Though its conclusions on the question of responsibility have aroused lots of arguments in society, there is no doubt, from the professional perspective, that the report has made quite a number of systematic and practical recommendations on how Hong Kong should prevent a fresh onslaught of SARS. These recommendations deserve our attention and implementation.

The biggest lesson Hong Kong should draw from the recent SARS outbreak is that the prevention of communicable diseases, particularly the prevention of diseases hitherto unknown to us, must require a high degree of foresight and vigilance. Whenever there are any signs of onset of these diseases, we must react swiftly; we must not instead keep worrying about any social panic that may be caused by the release of any warning, nor should we fear that the activation of the contingency mechanism, including quarantine measures if need be, may adversely affect the normal operations of society. Hong Kong is a society with free dissemination of information, where the people are sufficiently educated to react sensibly to the early release of comprehensive warning information. And, the early activation of the contingency mechanism will enable us to take corresponding actions. Even if this may affect the normal functioning of society to a certain extent, the impacts will only be short-lived. This will incur less social losses when compared with the failure to grasp the critical opportunities of controlling the spread of contagious diseases. In regard to contagious diseases hitherto unknown to us, we must not be bound by the mindset that there is no evidence indicating a certain occurrence and refuse to take early steps to upgrade the levels of contingency measures and warning. The reason is that since the disease is unknown to us, the reliance on any understanding and evidence obtained from existing medical knowledge will not enable us to make a decision which is certainly correct and proper. For the highest health care authorities, they are not only required to make professional medical judgements; they must also make social and public policy judgements.

The question of whether the overall health care resources of Hong Kong in both the public and private sectors were fully utilized during the SARS outbreak is a matter that calls for review. As pointed by the Expert Committee in respect of the health care system, private hospitals and private medical practitioners simply did not participate enough. At times when public-sector health care workers and resources are burdened by immense pressure, there should be an appropriate mechanism to divert part of the service demand to the private-sector health care system. At the same time, contingency deployment of resources should be effected to enable direct participation by private-sector health care institutions and workers in combating a serious epidemic outbreak. This is the only way to fully utilize the overall health care strengths of Hong Kong in the fight against epidemics.

In addition, the provision of sufficient personal protective gear to front-line health care worker is also a basic requirement. During the SARS outbreak,

there were many complaints from health care workers about the distribution and use of personal protective gear. This had something to do with supplies inventory as well as purchasing difficulties. I think there should be three-way communication among the central co-ordination, middle management and front-line staff who are the end users. Understanding should also be enhanced, and a purchasing and distribution policy more capable of coping with emergencies should be worked out, so as to avoid the recurrence of a situation under which a good part of the resources are given to non-professional users, while front-line workers have to face an acute shortage.

Madam Deputy, the SARS attack has certainly led Hong Kong to suffer immense losses, and many people have even lost their families. Having been taught such a bitter lesson, the whole society should find it all the more necessary to leave behind its agony and advocate sensible understanding and studies. All relevant measures should be implemented as soon as possible as a preparation for preventing the recurrence of the tragedy. I so submit.

MR TAM YIU-CHUNG (in Cantonese): Madam Deputy, following its review on the Government's work of handling and controlling the SARS epidemic, the SARS Expert Committee has put forward 46 recommendations. I hope that the Government can implement these recommendations as early as possible, so as to improve the existing epidemic prevention mechanism, enhance the relevant preventive measures, and thus provide better protection to the people of Hong Kong. Regarding the motion today, I wish to say a few words on two aspects, namely, preventive measures at homes for the elderly and the introduction of Chinese medicine treatment.

In the past two months, many inmates of homes for the elderly were hospitalized for having a fever and showing other symptoms of influenza. Many a time, there were fears and anxieties in the wider community that SARS might have returned to Hong Kong. Inmates of such homes are generally less resistant to diseases, and because of their concentration, respiratory diseases can easily spread among them. For this reason, there is a more pressing need to enhance epidemic prevention measures at homes for the elderly. I think we should start with the following four measures:

First, we must monitor more closely the implementation of epidemic prevention measures at such homes.

Although the Department of Health has formulated guidelines on the prevention of communicable diseases at homes for the elderly, there is still a lack of central guidance and training. So the implementation of these guidelines may vary from one home to another. What is more, as the worries about epidemic gradually subside, these homes may well have slackened their preventive measures due to cost-saving considerations. It is therefore necessary to monitor more closely the implementation of these measures at homes for the elderly. The Department of Health must conduct regular inspections of all such homes in Hong Kong and closely assess their facilities, skills and routine procedures of work. These homes must be instructed to promptly rectify any deficiency.

Second, more training must be given to the relevant staff of homes for the elderly.

I understand that the Government is trying to introduce a measure whereby each home for the elderly is required to designate one staff member as the infection control officer, who is to be responsible for the epidemic prevention work of the home. The rationale behind this measure is certainly sound, but it will fail to achieve the desired effect all the same if no training on epidemic prevention is offered. In most such homes, the post is filled by either a nurse or a health worker, but not all of the nurses and health workers have received any training on the prevention and control of infectious diseases. Therefore, the Government must put in place an integrated training scheme to equip these staff members with adequate knowledge and skills, so that they can really perform the function of disease control.

Third, we must proceed more quickly with the scheme of "one doctor for each home".

Elderly people are generally more susceptible to diseases. During the SARS outbreak, many elderly persons did not go to hospital for treatment for fear of infection, and patients of chronic illness also did not show up for follow-up consultation. This may of course reduce the chances of infection, but their health will suffer in the end. The Government must therefore proceed more quickly with the scheme of "one doctor for each home", so that more homes for the elderly can make arrangements for doctors' visits. That way, the elderly persons can avoid contracting infectious diseases in hospitals without giving up their chances of receiving treatment. This is the only way to protect the health of the elderly.

Fourth, the elderly must be given flu vaccination.

Elderly people are weak in disease resistance. If they contract an influenza, they may easily develop various complications. Therefore, if they can be vaccinated against influenza, their chances of contracting the disease will be reduced. What is more, SARS patients can be identified more easily, thus helping us to avoid a large-scale outbreak in the community. The Government has been carrying out the scheme of vaccinating inmates of homes for the elderly against influenza for several years. I think the scheme should now be extended to all elderly people. Besides, there should be as few restrictions as possible, so that all elderly people can face the peak of flu without any worry.

In its fight against SARS, although the Hospital Authority adopted various forms of treatment, it did not carry out any active studies on combining Western and Chinese medicine treatment methods. It was only in the very late stage of the outbreak that it accepted the participation of two Chinese medicine experts from the Health Department of Guangdong in the treatment work. The experience of the Mainland shows that the combination of Western and Chinese medicine treatment methods can effectively enhance the resistance of a SARS patient, helping him to recover earlier. In addition, there will also be fewer sequelae, in contrast to the detection of various sequelae among ex-SARS patients in Hong Kong recently. Thus we must work out a scheme as soon as possible to expedite the research and clinical experiments on the combination of Western and Chinese medicine treatment methods, so that the lives of more Hong Kong people can be protected.

I so submit. Thank you, Madam Deputy.

DR RAYMOND HO (in Cantonese): Madam Deputy, it is already October now, and December is fast approaching. At the end of each year, we will usually take stock of the major events in it. In March this year, SARS broke out. This epidemic of the century has dealt serious blows to Hong Kong, so it will surely be documented as one of the major incidents of this year. I think as we take stock of the past and look into the future, we must also learn a lesson from the incident lest Hong Kong may be plunged into the peril of another epidemic outbreak.

Undeniably, the Government's approach to handling the epidemic in the initial days of the SARS outbreak is open to question. For instance, it did not

close down the hospital and place Amoy Gardens under quarantine in good time to prevent the spread of the virus, thus causing the infection of 1 700 people and the death of 299 in Hong Kong. I hope that following this epidemic, the Government will act more decisively in its handling of SARS — that is, in the unfortunate event that SARS really strikes again — and other epidemics, so as to avoid a repetition of any mistakes.

SARS has not been detected in Hong Kong for quite some time, and it has also subsided in the rest of the world. But this does not mean that it will never strike again. In fact, it has recently been detected in Singapore once again. In view of this, we must put in place a contingency mechanism and various preventive measures to protect Hong Kong against any fresh attack of SARS.

We should ensure that under the contingency mechanism, there will be sufficient and quality protective gear for health care workers if SARS really strikes again. And, the various hospitals should also report all relevant cases. In this connection, they should enhance their co-operation and liaison. As for quarantine measures, we must not be complacent either. Ever since the World Health Organization lifted its travel advisory against Hong Kong, there has been a slackening of our boundary disease control efforts. Since SARS may break out again in winter, I think the Government should enhance its boundary disease control by, for example, ensuring an adequate supply of infrared body temperature detectors and issuing a code of practice to disease control workers, so that they can discharge their duties accordingly. Besides, we should also examine whether the liaison and notification systems between Hong Kong and the Mainland are satisfactory enough lest epidemics may spread because of communication problems.

Since no hospital in Hong Kong is specially designed for isolation and quarantine purposes, the Government should set up isolation wards in public hospitals and speed up the construction of isolation facilities, so as to prevent the spread of infectious diseases. The Hong Kong Institution of Engineers has recently offered the Government its professional opinion on the ventilation systems and designs for communicable disease wards. It is hoped that the Government can give active consideration to the opinion, with a view to providing satisfactory epidemic prevention measures to the people of Hong Kong.

When SARS strikes us, we of course need to take appropriate measures to prevent it from spreading. But even at other times, we will still need to take

precautionary measures. For instance, the outbreak in Amoy Gardens has made us realize that the drainage pipes of a building may also transmit viruses. Therefore, the Government should follow the advice of the Hong Kong Institution of Engineers and enact legislation to mandate the inspection of building drainage pipes once every five years. It should also consider the Institution's advice on upgrading the standards of building design. Besides, as recommended by the Expert Committee's report, we should also set up a centre for health protection for the prevention and control of communicable diseases.

Though SARS cannot be called fatal, it is nonetheless a new virus of this century, so when it first attacked Hong Kong, our medical professionals did not know how to deal with it. And, also because the Government was so slow in actions, many people died. The House Committee of the Legislative Council has recently voted unanimously for the setting up of a select committee to inquire into the SARS incident. I am of the view that given its independence and power to summon any witnesses, the select committee will command sufficient credibility. I hope that following the inquiry, the Government can become more sensitive to epidemics, come up with preventive measures that are more effective and further improve our accountability system.

It is already late autumn now; winter is not far away. The SARS outbreak has not only frightened many people badly but also shattered their confidence in the Government. If the Government wishes to regain their support, it should draw a lesson from the bitter experience and act immediately to improve the existing systems and its way of administration. This is the only way to promote the well-being of Hong Kong people.

Madam Deputy, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, I very much agree with what Dr Raymond HO said just now. This year is approaching the end, and if I am asked what the biggest news is in Hong Kong this year, I would say that it is definitely SARS.

The outbreak of SARS has made all Hong Kong people see that we have a group of medical workers of a very high standard who have used their professionalism to lead Hong Kong people in the fight against SARS, and there have been many heroic and tragic stories about them. But on the other hand, it has revealed that our experience in handling infectious diseases, our preparations,

and so on, are grossly inadequate. It has particularly exposed the fact that in terms of crisis management, officials of the relevant departments and principal officials of the SAR Government have obviously lagged behind other countries and territories also hit by SARS during the same period of time.

Madam Deputy, we had a meeting this morning because the Legislative Council is prepared to set up a select committee. While the Expert Committee has published its report, it appears that public discontent has not yet been calmed down. I think this precisely reflects that we do appreciate the spirit of the professional medical workers on the one hand, but the incident has highlighted on the other many problems with the Government, problems which were not identified before.

There is something about which I feel particularly concerned. Now that it is October again. I am a member of the Panel on Health Services and although I had fallen sick in the first half of the year, I came back to the Legislative Council later. After I came back, I found that many colleagues had been asking the Government what we should do if SARS returned in autumn. That was in the later stage of the last SARS outbreak. We clearly saw that there were many different opinions within the Government on the provision of medical measures in relation to epidemic prevention. I was very worried because this showed that if SARS should strike suddenly, we would not be able to properly handle the relevant work. During the later stage of the SARS epidemic, we found that there was perhaps a great divergence of opinion within the Government, between the Bureaux and the HA, and also between the HA and the Department of Health.

I remember that at a meeting of the Legislative Council in around July, those who were responsible for this area of work were preparing measures on the prevention of the resurgence of SARS in autumn. At that time, it was clear that the Government did not have a definite direction. Madam Deputy (*noises*) — I am not sure if it is my problem — I am sorry about that. Madam Deputy, we were very worried about this. Therefore, some time ago, in around July or August, I talked to doctors of a dozen hospitals about this. They were very worried too, because while they saw that many people in the community, including medical workers, had expressed many aspirations since the SARS outbreak, it was obvious that no consensus could be reached among the management of the Government on the future direction. Therefore, they have provided a lot of input, expressing opinions on the system. But although they have expressed their opinions, they are still worried about what will happen

eventually. Apart from worrying about the changes that might take place in the internal structure to which they belong, they also think that there will definitely be problems with co-ordination when unexpected circumstances arise. Besides, there will also be problems with the awareness of crisis; and as clearly seen by us now, exchanges with the Mainland have increased considerably since the relaxation of restriction on mainlanders to visit Hong Kong individually. Now I would like to focus on this aspect.

In July when we scrutinized a proposal on the construction of a terminal building at the Western Corridor, we found from the papers submitted to the Legislative Council that the previous proposals were still followed insofar as the location of quarantine facilities was concerned, which means that no adjustment has been made in the light of the outbreak of an epidemic. Obviously, exchanges between Hong Kong and the Mainland will certainly carry possibilities of disease transmission. It is SARS today and it may be another virus tomorrow. How should preparations be made? So, from Mr Michael MAK's original motion today or Mr CHAN Kwok-keung's amendment or the other amendment proposed by another Member, I feel that we are all concerned about this. That is, we are all concerned about what we can do if SARS strikes again. The problems are already before our eyes. The Government was unable to resolve them in July. How should we deal with them now?

I hope that in his reply later, the Secretary can tell us the specific measures to be implemented. For instance, what is the response of the entire Government to the 46 recommendations of the Expert Committee? With regard to boundary control, for another example, the boundary authorities had stated that there was communication between the two places. But it is only two months ago when there was an outbreak of a disease that we found that there had been no communication at all between them. Information was obtained only from reading the newspapers. How should we deal with this situation? Another example is that during the SARS outbreak, a foreign vessel with infected crewmen on board had arrived in Hong Kong. At that time, the hospital was already full of patients because there were many new SARS cases every day. But the crewmen were sent to Princess Margaret Hospital. That was how the incident was handled.

There are many such examples. At that time, we already pointed out that in view of our exchanges with the Mainland, and in view of our reputation as an international metropolis, how well the entire Government had carried out the preparation work. Now that it is already October. I hope that on this motion

today, the Government will put forward concrete proposals in response to our colleagues.

The Government has told us not to worry about the construction of facilities similar to Xiaotangshan Hospital, for it has already negotiated and agreed with the builders that construction works can commence immediately if anything happens. But judging from the countless facts about what it did before, we do not have much confidence in its undertakings. This is perhaps because when the SARS incident had stretched to all sectors of the community, we saw that the Government was always wavering and indecisive in its position under urgent circumstances. All this has made us feel very worried. In the event of another SARS outbreak, will there really be a team of builders coming to us immediately to build a hospital like Beijing's Xiaotangshan Hospital which was completed in 10 days, just as the Government has said? I simply do not have the faith.

I think this debate today, this morning's meeting and continued public concern should deserve a response from the relevant accountable officials to these problems one by one later. I do hope that the Government can do so, in order to put our minds at ease, particularly as we are already in the middle of October now. Thank you, Madam Deputy.

DR TANG SIU-TONG (in Cantonese): Madam Deputy, in the last SARS outbreak, Hong Kong was one of the places in the world where the epidemic had spread most widely and where the death toll ranked the highest. When the epidemic is over, the Government has spent as much as \$1 billion to put up shows to spice up the market, added to this have been the efforts made by the Central Government to prop up Hong Kong with CEPA and the "individual visits", hence there is a v-shape rebound in our economy. The popularity ratings of the Chief Executive and the top officials have thus improved. However, we must not lose our sense of crisis and forget the lesson learnt from the 299 lives lost. The 46 recommendations made in a report released in early October after a review of the epidemic by the Expert Committee are substantial and useful. Having said that, however there are certainly inadequacies in the report, for if not, the Legislative Council would not have set up a select committee to inquire into the incident. When faced with the possible resurgence of SARS, preventive efforts must be enhanced as a prime task. Just as many Members have said earlier, there are two alert systems set up by the Government, one classifies the situation as red, yellow or green while another classifies the situation by three levels.

The alert system set up by the Hospital Authority (HA) is divided into three levels, that is, red, yellow and green. Once SARS appears, the HA may declare a state of emergency in the hospitals. The problem is, however, the entire chain of command goes from top to bottom and finally to the front line. I am worried that the front-line staff will not be able to inform the HA headquarters of the emergencies they encounter in the course of their work. In addition, the alert system does not list out the contingency measures for the front-line workers and it is likely that this may cause difficulty in enforcement.

As for the overall contingency response system proposed by the Government, it is divided into Alert Level, Level 1 and Level 2. The system defines clearly the commanding role to be played by the Government in the efforts to fight SARS, but it has not explained the contingency measures in sufficient detail. For example, when there are SARS cases outside the territory, should members of the public go abroad to travel? At what response level should the public put on a face mask? When and under what circumstances should classes be suspended?

At present, the public finds it confusing for the two systems operate in parallel. In a situation when, for example, the HA issues a yellow response, should the Government issue an Alert Level warning or an even higher level warning? In my opinion, a uniform system will enable the public to know how the epidemic is spreading and it will serve to cope with the epidemic more effectively.

Moreover, when SARS hits again, what medicine should be used to treat it? That is really one of the most important questions to ask. Now there is no conclusive view in the medical profession and the Report of the SARS Expert Committee does not touch on the issue of prescription. From the Report, it is known that the standardized mortality rate on the Mainland is lower than that in Hong Kong, Taiwan, Canada and Singapore. Therefore, we may draw reference from the medicines used on the Mainland. It is reported that the Mainland used the serum from recovered SARS patients and hence the mortality rate was far lower than that of Hong Kong. In contrast, the serum treatment was not used in Hong Kong and the medicines used were steroids and ribavirin, both dismissed by the World Health Organization (WHO) as having no curative effect on SARS patients. It seems that there are great doubts on this kind of treatment. Apart from the doubtful efficacy of steroids and ribavirin, the side-effects caused would cast doubts on the suitability of these two drugs in treating

SARS. Some patients who have been given heavy doses of steroids are found to suffer from bone degeneration, known as avascular necrosis. It is therefore imperative for the Government to look into the matter so that if SARS really hits again, drugs which are known to be most effective and cause the least side-effects can be used.

On prescription of drugs, I think that the Government should attach greater importance to the use of Chinese medicine and more efforts should be made on a mixed protocol using Chinese and Western medicines, for such a combined protocol is regarded by the WHO experts and experts all over the world to be safe and effective in treating SARS. A combined protocol may relieve symptoms of shortness of breath and respiratory difficulties in SARS patients. It can also clear up the infection in the lungs and reduce the dosages and side-effects of corticosteroids and antiviral drugs.

Studies in SARS antigens are also very important in the prevention of a resurgence of SARS. The Department of Health should foster co-operation with the major medical research institutions and conduct hematological studies on persons who have had close contact with SARS patients and those who have suffered from SARS to see if SARS antigens are found in their blood. The Government should increase funding for such research and encourage more scientists in the universities to undertake such work.

Recently, I went to the Science Park in Sha Tin and met with Dr ALI who is a former Consultant in Community Medicine in the Department of Health. He and his colleagues have discovered that serum extracted from the blood of recovered SARS patients is very effective in treating and preventing SARS. Such a discovery has also received great attention in China. Therefore, we hope that the Secretary can liaise with them.

Finally, I wish to discuss the issue of the dissemination of information. The Expert Committee's report points out that at the early stage of the epidemic, the authorities' communication with the public was not that satisfactory as the authorities were not well prepared. The Government should therefore formulate an information dissemination strategy specific to an outbreak of infectious diseases. The strategy should place an emphasis on risk communication so that communication between the public, the staff and the medical institutions in both public and private sectors are direct and unhampered. The authorities must ensure that their spokesmen are properly trained in facing

the media, especially in passing on information about a risk. It may seem that the approach seems to regard the issue of information dissemination as purely a public relations issue. However, I do not think that this is a public relations issue alone, for it involves a principle to which the Government should adhere in fighting an epidemic, that is, which will be a greater price to pay, doing something which may cause panic among the people or doing something which may remove their alert for the disease? The issues involved in this dilemma are the assignment of priority and the strike of a balance. If in coping with an epidemic, the Government is only of the view that the fear which the public has for SARS is more dreadful than the virus itself, then it will not reveal all the details of the epidemic in order to pre-empt/panic. This may lead to wrong judgement, such as not closing the hospitals immediately and toning down the severity of the incident, and so on.

All these problems are not unique to the Hong Kong Government alone. In fighting the SARS epidemic, every government in the world should decide which is a more important principle to adhere. I hope very much that our Government can make a speedy review of the principles it has applied in fighting SARS, so that should the epidemic strike again, it will know what action to take.

In order to guard against the resurgence of SARS, I fully subscribe to the idea of improving the emergency response system and taking preventive measures expeditiously. With these remarks, I support the original motion and the amendments.

DR LO WING-LOK (in Cantonese): Madam Deputy, hard hit by the SARS outbreak, we in Hong Kong must review the situation and draw a lesson from the bitter experience, in order to better our contingency and preventive mechanisms. In fact, this is supported by all Hong Kong people and all Members of the Legislative Council. So, I will support the original motion as well as the two amendments.

Why are there two amendments? This is a question of the scope of coverage. The seven proposals from Mr Michael MAK, the 46 recommendations from experts, and Mrs Sophie LEUNG's proposal to take into account the discussion of the Panel on Health Services are all good proposals and so, I think I should support them. But when I consider the matter in greater depths, I think, as we always talk about SARS and as we have been talking so

seriously about how to prevent SARS, we should actually ask a more important question. Is Hong Kong well prepared for some serious and unknown contagious diseases? On this question, I can tell Members that what we know is far less than what we do not know. So, it is meaningless to compare "MAK's seven proposals" with the experts' 46 recommendations. That said, the motion and the two amendments still have my support.

What do we rely on to handle some uncertain, unknown and yet dangerous situations? We rely on the quality of people. This is very important. If contingency measures can be written down from the first item to the 46th item and if they can be implemented accordingly, it would be unnecessary to have professionals. Nor would it be necessary to commend the medical workers for working faithfully in their posts and for their high quality. So, since Members have given many opinions on the prevention of SARS, I would like to talk about how we can ensure that we have quality personnel to deal with unknown diseases.

The first situation to which I wish to draw the Government's attention is low morale in the medical profession or among doctors. Why? It is because young doctors have difficulties in seeking employment and it is also very difficult for them to obtain training opportunities. Their contracts are renewed on six-month or one-year terms. Most doctors hope that their contracts can be renewed, and their greater hope is perhaps to complete the specialty training only. Under such circumstances, how can we train quality medical personnel capable of handling infectious diseases? They will not think any farther than that. All that they hope for is a six-month contract or a one-year contract. They will not ever think that 10 years later, they will be tasked to fight an epidemic under the trust of the people. They will not think about this. Therefore, since the provision of employment and training is unsatisfactory, a gap is set to arise in the medical profession, particularly in respect of doctors. If an epidemic which is more serious than SARS emerged 10 years later, the performance of medical personnel then might lag far behind that of this generation.

I think the community should really think about how to ensure a continuation of quality manpower resources in the medical profession and to pass it on from generation to generation. I think the Hospital Authority or the Government absolutely should not aim only to achieve a fiscal balance. We must at least have quality doctors. Even though not every doctor may be a worthy successor, we must continue to preserve their experience and preserve room for their professional development.

The situation of health care workers is the same. I thank Mr Michael MAK for mentioning the situation of doctors earlier on. Let me also talk about that of health care workers. The situation now is that when one health care worker leaves, we have one less health care worker. Many of them have chosen early retirement because of the unsatisfactory working environment. So, without quality health care workers and paramedical staff, how can Hong Kong fight against diseases? If we examine this more closely, the medical system of Hong Kong is caught in a serious shortage of resources. So, I hope Secretary Dr YEOH can think about how the medical system can be provided with sufficient resources. It is very important that the existing resources, which are scanty and limited, will be put to good use. Yet, even though the resources are utilized in the most effective way, we still face a shortage of resources. Apart from considering the preparation work to be carried out in the next few months, the Secretary should further consider how new resources can be channelled for health care financing.

Another issue of great importance is human resources and to be precise, the quality of the officials of the SAR Government. The situation is very confusing. How can we make them come forth in times of crisis to lead the people and command confidence and trust from the people? Is it that they must suffer considerable setbacks in order to draw a lesson from experience and become wise? Are there problems with our system? Will the problems with our system deter people with talents and capability from joining the Government to serve Hong Kong people? If so, how should we put in place a mechanism that can attract talents to join the Government, so that they can come forth to lead the people in times of danger when the quality of people is badly needed? Is there room for improvement in the accountability system being implemented now?

I also wish to say a few words on the quality of Hong Kong people. Hong Kong people performed very well during the epidemic. They remained calm and co-operative. Their kindness and self-help spirit have been exposed unreservedly. In fact, the Government should consider making use of this strength of Hong Kong people to encourage Hong Kong people to hang on, thereby helping to bolster up the entire Hong Kong. SARS has made all Hong Kong people become humble. In fact, Hong Kong people should uphold this humble spirit and learn from experience, so that even if SARS does strike again, Hong Kong will be well-equipped to tackle it effectively.

MR ALBERT HO (in Cantonese): Madam Deputy, now that the SARS outbreak is over and people's panic has subsided, Hong Kong is faced with the agony caused by the loss of lives, and SARS patients who have recovered are also faced with various difficulties and sequelae. Society of course needs to recuperate, but it must also conduct a comprehensive review. At a deeper level, we must realize that technological advances cannot possibly enable us to solve all problems; quite the contrary, they will make us overconfident, believing more than we should that advanced technology is the solution to all problems. I remember a book I have recently read, entitled *When Things Fight Back*. In essence, it says that we often think that we can master the forces of nature, but when nature fights back, we may realize that we are so frail and weak before it. Therefore, vigilance even in times of safety and crisis awareness are absolutely important. Today, when we discuss our future courses of actions, we must base our discussions on adequate review and introspection.

As far the Expert Committee's report is concerned, I personally think that it actually attempts to skip any discussion on the responsibility of individual officials or any others, avoiding the important and dwelling on the trivial. But one inadequacy is still very clear, and the experts also share the same view — we lack a contingency plan built upon a crisis awareness. Precisely because of this, any contingency plan to be worked out, as mentioned in the motion, should be wholly founded on the anticipation of yet another epidemic outbreak. The Democratic Party agrees to many of the recommendations in the report, although we do think that the investigation has failed to grasp all the facts or all the details related to the facts (This objective may well have to be achieved through the inquiry by a Legislative Council select committee). Besides, we also agree to the report's recommendation on establishing a body similar to a central disease control centre responsible for overseeing the work of various organizations, departments and individuals on dealing with a large-scale epidemic outbreak. We agree and think that there is an absolute necessity to set up such a body.

We are of the view that in designing the future framework, the Government should try as much as possible to rely on its own employees, or draw on the assistance of people from the universities, the wider community, or even those related to Hong Kong who are teaching or living overseas. Many people criticize that in the early stage of the outbreak, the Government did not try to seek enough assistance from the World Health Organization (WHO). To be fair, I must admit that I do not know anything about this problem. But could it be the case that we were just too confident at the beginning, thinking that we

could manage alone and thus did not seek the assistance of more experts? Actually, there are many local epidemiologists. In times of need, can we just mobilize them and set up a temporary advisory body to assist the Secretary and the Director of Health in dealing with the epidemic and exercising their statutory powers? Is this not a better option?

I do not quite understand the report's criticism in its reference to the "Amoy Gardens" outbreak. The report says that we missed an opportunity to find out the reasons for the epidemic outbreak in Amoy Gardens. I do not understand why it says we missed an opportunity. Was that because we did not have any experts, any information? Or, was it because we had not yet got the information at that time? What were the reasons? I am really puzzled, because the case is a concern of the whole world. A certain Dr NG has published his investigation findings in the August issue of *Lancet*, and this has aroused the immediate concern of many. I believe many people will advance various theories to explain the outbreak, and their theories may not necessarily be related to U-shaped filters. But that again, why did we miss the opportunity? I frankly do not understand. Anyway, it is very important to make full use of the relevant experts in society. This is the first point.

The second point is on the notification mechanism. Cross-boundary notification is very important. When the epidemic broke out in Guangzhou in February, Hong Kong people were interested only in knowing whether the outbreak there could be brought under control, and they also wondered why the people there were so stupid as to wash their floors with vinegar. We did not sense that the fire next door might burn out our own house. This is the first thing. We did not feel that "blood is thicker than water". This is the second thing. I do not think that Hong Kong people were totally indifferent. The only problem is that they just did not show enough care and concern; some did bring vinegar back there to help their compatriots. But at that time, should we have invited our own experts to conduct studies and more exchanges with their counterparts in the Mainland? I think we really have to reflect on this.

Then, there is the problem of legislative amendment. As early as 15 March, the WHO already classified SARS as a notifiable epidemic. But why did we amend the legislation as late as 26 March, making it necessary for the Government to exercise its power and put the residents of Amoy Gardens under quarantine in such a great haste? Why was it so late? This also warrants our reflection.

To sum up, whether we are talking about the notification system or the community outbreak of the epidemic, there was a very wrong concept. It was feared that people might panic, so the authorities did not want people to know too much. The authorities even feared that patients might simply go into hiding, thus causing a further outbreak in the community. I think this is not a proper mentality. Hong Kong people are just fine enough to understand the facts and select the sensible option of joining hands to fight the epidemic. The co-ordination among hospitals, universities and the Department of Health is also very important. Lastly, I agree with Mr CHAN Kwok-keung that we should offer more concern and care to patients suffering from the sequelae of SARS. I agree entirely with him. Thank you.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Mr Michael MAK, you may now speak on the two amendments. You have up to five minutes.

MR MICHAEL MAK (in Cantonese): Madam Deputy, with respect to the two amendments, I can tell Members right from the outset that I cannot lend the first one my support because of the principles and concepts involved; as for the second one, as it has sought to remove all my suggestions, in particular suggestions (e) to (g), therefore, I cannot support it as well.

I would like to comment first on the amendment proposed by Mr CHAN Kwok-keung. He makes it clear that there is a possibility of SARS coming back in winter. The fact that he states clearly that it is winter may be a bit superfluous as Dr LAW Chi-kwong says, but that does not really matter. However, the fundamental principles and concepts must be made clear. If it is said that SARS may emerge again in winter and so efforts should be made at that time, then does it mean that if SARS emerges again in late autumn or in spring, then we should not take any action? That is a very important point. Therefore, I am very much worried by the idea behind Mr CHAN Kwok-keung's amendment. It is due to this point that I hope Members will consider the relevant concepts and principles when they vote on the amendment later.

(THE PRESIDENT resumed the Chair)

I do not wish to speculate on whether or not Mr CHAN Kwok-keung has considered the fundamental principles when he makes an amendment to my motion. But nevertheless, I wish to tell Members that it was not in winter that SARS first broke out and that SARS is a new epidemic. I hope Members can stand firm on these principles and consider all the existing facts and other principles as well.

As to Mrs Sophie LEUNG's amendment, it only considers the views of the Panel on Health Services on the Report of the SARS Expert Committee. Though the 46 recommendations made by the Expert Committee appear to be rather comprehensive, unfortunately, they merely either touch slightly on proposals (e), (f) and (g) in my motion or even skip them altogether. For example, in item (e), I propose that primary health education should be implemented, but Mrs Sophie LEUNG does not mention it. This applies especially to such efforts in the schools. I fail to see in her amendment that large-scale primary health education efforts should be made in schools to enhance public understanding and awareness of infectious diseases. In addition, I have mentioned the Team Clean, for it is obvious that many cleaning measures should be ongoing and cannot be stopped. That point is not mentioned by the Report of the SARS Expert Committee. As to item (g), I propose that the most important thing is to enforce vigorously the quarantine and health measures at exit and entry points. That point is touched on slightly by the Expert Committee, but I want to make it better as the work presently carried out is not satisfactory. That is the point. Now at the exit and entry points, the Immigration officers only collect a declaration form from each traveller and consider their work done. They would not do anything even if the machine gives a false alarm. When I submitted my motion, I had a faint idea that the Report of the SARS Expert Committee had just been released. I read the entire Report later. Someone asked me why I did not revise the wording of my motion and that I could draw reference from the recommendations made by the Expert Committee, but I did not think that the recommendations made were adequate.

There is a point in the Report of the SARS Expert Committee which I find most disagreeable. For if we put that recommendation into effect without reading the whole text, that would show a great disrespect for my voters and the

public. Paragraph 4.2 in the Report says clearly, (*buzzing sound of the timer*).....

Thank you, Madam President.

SECRETARY FOR HEALTH, WELFARE AND FOOD: Madam President, I would like to thank the Honourable Michael MAK for moving this motion which highlights the importance and urgency of preparing Hong Kong for the possible resurgence of SARS, and for all the comments and suggestions made by other Members which will be helpful in our preparation. I can assure Members that we are vigilant and will remain vigilant in our fight against any possible resurgence of SARS.

I would like to take this opportunity to sum up what has been done so far to prepare for this possible resurgence. I would first like to describe our preparatory work, and then discuss how we propose to take forward the recommendations of the SARS Expert Committee Report.

We announced in September a comprehensive strategy, presented as this Checklist of Measures, to combat SARS. The Checklist reflects the three-pronged approach adopted by the Government, and I would encourage Members of the Legislative Council to actually read them:

First, we have put in place comprehensive and cross-community disease preventive measures to guard against the resurgence of the disease;

Second, we have maintained a close and effective disease surveillance system; and

Third, we have prepared contingency plans to deal with the possible resurgence of SARS at all levels to combat the disease swiftly and responsively.

The package of measures in this booklet covers both short-term and some of the longer-term measures, which should have addressed the major concerns raised by Members at today's meeting. I do not propose to repeat them in detail but suffice it to say that these measures cover a large variety of the work in tackling SARS, which focus on quarantine and health measures in forestalling import and export of cases, strengthening disease prevention in 17 different

sectors of the community, including the educational, housing and welfare sectors, overall environmental hygiene, public education and mobilization of various sectors of the community, strengthening and enhancing collaboration and co-operation with the Mainland and the international community, and developing different levels of contingency plans.

In this context, Members may be aware that we have formalized the notification system with our colleagues in Guangdong Province and last month, we exchanged for the first time information on 28 infectious diseases and this will occur on a monthly basis in the future. We have also established a mechanism whereby we will be informed of any unusual diseases or outbreaks in Guangdong Province as soon as they are aware of it. I think Members need to be aware that there are limitations in the notification system on the Mainland because under the infectious diseases ordinance on the Mainland, the information needs to be provided only by the Central Government, and these are some of the constraints in the notification system. However, we have now overcome these barriers and the Central Government has already agreed to provide this information to us by Guangdong Province.

In terms of preventive measures, our preventive measures cover a large number of sectors. I just want to highlight some of them which have been the subject of comments by some Members today.

In terms of infection control, we have heightened our state of preparedness in our public hospital system. One of our most important priorities is to minimize the risk of infection by our health care workers. With the support of Honourable Members, the Government has already established the Training and Welfare Fund for the Hospital Authority (HA) in June this year for the purpose of providing infection control training to all levels and disciplines of our health care staff. Under the Fund, \$130 million has been earmarked for the HA to set up an Infectious Disease Control Training Centre under the Hospital Authority Institute of Health Care and to finance various infection control training programmes. The new Training Centre is tasked to identify and develop training programmes for HA staff across all disciplines. In order to ensure that all staff will have the essential knowledge and skills in infection control, the HA will provide all staff with induction training, and those staff who have daily contact with patients will be asked to attend an annual refresher course. More intensive training will be developed especially for doctors, nurses and allied health professionals. Apart from the programmes to be provided internally by

the HA, we will take advantage of the training opportunities provided by tertiary institutions, health care establishments and professional bodies both locally and abroad. Between March and September, 1 860 classes were conducted to train health care workers in infection control. The HA will also send over 800 staff each year to attend training programmes of various types and durations outside, such as clinical attachments and postgraduate diploma courses.

In terms of personal protective equipment, to allay the concern of staff over the supply of personal protective equipment and as part of the HA's contingency plan, the HA has already built up a three-month contingency stock of all the necessary items. The HA has also strengthened its network of suppliers so as to ensure a more reliable supply assuming a peak usage rate. The arrangement for distributing personal protective equipment to the cluster and hospital levels has also been reviewed. The Department of Health (DH) has also stocked adequate quantities of protective gear for use by staff during disease outbreak.

As part of its effort to strengthen training in infection control, the HA will step up staff education on the HA's guidelines on the recommended personal protective equipment and on the proper use of such equipment. The DH has also strengthened infection control training and organized SARS-specific courses for nurses working in the DH and the Food and Environmental Hygiene Department since September 2003.

In terms of isolation facilities in public hospitals, the recent SARS outbreak revealed the need to enhance and expand the isolation facilities in the public hospital system. To prepare for the possible resurgence of SARS, we have to urgently enhance the isolation facilities for handling SARS patients in the public hospital system. As Members are aware, on 18 July 2003, the Finance Committee of this Council approved a funding allocation of \$409.6 million for carrying out conversion works in nine major public acute hospitals to provide 1 290 isolation beds which should improve infection control facilities for handling SARS.

In drawing up the detailed design of the isolation facilities, we have made reference to international standards to ensure that the appropriate infection control provisions would be incorporated. Staff have also been consulted to ensure that the new isolation facilities would be able to meet the requirements of future users. The new isolation rooms, which the Honourable Mr MAK and the

Honourable Dr LO had a chance to view, would have features including creation of negative pressure gradient in patient rooms, provision of 100% fresh air supply, dilution of bio-load in sufficient air change rates, installation of high efficiency particulate air filters to filter out droplets and aerosols, and provision of en-suite toilet/shower facilities in ward cubicles, and so on. Infection control facilities for hospital staff, such as gowning/de-gowning areas, changing rooms, shower facilities and clinical wash-hand basins, would also be provided.

As the works involve *in situ* conversion of existing wards, the Architectural Services Department and the HA have had to overcome very considerable difficulties in expediting works progress without affecting the operations of the hospitals concerned. We expect that the first batch of approximately 900 isolation beds would be made available in the nine hospitals at the end of this month, and we will certainly expedite the works of the remaining 390 beds if possible.

We will also carry out conversion works in the remaining five public hospitals, namely, Caritas Medical Centre, Yan Chi Hospital, North District Hospital, Tseung Kwan O Hospital and Ruttonjee Hospital, to provide in addition to the 1 290 isolation beds, another 150 isolation beds towards the end of this year, certainly by the early part of the year 2004 using other funding sources.

We will also enhance Hong Kong's capacity to prevent and control future communicable disease outbreaks by setting up a Centre for Health Protection. The new organization should not only have professional knowledge and expertise in combating communicable diseases, but also the administrative skills and statutory power to co-ordinate various government departments and the community when dealing with health threats and emergency response to outbreaks.

I think it is in this context that several Members asked why there was not the capacity in the public health system at this point in time. I think this is a question which the Expert Committee did try to answer. When you look at the work of trying to deal with new infectious diseases, public health systems all over the world have great difficulties. Even in America where there is a very large centre for disease control, it is no easy task to be able to identify a new disease and to combat it within a very short timeframe. The instances we have quoted, which Members are aware of, are how AIDS was dealt with in America.

It took more than two years before the HIV virus was identified in the United States. It took a long time before the pattern of HIV was recognized, leading to the syndrome being coined and recognized, and subsequently public health measures taken.

When you look at the instances of the West Nile virus which has led to a very large outbreak in New York, and which is now spreading right through the east coast of America, it took the public health authorities several months before the West Nile virus was even recognized. So I think it is in this context that Members need to realize the difficulties and challenges new diseases pose to public health systems. In Hong Kong, we have a small public health system. The experts have talked about the necessity to link up with other public health systems in this part of the world and in other parts of the world. This is something we are working towards, and thereby, we are trying to strengthen this public health function by creating this Centre for Health Protection.

In terms of elderly, we have also paid special attention to the protection of another high-risk group who are relatively more prone to infection by SARS. They are the elders living in elderly homes. The DH has already visited all elderly homes to assess possible improvement areas in their infection control measures to be addressed in future training programmes. The Social Welfare Department (SWD) will also be amending the Code of Practice for elderly homes, requiring them to designate an infection control officer in all elderly homes who is responsible for dealing with infection control measures, particularly the early detection and reporting of suspected outbreaks. My colleagues are already conducting briefing sessions and training programmes for the officers to remind them of their responsibilities. To ensure consistency and coherent information exchange during crisis time, an enhanced information exchange system has been set up among the DH, the HA, the SWD and the elderly homes, where procedures and roles of the parties concerned are clearly defined. The DH will issue a new set of guidelines on prevention of infectious diseases in consultation with the HA and the SWD for distribution to all elderly homes this month.

We have also initiated a review of our infectious disease and quarantine ordinance to ensure that the old but still relevant ordinance will continue to meet our public health requirements.

In terms of maintaining close surveillance, our disease surveillance capacity in the community setting is now stronger. Our first line of defence, the

health check measures at all border control points, has been and will continue to be strictly enforced, and has been strengthened.

If SARS does re-emerge, the DH will be alerted promptly because SARS is now a statutorily notifiable disease. We have also informed the medical professions of the World Health Organization (WHO) definition of SARS Alert, the clinical case definition of SARS and the laboratory case definition of SARS, which are all revolving and which are also adopted in Hong Kong, so that the health care professionals will be able to contact the DH if they encounter cases which fulfil these criteria.

The incident of a woman who was once suspected to be a SARS case but subsequently confirmed negative shows that greater support to the private medical sector in laboratory tests for SARS is necessary and will be beneficial. In this aspect, I would like to point out that the Public Health Laboratory Centre (PHLC) of the DH has been providing laboratory support for SARS-corona virus testing to private laboratories and has been carrying out Polymerase Chain Reaction (PCR), culture and serology tests for SARS from private laboratories and public hospitals since the SARS outbreak in March. The particular laboratory which turned out this false negative test for SARS was really not licensed to provide the test.

To facilitate early detection and reliable testing of SARS, the PHLC will provide public health laboratory consultation services for private hospitals and SARS tests for hospital patients with clinical indication for testing. For public hospitals, there is a Hospital Infection Control Officer who will verify with the physician-in-charge for cases suspected of SARS, and inform the Chairman of the Central Committee on Infectious Disease of the HA Head Office on a 24-hour basis, and register this in the eSARS system. Both the HA Headquarters and the DH Headquarters, as well as the relevant Regional Office of the DH would be notified as soon as possible within the same day, and the DH will be given access to the eSARS system within 24 hours, when the HA issues a SARS Alert or if there is a clinical and laboratory confirmed SARS patient in Hong Kong.

Turning on to the contingency plan, the Health, Welfare and Food Bureau has prepared an overall government emergency response mechanism. The mechanism categorizes virtually all possible scenarios into three levels and establishes government response at each level. The plan provides a clear

command structure for strategic decision-making, sets out distinct roles and responsibilities for different parties and establishes the line of command for launching various types of operations and the required response time where appropriate. The plans have largely been put in place and necessary exercises are being or will be conducted. Indeed, the DH and the HA have already conducted a number of these drills.

I would like to clarify the comments made by Members relating to the systems of the HA and the Government's SARS alert system. I think if Members read the alert systems of the HA, you will be aware that what in fact the HA is talking about is an outbreak alert system. It is not a SARS alert system. The outbreak alert system is intended to capture early pre-alert signs when groups of individuals in a hospital come up with the respiratory illness but are not SARS patients or have not been diagnosed as SARS patients. This system is in fact a pre-SARS alert system which then denotes that the management has to be alerted and has to investigate it. The Government's SARS alert system is very definitive and the HA system is intended to complement the government system. So, the red-yellow-green system is a complementary system to the Government's SARS alert system. It is not a system parallel to the government system.

Apart from the clear command and control arrangements, the requirement for various government departments and agencies to develop their own emergency plans in collaboration with our neighbours in the Pearl River Delta and the international community is also an integral part of our contingency planning. Because each subsector has got to develop its own contingency plans, it is the Government's overall plan which will then co-ordinate the totality of the plans of each sector. We are also encouraging and facilitating different sectors to prepare their own contingency plans and to conduct regular drills to ensure that all parties concerned are familiar with these plans.

The health sector's outbreak control plan actively involves the private sector. The DH will disseminate the latest information to private hospitals and medical professionals in the private sector, and the HA will communicate closely with the private sector medical professionals on clinical management and the provision of medical services.

The Government has been in close liaison with the private sector to work out mechanisms of communication and initiate discussion on the provision of

medical services. We have held a series of discussions to assist the private sector in establishing outbreak control plans and channels of communication in case of an outbreak. We have also initiated discussions to develop models of co-operation between the public and the private sectors. The HA will share with private hospitals guidelines on infection control and information on infectious diseases.

All the government departments and agencies concerned are working hard to implement the measures listed in the Checklist. I am confident that with all these enhanced notification and response system and improved facilities, we are certainly much better prepared should there be a re-emergence of SARS.

Now turning to the last part about the SARS Expert Committee Report, the SARS crisis, as Honourable Members said, has been a painful experience for all of us. It has also been a very humbling experience for all of us, in particular myself. As Sir Cyril CHANTLER, the Co-Chairman of the SARS Expert Committee said, I totally agree that one of the ways of doing justice to those who have suffered or to those who have lost the ones they love is to offer our very best to be sure that such a situation will not ever happen again. Most of the things included in the Checklist, and what I have mentioned earlier, are only the fundamental things we must continue to do. Obviously, we need to do much more.

With reference to some of the comments made by Members relating to the death rate, the outbreaks at Amoy Gardens, treatment and rehabilitation, psychosocial support, I believe the Expert Committee has given a very thorough account of some of the issues and how the Government has dealt with them. It is not for me to explain the reasons why they came to such conclusions. However, I would like to touch on one or two issues. In terms of death rate, an Honourable Member said that Hong Kong has the highest death rate. I believe the Expert Committee has very clearly analysed in its report that Hong Kong's death rate was really no different from the death rate in other countries. In fact, the only exception was that there was a much higher death rate in Taiwan and a much lower death rate on the Mainland. In Toronto, in Singapore, in Hong Kong, the death rates were similar. So, I just want to highlight that point.

I would also like to say something about treatment and rehabilitation because this was one of the recommendations made by the Expert Committee. I would like to assure Members that in terms of rehabilitation and better

psychosocial support to families of deceased patients and recovering patients, the SWD and the HA have been putting in a lot of efforts to support family members and some of the patients who are recovering from SARS. However, these jobs are not easy and we do recognize the need to do more. I have already asked the SWD and the HA to review the support we have given to the families of deceased patients and to rehabilitating patients, and we are reviewing the other financial support we need to provide for the families of the deceased patients because we know that some of the existing mechanisms are inadequate. So, we will be reviewing that and hope to be able to come up with a new package in the near future.

In terms of treatment to SARS patients, Members here have made a lot of comments relating to the death rate and the treatment. I think the medical professionals here, including Dr LO and Dr TANG, will realize that for a new disease, there is no established or proven treatment, and doctors have got to do their best, base on clinical judgement to decide what is the best for patients. In the treatment of SARS in Hong Kong, all the treatment programmes were done or prescribed by doctors, basing on their best knowledge and acting in the best interests of the patients. Obviously, at a time when SARS broke out, when we did not even know which agent was responsible for SARS, these were really the best guesses. Certainly, there needs to be a review of the best treatment needed to be given to patients, and one cannot do this without doing a clinical trial. So, there will be very contentious issues in the future should there be a new SARS outbreak, whether patients should be subject to clinical trials. I will be very happy if Members can suggest a better way of dealing with the problem.

Members, I would also like to make a few comments on the select committee before I end because Members here have mentioned about the select committee. Obviously, there are a lot of very valid questions and concerns expressed by Members. I think the select committee will deal with them. Obviously, I think I look forward to working with the select committee to clarify some of your questions and concerns. But I am also quite concerned about some of the conclusions and preconceived opinions and conclusions expressed by some Members here today. I hope they will in no way affect the objectivity of the work of the select committee.

The SARS Expert Committee has also helped us a great deal in making the first important steps, that is, to conduct a comprehensive review of our current public health system and to identify our weaknesses which we must address in

order to avoid another attack by SARS. The Committee has proposed a total of 46 recommendations. We have set up a Task Force to co-ordinate the implementation of these recommendations. The Task Force has already met to discuss the recommendations and assign tasks to respective parties. The Task Force has also set the timeframe for each of these recommendations. Some of the more immediate tasks will be accomplished in the short term (that is, within six months), while some will take longer to plan, develop and achieve. I must, however, add that all the urgent tasks in relation to the recommendations have already been put in place, and most of them have already been included in our Checklist of Measures to combat SARS. I will also ensure that the remaining tasks arising from these recommendations, taking into account comments from Members and from the Health Services Panel, are fully implemented in the soonest possible time. The Chief Executive has also appointed a Monitoring Committee comprising the two chairpersons and the two local members of the SARS Expert Committee. We are also very pleased that the Honourable Dr LO Wing-lok will also be part of this Monitoring Committee which will monitor the implementation of the task group.

Last but not least, we will continue to solicit support from the community. We have also emphasized public education and put public communications on the top of our SARS agenda in order to gain the co-operation of the public. To keep members of the public on high alert against SARS and to maintain awareness on environmental hygiene, we will continue with our public education work using all possible mass media channels. With the support from the public, 70% of the 85 district hygiene black spots including rear lanes and private streets drawn up in the Team Clean exercise have already been cleared, and Month-end Cleansing exercise with community involvement has also been introduced in all 18 districts since March this year.

In conclusion, Honourable Members, I hope you are convinced that many of our short-term measures have already been put in place. The implementation of other medium or long-term measures is also in full steam, and I certainly ask for your support to these measures. To answer to the Honourable Audrey EU, my own personal commitment towards my work and the work of SARS is staunch, and will not be influenced by figurative expressions of my preoccupations with many things in life. I think we all think about many things on a day-to-day basis — we think about life and death, we think about our work, we think about our families, but that should in no way negate our obligations and commitment towards our primary work. I can assure the Honourable Audrey

EU that my commitment to my work will continue, as long as I remain in my office. Please be assured that the Government will leave no stone unturned and we will provide our best endeavours to prevent and prepare for the resurgence of SARS. We would also like to ask you for some of your confidence in the work we do. Thank you very much.

PRESIDENT (in Cantonese): I now call upon Mr CHAN Kwok-keung to move his amendment to the motion.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, I move that Mr Michael MAK's motion be amended, as printed on the Agenda.

Mr CHAN Kwok-keung moved the following amendment: (Translation)

"To add "in winter" after "That, in view of the possible resurgence of the Severe Acute Respiratory Syndrome (SARS)"; to delete "and" after "(f) promoting continuously with all efforts the territory-wide participation in sustainable measures on public health and cleanliness;" and to add "; and (h) implementing as soon as possible the recommendations of the SARS Expert Committee" after "(g) vigorously enforcing quarantine and health measures at exit and entry points". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Kwok-keung to Mr Michael MAK'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)

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

PRESIDENT (in Cantonese): Mrs Sophie LEUNG, as Mr CHAN Kwok-keung's amendment has been passed, I have given you leave to revise the terms of your amendment, as set out in the paper circularized to Members on 13 October. In accordance with the House Committee's recommendations which I have also accepted, when you move your revised amendment, you have up to three minutes to explain the revised wording in your amendment, but you may not repeat what you have already covered in your earlier speech. Please move your revised amendment.

MRS SOPHIE LEUNG (in Cantonese): Madam President, I move that Mr Michael MAK's motion as amended by Mr CHAN Kwok-keung be further amended by my revised amendment.

Madam President, many Members, Members belonging to the Democratic Party, have spoken against my proposals and those of Mr Michael MAK. Mr Michael MAK, in particular, has explained that it is because my amendment does not touch upon (5) to (7). The usual working hours are from 9 am to 6 pm; working hours cannot be so long at all. But I do understand what he means by (5) to (7). My amendment will add to Mr MAK's motion actually for it deletes "(1) to (5)" and "(1) to (4)", if Mr MAK has no objection — Madam President, that is, if Mr MAK has no objection to this. Regarding (5) to (7), I have added the 46 recommendations of the experts, in the hope that the Government can implement them as soon as possible. But at the same time, I have added something more, namely, the various proposals we have discussed in the Panel. Maybe Mr Michael MAK can still remember that, during the SARS outbreak, especially towards the end of it, we actually discussed many points related to (5) to (7) in the Panel, and we also urged the Government to implement them. We not only put forward these points in the Panel but also asked the Government to enforce them. Therefore, I must say that my original amendment included the 46 recommendations of the experts. What is more.....

PRESIDENT (in Cantonese): Mrs Sophie LEUNG, thank you for noting my signal. My point is that you are supposed to speak on your revised amendment. But you have instead been refuting the points in Mr Michael MAK's speech just now. Since Mr Michael MAK will have no opportunity to reply, I hope that you will do no more than just moving your revised amendment. Fine?

MRS SOPHIE LEUNG (in Cantonese): I am really very sorry, Madam President. I actually wish to explain that I will add the points mentioned by Mr CHAN Kwok-keung to my amendment. His motion has been passed, and I now wish to move a further amendment containing the various measures mentioned by him. Members should have no objection. I am just trying to add a "tail", meaning that Members and the Government should fully consider the proposals of the Panel.

Thank you, Madam President.

Mrs Sophie LEUNG moved the following further amendment to the motion as amended by Mr CHAN Kwok-keung: (Translation)

"To delete "and" after "(g) vigorously enforcing quarantine and health measures at exit and entry points;"; and to add "; and (i) taking into full consideration the views of the Legislative Council Panel on Health Services on the Report of the SARS Expert Committee" after "(h) implementing as soon as possible the recommendations of the SARS Expert Committee"."

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mrs Sophie LEUNG's amendment to Mr Michael MAK's motion as amended by Mr CHAN Kwok-keung, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr Michael MAK, since you already used up all the 15 minutes, exactly 15 minutes, in moving the motion, you do not have any more time for reply now. I believe you are also aware of this, which was why you chose to use up the 15 minutes.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Michael MAK, as amended by CHAN Kwok-keung and Mrs Sophie LEUNG, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Boundary crossing arrangements for mainlanders visiting Hong Kong individually.

BOUNDARY CROSSING ARRANGEMENTS FOR MAINLANDERS VISITING HONG KONG INDIVIDUALLY

MS MIRIAM LAU (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Since the relaxation of the restrictions by the Mainland to allow mainlanders to visit Hong Kong individually at the end of July of this year, the number of visitors from the Mainland has been increasing steadily. During the just past National Day Golden Week, the number of mainland visitors amounted to 310 000 in the short period of the past nine days, representing an increase of more than 21% over the corresponding period in the previous year. Of these arriving visitors, about 80 000 to 90 000 are visitors on individual travel. As for the overall market situation in Hong Kong, it is filled with a general atmosphere of vitality. A new impetus has been brought in for the tourist and retail consumption industries, and so on, and thus completely removed the downcast atmosphere then prevailing during the SARS outbreak. However, the sharp surge of mainland visitors has also brought to Hong Kong unprecedented pressure on boundary crossing, thereby presenting real challenges to the capacity of the various border control points.

Now, apart from Beijing and Shanghai, there are eight trial scheme cities in Guangdong Province alone where more than 20 million people are eligible to apply for permits to visit Hong Kong individually. So there are tremendous development potential for this new arrangement. According to the latest information, Guangdong Province has already received 537 000 applications, of which 470 000 have already been approved. As at the National Day Golden Week, only about 170 000 mainlanders have visited Hong Kong individually. So it can be anticipated that more mainlanders will come to Hong Kong shortly. With the relaxation further extended to other cities and prefectures in Guangdong Province next year, and even to more provinces and cities beyond Guangdong, we must conduct careful planning for the boundary crossing measures to be implemented at the various border control points, so as to minimize the inconvenience caused to the passengers at immigration and customs clearance.

In the following part of my speech, I would focus on discussing why there is a need to speed up the construction and implementation of boundary crossing infrastructural projects and to step up supporting measures for immigration and customs clearance at the border control points. Two other Members of the

Liberal Party, namely, Mrs Selina CHOW and Mr Howard YOUNG, will speak respectively on how to deal with the boundary crossing arrangements flexibly at the border control points and how to strengthen the redeployment of manpower, so as to facilitate the smooth cross-boundary passenger flow.

Although the authorities are constructing or planning to construct a series of boundary crossing infrastructural projects, such as the Shenzhen-Hong Kong Western Corridor, Deep Bay Link, Lok Ma Chau Spur Line, and even the extension of the Lo Wu Terminal Building, all these projects are medium-to-long-term projects, the earliest of which will be completed in 2005, whereas the majority of them will not be completed until 2007. When the Government first proceeded with the planning, it had not included the boundary crossing demand generated by the individual travel arrangement. In this connection, I strongly hope that the Government can review the original timetable, speed up the progress of the projects, so as to alleviate the pressure on the various border control points. As for projects under planning, such as the Hong Kong-Zhuhai-Macao Bridge, the Government must conduct close negotiations with the relevant mainland authorities, so as to expedite the implementation of these projects, thereby keeping on improving the boundary crossing facilities of Hong Kong in order to cope with the ever growing passenger flow from the Mainland.

However, before the above infrastructural projects become operational, we still have to identify ways of upgrading the supporting facilities for immigration and customs clearance at the border so as to cope with the substantially increased cross-boundary passenger flow. I think the authorities should first of all solve the immigration and customs clearance problem at land crossings because, according to information provided by the Immigration Department, nearly 70% of the mainland visitors come to Hong Kong through land border control points. Among such visitors, 45% of them arrive at Lo Wu, and 14% at Lok Ma Chau.

Ever since the round-the-clock operation was introduced at the Lok Ma Chau control point in January this year, the demand has been on the rise. In the post-SARS period between May and August, the number of people crossing the border by way of Lok Ma Chau every day, I mean every night, has increased from 6 000 person trips to over 9 000. It was an increase of 50%. With the extension of six and a half hours, the average hourly number of person trips crossing the border has increased from over 900 to over 1 400, that is, an increase of over 50%. From these figures, we can see that the demand for

round-the-clock boundary crossing service is very keen, and certainly the previous worry of the authorities that there might be too few people crossing the border is not true. As proved by the facts, the Government was wrong in this regard. It is expected that, with the rising number of visitors as a result of the new individual visit arrangement, the pressure on the immigration and customs clearance will only escalate. Furthermore, the cargo flow between Hong Kong and the Mainland has become increasingly frequent. So the authorities should proceed with the planning very carefully. This is especially so before the completion of the new cross-boundary bridge at Lok Ma Chau and Hunggang by the end of next year; and the Government should step up its deployment of manpower in order to maintain a smooth boundary crossing service, thereby preventing the occurrence of competition for use of facilities between passenger coaches and goods vehicles.

Madam President, the utilization rate of another border control point, Man Kam To, in fact has increased substantially in a most inconspicuous manner. According to the statistics of the Immigration Department, the number of passengers crossing the border at Man Kam To during the first eight months of the year has reached 98% of the full-year total figure of last year. The average daily number of passengers has also risen by 46%, and its increase in passenger flow ranks first among the five land border control points. However, the boundary crossing facilities of Man Kam To, incidentally, are not on the list of major improvement projects. We do worry whether it could cope with the influx of passengers after the restriction on individual travel has been relaxed.

Besides, the volume of vehicular traffic at both Man Kam To and Sha Tau Kok is already approaching capacity. It is anticipated that both crossings will not be able to cope with the ever-increasing demand by 2006. As both border crossings do not have any major transportation facilities, cross-boundary express buses and tourist coaches have become the major modes of transport for passengers crossing the border. If the vehicular traffic passages are frequently congested, the cross-boundary buses and tourist coaches will be held up in the traffic jam, thereby affecting the flow of boundary crossing passengers and cargoes. Therefore, we propose that the authorities should negotiate with the mainland authorities on the implementation of round-the-clock immigration and customs clearance service at both Man Kam To and Sha Tau Kok, just as at the Lok Ma Chau border control point. Even if the service could not be provided on a round-the-clock basis, at least the present service hours for immigration and customs clearance should be extended. In this way, apart from facilitating

passengers travelling between Hong Kong and Guangdong, thereby enhancing the flexibility of the passengers in crossing the border and reducing the burden on these two control points, it will also help reducing the load on Lok Ma Chau in the evening.

On the connecting transports, we suggest that the authorities may, on an experimental basis, provide such transports at Lo Wu Station during the midnight hours twice weekly, especially on Saturdays and Sundays when a large number of passengers cross the border. As Lo Wu is ultimately the crossing most passengers will choose when they cross the border, it is necessary to provide such connecting transport services. As the Kowloon-Canton Railway Corporation has indicated that it can provide the overnight service between Sheung Shui and Lo Wu two nights per week, we think that the authorities should act more boldly to actively initiate talks with the mainland authorities on the implementation of pilot schemes. Do not always use the pretext that service will be provided when such a need arises. Why can we not take the proactive approach of introducing suitable services first so as to create the demand? Besides, with the further integration of Guangdong and Hong Kong, we believe such demand will be very keen.

Moreover, though the frequency of through trains between Hong Kong and Guangzhou has been increased to eight each way daily, the last train is still scheduled to depart as early as six o'clock in the evening. This definitely does not serve the needs of travellers and businessmen now. As a result, they have to rush for the last train of the day before they can take their dinner. This is by no means convenient to the travellers and businessmen. Therefore, we support the proposal of increasing the frequency of through trains to 12 each way daily, thus delaying the last train to 9.30 in the evening. However, calculating the passenger volume at over 3 000 for each train, the existing number of counters, the facilities and the manpower at the Hung Hom Railway Terminal will not be adequate to cope with the increased passenger flow after the service has been upgraded. We hope the authorities can provide additional manpower and upgrade the facilities at the Hung Hom control point, so as to cope with the improved through train service.

As the passengers making their individual visits to Hong Kong also include people from Beijing and Shanghai, the demand for Beijing-Kowloon and Shanghai-Kowloon through train services will be exceptionally high on major festive days, we suggest that the authorities should negotiate with the mainland

operators on how to increase the carrying capacity of the through trains, so as to enable more visitors from Northern China to come to Hong Kong.

Another point on the arrangement of through train services. I would like to reiterate that it is absolutely necessary for us to conduct a feasibility study on operating a through train service between Hung Hom and Shenzhen, because this service would help divert part of the passenger flow to Shenzhen. It should be noted that, since the relaxation of restriction on mainlanders visiting Hong Kong individually, more travellers have gone to Shenzhen on shopping sprees, bringing substantial financial benefits to the economy of Shenzhen. The business volume of shops in the neighbourhood of Lo Wu alone rose by 30% during the golden week. Therefore, the individual visit arrangement is really a win-win measure for both Hong Kong and Shenzhen, and we should endeavour to grasp the opportunities as soon as possible. I suggest that the Government should start holding negotiations with the Shenzhen authorities on making the right arrangements and co-ordination.

Apart from train services, cross-boundary express bus service is also very popular among passengers as it can provide point-to-point services. At the moment, the Transport Department will allocate a certain regular quota to express bus service operators. However, supply usually cannot meet demand during weekends and special festive days. I hope the authorities can approve more regular quota, so as to provide greater convenience to passengers. However, in fact, as long as the facilities at border control points, such as the parking facilities at Lok Ma Chau, can be improved, the authorities may allow vehicles other than buses to shoulder part of the transportation burden, so as to ease the boundary crossing crowd as soon as possible, and passengers may also choose the mode of transport that is most suitable for them. So this is a measure that can serve multiple purposes. The suggestion deserves the consideration of government officials.

Madam President, apart from the land routes, ferries are also one of the convenient modes of transport. According to the relevant information, the numbers of inbound passengers travelling by sea from both the Mainland and Macao have been increasing in recent years. The increase is particularly substantial for passengers from the Mainland. This was especially so in last year when the number of passengers travelling from border control points of the Mainland had increased by nearly 16%. The increases in passenger volume

were as high as 20% to 40% at certain individual border control points such as Guangzhou, Fuyong and Zhongshan.

For example, during the first three days of the National Day Golden Week, among the inbound mainland passengers, 62 000 person trips were from Lo Wu; next came the China Ferry Terminal, 22 000 person trips. And then Lok Ma Chau, 18 000 person trips. From these we can see that the sea option, that is, the China Ferry Terminal, was just next to the land option of Lo Wu and became the second most popular entry points among the passengers. The Liberal Party suggests that the authorities should consider extending the operating hours of the immigration and customs clearance service of the ferry terminal during weekends, and eventually making the service available on a round-the-clock basis. I believe it will help to alleviate the congested passenger flow and provide great convenience to both businessmen and tourists on their trips.

As for air services, according to a research report on the demand for helicopter service compiled by the Civil Aviation Department, the market for cross-boundary helicopter service does exist, and there will be an annual increase of 10% in the next 20 years. The Liberal Party is also of the opinion that cross-boundary helicopter service does have some appeal to people with high spending power, short-trip travellers on harsh time constraints and business travellers. However, at the moment, there is only a scheduled flight helicopter service flying to and from Macao. Mainlanders will have to hire chartered helicopters before they can fly from Shenzhen to Hong Kong. We propose that the authorities should expedite the upgrading of the facilities on the rooftop of the Hong Kong-Macao Ferry Terminal according to the research report completed last year. Besides, as it requires the co-operation of the mainland customs authorities as well as the support of immigration facilities, so at the moment Hong Kong helicopters can only take off and land in the airports of either Guangzhou or Shenzhen, and the helicopters definitely cannot fly to other cities in the Pearl River Delta (PRD) Region, thereby hampering the development of the cross-boundary helicopter service. We suggest that the Government of the Hong Kong Special Administrative Region can hold talks with the mainland authorities on the issue, so as to strengthen the cross-boundary helicopter service between Hong Kong and the PRD Region.

Madam President, with improved living conditions, it is believed that more mainlanders will choose to pay frequent visits to Hong Kong on individual travels in future. Of course, this strong spending force cannot be ignored.

Yet, it also demonstrates that there will be more frequent contacts and exchanges between Hong Kong and the Mainland. The traditional mode of immigration and customs clearance and the approach of planning can no longer cope with the needs of today. We must reinforce the planning again so as to keep abreast of the latest development and needs.

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

Ms Miriam LAU moved the following motion: (Translation)

"That, as the relaxation of restrictions on mainlanders visiting Hong Kong individually has led to a substantial increase in the tourist arrivals from the Mainland, imposing heavy pressure on immigration and customs clearance at border control points, this Council urges the Government to expedite and implement the various boundary crossing infrastructural projects, upgrade the supporting facilities for immigration and customs clearance at border control points, and make flexible arrangements as well as deploy sufficient manpower for clearance processing at border control points, so as to facilitate the cross-boundary passenger flow to the fullest extent."

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): Mr James TO will move an amendment to this motion, as printed on the Agenda. The motion and the amendment will now be debated together in a joint debate.

I now call upon Mr James TO to speak and move his amendment.

MR JAMES TO (in Cantonese): Madam President, recently there is an interesting news report. It was reported that two tunnels were discovered in our border area. It was later found that one of them led to Shenzhen, and for the other one, further investigation had to be conducted to confirm where it would lead to. Just let me say this in a joking manner. If there are problems with boundary crossing in respect of individual visits to Hong Kong, then some alternative forms of individual travel may emerge. Besides, if the arrangement

of individual travel really runs into problems, then those who want to visit Hong Kong may think of making their individual travel by alternative methods.

Of course, I am now going back to the subject matter of today's motion. Apart from expressing my concern for the clearance facilities of the relevant departments, I have, in fact, also noted that the issue of boundary crossing involves the use of facilities at the border, and it involves many different departments, including those responsible for checking identification documents and contrabands. I believe that as long as this established policy is still in force, thousands of cases will continue to emerge, and the same number of cases could emerge for the same number of visitors coming to Hong Kong (we of course hope that more people will come to Hong Kong). However, on the issue of immigration and customs clearance, it is our first-line security. If border control officers could not do their job well, due to manpower shortage or certain loopholes in the system, in detecting and intercepting contrabands direct, or in verifying their identification documents and the purposes of their visits, then a lot of problems will arise after the persons in question have been allowed to enter the territory.

Now, let us take a look at the verification of identification documents and the purposes of their visits. In fact, as far as I understand it, the existing manpower could still cope with the situation recently, for example, in the golden week starting from 1 October. According to the manpower allocation policy of the Government, several departments could still enjoy exemption in this regard. However, I hope the Government can act pragmatically to ensure that there is sufficient manpower, especially officers responsible for immigration clearance duties, deployed to do the work. Why? Because the officers will be under excessive stress when the queue awaiting clearance is so very long. Although in times of major festive days, additional manpower will normally be deployed from the headquarters or other divisions or units to support their work, actually when officers are under stress, as in this case, obviously they may become lax in conducting immigration queries. So, as the stress is so excessive, they may become lax in conducting detailed checking.

As for the Customs and Excise Department, we can see a similar situation there. In fact, apart from conducting the so-called tipped-off checks, Customs officers have to conduct some random checks as well. However, if they know that visitors will come in increasing numbers (as seen by us as well), they can also feel the greatly escalated pressure.

As for the police, in the face of the large number of travellers, their workload has increased considerably as well. Very often, instead of using credit cards, the mainland compatriots like to bring along with them a large quantity of cash. Therefore, they could become the easy preys of some "quick cash" cases. It is especially so when there is a huge crowd gathering in an extremely congested area at the border control points, and they could easily become victims. Therefore, in this aspect, I would like to call on the Government to mobilize adequate manpower to cope with the situation.

On the other hand, the Government may say that it is only the early stage of individual visits by mainlanders, the clearance figures may look very "fine". I met with the Secretary this morning. He said, with nearly 200 000 people crossing the border checkpoints, the number of offences at such checkpoints is still a single-digit figure. At a glance, the figure was just fine — it was exceptionally fine. But I think, at the beginning, the situation is usually very fine. Because it is still at the very beginning of the new scheme of individual travel, all the provinces and the cities we have chosen to effect the individual travel scheme possess good financial conditions (of course, this is relatively so as opposed to Hong Kong), and some provinces and cities may even be better-off than Hong Kong (that is, the group of people belonging to a certain social class who obtained the permit to come to Hong Kong). I believe this is the case.

However, when more and more people come to Hong Kong, in such aspects as approval by the mainland authorities and their co-operation with us, I believe it is very important for both sides to strengthen our co-operation. In one of the recent Council meetings attended by the Secretary, in response to a question raised by a Member on street prostitution, he said the number of mainland prostitutes coming to Hong Kong repeatedly to practise prostitution, excluding those who came to Hong Kong for the first time, amounted to several hundreds. Therefore, what is wrong with the system? I hope the Government can study the issue in detail to find out which mainland provinces or cities or units are weaker in this aspect? Or is there any problem with the co-ordination? I believe, in this regard, apart from the co-ordination of the Central Authorities, the Secretary also needs to acquire a better understanding of the relevant units in the Mainland. I think, in this regard, we cannot rely too much on the "dead instructions" from the Central Authorities. If we want them to become more proactive, I believe the Secretary needs to pay more visits to them and understand their situation, and then we can let them know more about our difficulties. Then I believe it will achieve better results in this regard.

On the other hand, I also hope that the Government can provide, on a regular basis, detailed information to the people on the security problems generated by such boundary crossing arrangements, such as the relevant crime figures. Publicity should also be stepped up to heighten the awareness of the people and travellers in crossing the border.

In order to better assess the problems in this regard, I hope the Government can closely monitor the situation. Only by doing so can we enjoy the benefits brought about by the individual travel on the economy of Hong Kong, while keeping the harms to the minimum. And only by doing so can we tell the world that, though "one country, two systems" allows a high degree of freedom of movement of the people, we can still effectively maintain the law and order of Hong Kong. This is because the world is keenly interested in the implementation of "one country, two systems". Let us think about this: If, with the introduction of the individual travel to Hong Kong for mainlanders, the law and order of the territory is affected before and after these people entering Hong Kong, and such problems as "illegal labour" and even illegal immigrants arise, then I believe this will affect the image of Hong Kong in the international community. An extreme scenario could be: As it further develops, it may affect the level of convenience for us in using the travel documents of Hong Kong, and it could dampen the recognition and confidence of other places in the "one country, two systems" implemented in Hong Kong.

Therefore, I hope the Government can realize that, the number of people coming to Hong Kong will be far greater than those approved to come to Hong Kong on the ground of visiting relatives or on two-way exit permits in the past. So, in the light of such figures, we should work doubly hard to do well in implementing such measures and monitoring the situation more closely. This is an issue that requires long-term close monitoring. I hope colleagues of this Council and the Government could co-operate to do well in the implementation of the arrangements.

Mr James TO moved the following amendment: (Translation)

"To delete "sufficient" after "and make flexible arrangements as well as deploy" and substitute with "additional"; and to add "on the one hand, and keep close watch on security at border crossings on the other, sparing no effort in detecting and investigating criminal activities including theft,

smuggling of contraband, etc. at border control points, in order to uphold the rule of law and safeguard the safety of inbound travellers and Hong Kong people" after "so as to facilitate the cross-boundary passenger flow to the fullest extent". "

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

MR WONG YUNG-KAN (in Cantonese): Madam President, I would like to raise two points on the boundary crossing arrangements for mainlanders visiting Hong Kong on an individual basis. Firstly, I would like to praise the Administration for its management at border control points during the 1 October Golden Week period. Secondly, I would like to point out issues that warrant attention by the authorities in future. Since the individual visit scheme was implemented in 10 cities in the Mainland, the number of inbound visitors has been rising continuously. From the statistics of the Hong Kong Tourism Board, the number of inbound tourists in September hit an all time high for the same month through years. The 1 October Golden Week period has just come to an end, and during the period from the 28 September to 7 October, the number of inbound mainland visitors amounted to 338 000, representing a rise of 20% when compared with the figure last year, and among them more than 80 000 were travellers on individual visit.

In anticipation of the influx of mainland visitors crossing the border, the Immigration Department (ImmD) was well prepared this time around, deploying beforehand more than 200 staff to provide support at various land border control points, suspending leave of the staff and extending the hours of service. It was reported that the majority of visitors entering Hong Kong during the Golden Week could complete immigration clearance in half an hour. Comparing with the several hours required for the process in the past, it is definitely a tremendous improvement. I still remember the unpleasant experience encountered by visitors during the 1 May Golden Week last year, when they had to wait for three to four hours at Huanggang without being able to clear the border. This time, we could pass the test without much difficulty and visitors could cross the border smoothly, thereby giving their trip a pleasant start, so much credit and praise should definitely go to the government departments concerned.

Nevertheless, while recognizing the authorities' efforts, I would like to point out that, apart from the boundary crossing arrangements during busy periods, the clearance situation during normal times should not be overlooked. I have recently received complaints from members of the public, pointing out that sometimes they had to wait for more than an hour for clearance during weekdays. The reason was that as there were less people crossing the border, the number of immigration counters opened was substantially reduced as a result. If this occurs frequently, I do not think the situation is acceptable. Apart from giving visitors a bad impression of Hong Kong, it will also disrupt exchanges between Hong Kong and the Mainland.

There is information indicating that hundreds of thousands of applications to visit Hong Kong individually have been approved by the Guangdong authorities during this period, yet only half of them have actually taken the trip, and among them, only about 80 000 have come during the Golden Week. From this information, it can be seen that the mode of mainlanders visiting Hong Kong will change following the implementation and extension of the individual visit scheme. In the past, mainland travellers used to visit Hong Kong during long holiday periods, however, as they can now come at any time, they may choose to come during off-peak seasons. For this reason, the handling capacity of border control points during normal times is of paramount importance to both passengers and Hong Kong residents.

The DAB is of the opinion that additional manpower resources are essential to strengthening the overall capacity of border control points on a comprehensive basis. As far as I know, a number of departments, for instance, such disciplined services as the ImmD, the police and the Customs and Excise Department, are facing manpower resource constraints. The implementation of the individual visit scheme has aggravated the situation. Therefore, in our meeting with the Financial Secretary in September this year, we explicitly requested lifting the moratorium on recruitment to the abovementioned disciplined services, and to employ additional staff as soon as possible. I am glad that our suggestion has been accepted and I look forward to its early implementation. I believe that, apart from improving the capacity of our border control points, it will certainly be conducive to enhancing staff morale in the departments concerned.

Apart from deploying additional manpower, the improvement of boundary crossing facilities is also of great importance. The passenger traffic at the Lo Wu Control Point is by far the heaviest, yet the space is so limited that a lot of

passengers find it a torture to go through the clearance process. Imagine on a hot summer day, it is certainly not a pleasant experience people dripping with sweat being forced to pack the control point waiting for clearance. Besides, as the control points are so packed, it is also a major cause for frequent incidence of theft offences. The daily passenger flow at our airport is definitely one of the highest in the world. However, the occurrence of theft is rarely heard. Obviously, it is largely due to the enormous size of the airport where congestion seldom occurs. While a number of improvement works have been undertaken by the Government at Lo Wu, with the limited space, the efforts are merely addressing the symptom rather than solving the problem at root. In fact, during the motion debate last year, we suggested the authorities to be more far-sighted, for instance, by exploring the feasibility of constructing a joint clearance building in Shenzhen, and with reference to the operation mode of the future Shenzhen-Hong Kong Western Corridor, implementing the co-location of immigration and clearance facilities. Moreover, extension works can be considered on the site near the Lo Wu Control Point. I believe that an expanded control point can greatly enhance its capacity, and reduce the incidence of various crimes, thereby achieving the objective of smooth clearance for passengers and driving away pickpockets.

Besides, we have pointed out that there are neither resting areas nor supply facilities for passengers waiting at the control point. As the gateway to Hong Kong, services provided at the control points should not be taken too lightly. Otherwise, this will give passengers a very bad impression once they set foot on Hong Kong. Due to the space constraint, the problem at Lo Wu Control Point may not be tackled easily in the short term, but for the control points at Lok Ma Chau and the Shenzhen-Hong Kong Western Corridor which will come on stream shortly, there should be more room for improvement. In this regard, I hope the Administration can make a proactive response in the reply given later.

Finally, I hope the Government could actively consider the possibility of constructing more control points. I can recall that during the motion debate last year, the Government was criticized for its conservative attitude maintained in the construction of other control points and reiterating the need for providing such a facility in another decade or so. As for today, with a completely changed attitude, the Government is actively considering building a control point on Lantau Island. We are glad to see such a change. It proves that the Government is willing to respond to people's views.

Thank you, Madam President. I so submit.

DR RAYMOND HO (in Cantonese): Madam President, with the relaxation of restrictions on mainlanders visiting Hong Kong individually, the number of mainland visitors to Hong Kong has increased markedly. And this has rendered the already rather crowded border control points even more congested. According to the statistics recently published by the Government, during the National Day Golden Week between 30 September and 7 October, the number of inbound mainland travellers to Hong Kong totalled about 287 000, representing an increase of 21% compared with the figure last year. During that period of time, the number of mainland visitors coming to Hong Kong on individual basis totalled 76 152, with a daily average of more than 9 500 passenger trips. On the National Day alone, 21 671 passenger trips were recorded. They entered Hong Kong mainly through land border control points, and most of them made use of the control points at Lo Wu and Lok Ma Chau.

Although there was significant improvement in the operation of the various border control points in the past National Day Golden Week compared with that of the National Day and the 1 May Labour Day long holidays a couple of years ago, we still need to put more efforts in addressing the boundary crossing problem, in order to cope with the greatly increasing number of mainland visitors. It is especially so when considering that beginning with May next year, the individual visits scheme will be extended to 70 million residents of the entire Guangdong Province.

In the early period after the reunification, the Government of the Special Administrative Region (SAR) was unable to take the initiative and grasp the opportunity to establish a close link with the Mainland. It is a pity that the Government has missed such a golden opportunity, thus also delaying the solution to the clearance processing problem. It is not until recent years that some very urgent boundary crossing infrastructural projects, such as the Shenzhen-Hong Kong Western Corridor, the new bridge crossing between Lok Ma Chau and Huanggang and the improvement works to the existing boundary crossing facilities, could be implemented thanks to the co-ordination of the SAR Government and the Guangdong authorities. Certainly, it is better late than never. However, to enable early commissioning of the boundary crossing infrastructural facilities, the SAR Government should accelerate the implementation of the projects and closely monitor their progress.

I would like to mention in passing that concerning the construction projects of boundary crossing facilities, the SAR Government should facilitate more

participation of local companies, so that local workers can also be benefited. For instance, the project on the new bridge crossing between Lok Ma Chau and Huanggang has now been entrusted to the Shenzhen authorities. This arrangement has made it difficult for local companies and workers to have any opportunity of participation. So the SAR really needs to review this.

On the other hand, the Government should also start mapping out other feasible measures in improving the immigration and customs clearance at border control points, for example, implementing co-location arrangement at border control points, strengthening control point facilities at Sha Tau Kok, and exploring the feasibility of operating an express train service between Guangzhou and Hong Kong. For the last measure, it is not necessary to be a through train service. It can stop midway at Shenzhen, depending on the study of the passenger demand.

In regard to other supporting facilities, the SAR Government should also make some improvement. For instance, the time required for checking cross-boundary passengers by the Immigration Department is usually longer than that required by the mainland authorities. If this is because of any inadequacy in our systems, the SAR Government should renew the systems in order to facilitate the cross-boundary passenger flow. If the deployment of manpower is tight, it should consider employing more staff.

Apart from ensuring smooth clearance of cross-boundary passengers, the SAR Government should also ensure that the deployment of other enforcement personnel can cope with the ever increasing number of cross-boundary passengers, with a view to preventing and combating smuggling and other illegal activities. As far as manpower deployment is concerned, the authorities concerned should make arrangements according to actual needs.

Madam President, with the linkage between Hong Kong and the Mainland becoming closer, together with the convenience brought by the individual visits scheme, the number of mainland visitors coming to Hong Kong will be on the rise. For this reason, a solution to the problem concerning immigration and customs clearance at land border control points has become all the more pressing. And I hope that the SAR Government can grant a high priority to sincerely addressing this problem. I so submit, Madam President. Thank you.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, it has been more than two months since the implementation by the Central Authorities of the policy to allow mainlanders to visit Hong Kong and Macao individually. Thanks to this policy, there has been a sharp rise in the number of mainlanders visiting Hong Kong for sightseeing and shopping, and we have seen a pick-up in such service industries as retail, hotel, tourism and catering. With the unemployment rate dropping gradually as a result of an increase in job openings, the economy has begun to see the first signs of dawn. While rejoicing in the benefits brought about by the individual visits scheme, we should review the situation of Hong Kong to see if it is favourable to the continuation of the individual visits scheme. One of the pressing problems that need to be reviewed urgently is related to boundary control points (BCPs).

As we are aware, with the growing exchanges between Hong Kong and the Mainland, the existing facilities at BCPs have become inadequate to cope with the growing inward and outward flow of passengers and cargoes. Subsequent to the introduction of 24-hour immigration and customs clearance, we have seen a sharp rise in the flow of passengers at the Huanggang BCP. With passenger trips reaching nearly 100 000 daily, the control point has far exceeded its originally estimated capacity by two times. The number of cross-boundary passengers handled at the Lo Wu BCP was even greater, with passenger trips reaching a daily average of 280 000 and approaching saturation. If visitors have to queue up for hours for immigration and customs clearance each time they travel to Hong Kong because BCPs are in a perpetual state of saturation, will they be willing to visit Hong Kong for sightseeing and shopping again? Furthermore, the daily flow of business travellers between China and Hong Kong has already been extremely heavy. This makes it all the more necessary for the authorities to address the problem of extreme congestion encountered by travellers who are treated in such a manner of disrespect when crossing the boundary, in order to prevent the conduct of normal business activities from being affected. As such, it has become a matter of extreme urgency for us to resolve the perpetual problem faced by control points in handling excessive workload.

Having regard to the increasing flow of passengers at the boundary, the SAR Government has planned to spend \$13 billion on 13 projects for the provision of additional boundary facilities and improvement to such facilities. The projects to be undertaken include: construction of the Shenzhen-Hong Kong Western Corridor at a cost of \$2.2 billion; construction of the Deep Bay Link

connecting the Western Corridor with Lam Tei, Yuen Long at a cost of \$4.5 billion; improvements to the New Boundary Bridge between Lok Ma Chau and Huanggang and the Lo Wu Boundary Bridge; improvement to the Lok Ma Chau (San Tin) Public Transport Interchange; expansion of the Lo Wu Terminal Building; provision of cross-boundary facilities for the Shenzhen-Hong Kong Western Corridor; and construction of the Lok Ma Chau Spur Line of the East Rail. All these construction works are scheduled for completion by 2007. The Hong Kong Progressive Alliance (HKPA) is of the view that the SAR Government should, where technically feasible, expedite the progress of these cross-boundary infrastructural projects after reaching a consensus with the Mainland, so as to enable them to be commissioned swiftly for the purpose of easing the flow of travellers. As for infrastructural projects pending endorsement, the Government should size up the situation and conduct detailed study and planning. Recently, an Advance Work Coordination Group has finally been set up in connection with the construction of the Hong Kong-Zhuhai-Macao Bridge, which has been under planning for years. This is very encouraging news indeed. As for other cross-boundary infrastructure under planning at the moment, such as the Northern Link of the West Rail and Route 10 between Yuen Long and North Lantau, we hope the Government can expedite the planning process and bring forward the commencement date of the construction works if there is a practical need to do so.

Besides the provision of new infrastructure, it is also very important for supporting facilities for immigration and customs clearance to be upgraded and sufficient manpower deployed. To achieve these two goals, the HKPA considers it possible for improvements to be made by the following means. First, the authorities concerned should examine with the Kowloon-Canton Railway Corporation (KCRC) the feasibility of extending the operating hours of the Lo Wu control point to 1 am on weekdays, and to 2 am on the eve of holidays as well as during weekends. It is believed this will make it easier to balance the needs to ease the flow of passengers and to carry out railway maintenance. Certainly, complementary efforts on the part of the mainland control points are required to achieve this. Second, there are not enough clearance counters provided at the Lo Wu BCP during peak hours. The authorities should endeavour to provide, as an interim measure, additional counters and manpower within the constraint of the present situation. Otherwise, the problem caused by the heavy flow of commuters, who are like being forced to run for their lives in an utterly indignant manner, can never be resolved, regardless of the frequency of KCRC trains running in the daytime.

Insofar as cross-boundary infrastructural projects are concerned, I hope sufficient space can be allocated to all cross-boundary corridors, so as to prevent passengers from being squeezed like sardines, as is prevailing situation at the Lo Wu Terminal Building because of the existence of a bottleneck there. To provide travellers with greater convenience, large car parks should also be provided at the newly built terminal buildings at Lok Ma Chau and the Western Corridor, to enable direct access by travellers to the boundary by different means of transport such as taxis, minibuses, buses, and even private cars. Both Man Kam To and Sha Tou Kok should follow suit in order to attract as many travellers as possible and divert passengers from the Lo Wu BCP, which is already saturated. In the long run, all land and sea BCPs should operate round the clock to facilitate the travel of tourists and the integration of the two places.

Owing to the frequent exchanges between the Mainland and Hong Kong, coupled with the recent signing of CEPA and the impact of the individual visits scheme, the Immigration Department has been facing an extremely heavy workload and reportedly experiencing a severe shortage of manpower. I have recently travelled on several occasions as an ordinary commuter through the checkpoints at Lo Wu and Huanggang, and come to understand that the relevant disciplined forces have indeed done an excellent job in their deployment of manpower without any wastage of resources. In the opinion of the HKPA, the proposal raised by the disciplined forces to recruit additional manpower to cope with the workload generated in this area must be examined, so as to prevent front-line staff from working under excessive pressure and thus making mistakes easily.

Madam President, I so submit.

MS LI FUNG-YING (in Cantonese): Madam President, the implementation of measures allowing mainlanders to visit Hong Kong individually more than three months ago can be considered to have caused an immediate impact on the atmosphere of the community, as evidenced by a rebound in the stock market and an influx of capital. According to the statistics released by the Government, 338 000 passenger trips were recorded during the National Day Golden Week, representing a 20% rise over the corresponding period last year, with 80 000 passenger trips being made by mainlanders visiting the territory individually. Tourism has not only given impetus to retail businesses and restaurants, but also created job vacancies. The gloomy sentiments about Hong Kong economy were

completely swept away by media reports that some tourists have snapped up property, luxury cars and goods in designer stores. Nevertheless, this is just the bright side of the picture.

In today's debate, I would like to focus on deployment of manpower and other supporting measures associated with individual travel. I am not trying to discredit individual travel; I just hope the Government can resolve the problem by facing it squarely.

I would like to say a few words about illegal labour. According to a media report on Monday.....

PRESIDENT (in Cantonese): I am afraid I have to interrupt you, because the subject of this motion is related to the relaxation of restrictions on mainlanders visiting Hong Kong individually. I understand that Honourable Members are very concerned about illegal labour. Perhaps you may move a motion on this subject in future to specifically discuss this problem.

MS LI FUNG-YING (in Cantonese): Madam President, I understand. I mentioned this because it is related to immigration and customs clearance, as it is the first control point. If the first control point does not perform properly because of poor manpower arrangements, a series of problems will follow. I hope the Government can face this matter squarely, and it is relevant. Thank you, Madam President.

PRESIDENT (in Cantonese): Please relate your speech to immigration and customs clearance.

MS LI FUNG-YING (in Cantonese): They are relevant, both directly and indirectly.

Though the subject of illegal labour was discussed by the Secretary here last week, the Secretary failed to provide a direct reply to my question as to whether additional resources would be provided for the recruitment of additional manpower. It was afterwards reported that the Financial Secretary would

allocate more resources to the Security Bureau, and I greatly support this move. I hope the Secretary can, in his reply later, examine the feasibility of providing additional resources. Disciplined forces unions have actually reflected their views to me that there has been no increase in manpower for the Customs and Excise Department since the implementation of the arrangement for individual travel. While there has been a drop in the number of tourists arriving in package tours after the implementation of the individual visits scheme, the number of individual travellers has risen substantially. This has led to a serious shortage of front-line staff, an extremely heavy workload, and tremendous pressure, thus dealing a severe blow to the morale of the staff of the Customs and Excise Department. I hope the Secretary can address this.

The problem of insufficient manpower, if remains unresolved, will affect the community and in turn lead to problems associated with law and order, and many others. I dare not say problems associated with law and order are purely attributable to individual travel. But, I still hope the Government can address these problems.

Madam President, what I wish to say is that these problems are interwoven and closely related. The speeches delivered by Members today have focused mainly on the boundary crossing arrangements for mainlanders visiting Hong Kong individually, an issue having a close bearing on various disciplined forces. I hope both the Secretary and the Government can face it squarely.

Another point I wish to raise is that government departments should adopt supporting measures in terms of policy. Both the Secretary for Security and other departments should be responsible for tackling this issue. Earlier on, an industrial building in To Kwa Wan was found to be misused and operated like a labour camp. This incident also revealed that complaints to various government departments about this had been rejected. It was not until the matter was reported in newspapers that the complaints were finally entertained. In my opinion, it might be very easy to deal with the problems, if they are purely related to resources or immigration and customs clearance, so long as the Government and the Financial Secretary agree to give the departments concerned a way out. However, even if the issue relating to immigration and customs clearance is resolved, our control points fully equipped, Hong Kong still has to face a huge challenge should the bureaucratic style of our government departments remain unchanged and is allowed to be integrated with that on the Mainland further. As such, Madam President, I hope today's motion can

enable us to look at the problem from a wider perspective, instead of treating it as a single issue in a narrow sense.

Thank you, Madam President.

MR HENRY WU (in Cantonese): Madam President, the boundary crossing arrangements for mainlanders visiting Hong Kong individually certainly have a significant bearing on us in the securities industry. Nonetheless, I am not going to speak from the perspective of the industry today.

While I support further improving the arrangements, I am more concerned about cross-boundary security. In particular, the Government must spare no effort in detecting and investigating criminal activities at boundary control points and intercepting undesirable elements through immigration control. Should boundary checkpoints fail to play its role as the first line of defence effectively, criminal activities in the territory will surge, and in turn threaten the law and order of the entire community.

With a substantial rise in the number of tourist arrivals from the Mainland following the relaxation of restrictions on mainlanders visiting Hong Kong individually, and the positive news of CEPA being further implemented, Hong Kong economy in general is becoming active again. After the signing of CEPA, the stock market finally managed to break through the psychologically important barrier of 12 000, remained since the end of May in 2002. The Hong Kong Exchange and Clearing Limited has even seen its daily turnover exceeding \$20 billion. The fact that a daily turnover of up to \$12 billion was maintained throughout the past three months has indeed acted like a booster to Hong Kong in the aftermath of SARS.

Like other medication, this booster might induce side-effects. In particular, when we have been so very pleased with the improving economy, the overall crime rates in the territory have continued to surge quietly behind us. In the first eight months of this year, the overall crime rate rose by 19.3% from the same period last year. In addition, there was an increase of up to 34.4% in overall theft cases, including a 101.4% rise in "pickpocket" cases. On the other hand, tourist arrivals from the Mainland in the first eight months of this year have soared 18.6% from the same period last year. During the same period, there was a 22.5% increase in the number of mainland tourists arrested for

committing an offence. These figures, mirroring the proportional relationship between the two, have served as a warning that, though individual travel has given momentum to the revival of Hong Kong economy, its general impact on the territory's law and order situation must not be taken lightly.

A couple of days ago, the police succeeded in detecting a gunshot murder and illegal detention case. The pistol used by the assailant in committing the crime was reportedly smuggled into the territory from the Mainland. According to the information furnished by the police, the number of genuine firearms seized in the first eight months of this year has risen 25% from the same period last year, whereas the number of cases involving other firearms such as electric pistols has even soared by 50%. This issue must not be taken lightly. For the upholding of law and order, and for the overall safety of Hong Kong society, even one more case of ammunitions or firearms smuggling is too many.

Professional killers hired from the Mainland have also been suspected to be involved in a few recent murder cases in which cold-blooded murderers shot their targets at close range. This has again induced renewed public concern that the individual travel arrangements have, apart from facilitating the travel of mainland tourists to Hong Kong for spending, opened a convenient door to undesirable elements.

PRESIDENT (in Cantonese): Mr Henry WU, I have to remind you again that this motion is on boundary crossing arrangements. However, Members have coincidentally talked about law and order and its impact on Hong Kong. I think these issues should be discussed under a different motion. May I suggest Members to come back to these issues in future. Please try as far as possible to confine your speech to the boundary crossing arrangements for individual travel.

MR HENRY WU (in Cantonese): Yes, Madam President. I did highlight the issue relating to checkpoints at the beginning of my speech. I would return to this subject later. I hope the President can allow me to finish this paragraph.

At the same time, a convenient door will be opened to undesirable elements. It is now very likely for criminals who used to sneak into Hong Kong, certainly including professional killers, to enter and leave the territory at any time under the individual travel arrangements.

Besides serious crimes, other illegal activities brought about by the individual travel arrangements must not be overlooked as well. In particular, the situation in which mainland women engaging in prostitution is becoming increasingly rampant. As mentioned in my supplementary question raised in the meeting last week, I hope efforts can be stepped up in combating mainland women coming to Hong Kong to engage in

PRESIDENT (in Cantonese): Mr WU, could you stop reading this paragraph and confine yourself to the part relating to the question on the motion?

MR HENRY WU (in Cantonese): Fine, Madam President. There should be no problem with this paragraph. (*Laughter*) I will now respond to the situation mentioned by Mr James TO.

According to the data furnished by the Customs and Excise Department, despite a slight drop of 18% in drugs seized at land control points in the first eight months of this year from the same period last year, probably due to a substantial drop in the number of cross-boundary passengers during the outbreak of SARS, there was a substantial rise of 44% in the number of cases involving seizure of drugs at the airport. Last year, more than 700 drug seizure cases were reported. The fact that some two-way exit permit holders were recently arrested for taking drugs has reflected the seriousness of the situation. To fully combat drugs, close co-operation among government departments and stringent enforcement are required to tackle the problem at source. In this respect, interception of smuggling plays a very important role.

Madam President, our lines of boundary defence, which are closely integrated, are very likely to collapse should the cross boundary arrangements at various boundary control points (BCPs) be subject to pressure because of a lack of manpower or supporting facilities. This will in turn jeopardize the stability and prosperity of the community as a whole. For this reason, the authorities concerned should, in making improvement to facilities at various BCPs, pay attention to the deployment of relevant supporting facilities and enforcement manpower. Furthermore, the authorities must ensure that there is sufficient manpower and that front-line staff will not become too tired because of excessive workload. This will enable them to "maintain vigilance" in closely monitoring cross-boundary security for the safety of all people in Hong Kong.

Concerning the issues brought about by the individual travel arrangements with respect to law and order, and the deployment of manpower resources, I raised my concern during an earlier meeting with the Financial Secretary, Mr Henry TANG, that tourists travelling under the arrangements will impose additional pressure on the front-line staff of various law enforcement departments. A flexible approach to deploying and increasing manpower is therefore called for, in order to cope with the heavy workload. I therefore greatly appreciate the Government's announcement earlier that law enforcement departments may recruit additional staff. It is evident that the Government is sincere in listening to the views expressed by various sectors of the community. Despite the limited number of recruits allowed in this exercise, it is nevertheless a good start. The situation must be watched closely and, when necessary, manpower must be suitably deployed and strengthened to ensure cross-boundary security meet a desirable standard.

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

MR NG LEUNG-SING (in Cantonese): Madam President, it was announced by the Government earlier that, during the National Day Golden Week, the number of passenger trips to and from the Mainland by land had reached 2.77 million, representing a rise of nearly 10% from the corresponding period last year. Of these passenger trips, 287 000 were made by mainland travellers, representing a rise of 21% from the same period last year. In addition, 76 000 or so inbound travellers have visited the territory individually, most of them crossing the boundary at Lo Wu and Lok Ma Chau. The heavy flow of passengers thus created has imposed tremendous pressure on various boundary control points (BCPs). As a result, one of the Government's priority tasks is to examine ways to further enhance the capacity for handling cross-boundary travellers, so as to prevent clearance problems from becoming an obstacle to an increased flow of passengers and thereby stifling the economic development of Hong Kong.

It is indeed worthwhile to examine whether supporting facilities at the two major BCPs of Lo Wu and Lok Ma Chau can cope with the new developments after the relaxation of restrictions on mainlanders visiting Hong Kong individually. According to the Government, the flow of inbound passengers was generally smooth during the National Day Golden Week, albeit there was a need for a large reserve of manpower as reinforcement. Faced with the

growing number of individual travellers from various mainland provinces and cities, it is important for the Government to ease the flow of passengers and traffic across the boundary. Given the tendency of individual travellers to visit Hong Kong during non-festive holidays, and the gradual extension of the individual travel arrangements to cover more mainland cities, the Government should adopt a longer-term approach in conducting planning, fully upgrading the clearance processing capacity of various BCPs, and expanding the capacity for absorbing individual travellers from the Mainland. To start with, in addition to contingency measures during festive holidays, the Government should examine setting up a standing mechanism to deal with the demand for increased manpower during non-festive holidays, improving hardware facilities for various BCPs, increasing the frequency of connecting trains and buses, extending the operating hours of railway services, and suitably extending the clearance hours according to demand. To date, the transport link between Hong Kong and the Mainland are still heavily dependent on the railway at the Lo Wu as a boundary crossing. To ease the heavy flow of passengers crossing the boundary, it is imperative for the Government to explore a more diversified land passage for crossing the boundary. In the light of the steady growth of cross-boundary vehicular flow, the Government should indeed expedite the commencement of various cross-boundary road works. Such infrastructural projects must take into account the long-term needs arising out of the simultaneous increase in the flow of cross-boundary passengers and vehicles. The Government must avoid conducting design and planning in a piecemeal manner or by gradual expansion.

Next I hope the President can allow me to say a few words on some incidental matters. From a forward-looking angle, clearance processing is just a fundamental matter. What is relevant is an enhancement in the benefits reaped by the entire society. The relaxation of restrictions on mainlanders visiting Hong Kong individually might give momentum to retail businesses. While this may provide business opportunities to related trades, the capacity of the territory is also put to the test. We may as well take this opportunity to call on the Government to make concerted efforts in providing ancillary facilities for hotels. In the long run, complementary efforts must be made in accordance with actual needs.

PRESIDENT (in Cantonese): Mr NG, please confine your speech to the question on the motion.

MR NG LEUNG-SING (in Cantonese): I have tried to limit myself to one sentence. In terms of facilities relating to the people's livelihood, we must made no mistakes when there is a rise in the number of tourist arrivals after the relaxation of restrictions on mainlanders visiting Hong Kong individually. For instance, I hope such internal facilities as community facilities, leisure areas, transport for connection to scenic spots, hygiene, health care, and so on, can be provided as complementary measures, to enable the entire community and economy to benefit from this "win-win" situation after the foundation for the "individual visit" arrangements has been laid properly.

Madam President, I so submit.

PRESIDENT (in Cantonese): I should really suggest Members to consider moving a motion to debate the impact of the new arrangements on the entire community after the relaxation of restrictions on mainlanders visiting Hong Kong individually.

MS AUDREY EU (in Cantonese): Madam President, with the Mainland having lifted the restrictions on individual travel to Hong Kong, and as more and more Hong Kong people go north for consumption, work and even permanent settlement, it is anticipated that the flow of people between China and Hong Kong will continue to increase. That is why improvements to clearance facilities at boundary control points have become an issue of the utmost urgency.

At today's meeting, Members have raised many problems connected with boundary infrastructure or improvements to ancillary facilities, but I understand that the Government has already drawn up many plans, as can be seen from the paper it submitted to the Bills Committee on Boundary Facilities Improvement Tax Bill. In this paper, it is mentioned that during the period from 2002 to 2007, the Government will spend as much as \$13 billion on a total of 13 works projects to improve China-Hong Kong land boundary facilities and construct additional ones. We also know that under a recent relaxation of the policy on freezing civil service recruitment, the Government has allowed various disciplined services such as the police and the Immigration Department to resume staff recruitment, so as to meet new manpower needs.

Madam President, the topic of the original motion is on boundary facilities, thus we are not supposed to discuss the Boundary Facilities Improvement Tax Bill now. However, Madam President, the two issues are in fact interrelated, and I must point out that the implementation of the measures concerned will inevitably involve the question of money. That is why I hope that the Administration can deal with the Boundary Facilities Improvement Tax Bill as soon as possible. Madam President, as we all know, Members are divided on the tax, and I do not know what the Government plans to do now. But since boundary facilities are under debate today, I naturally hope that when the Secretary gives his reply later on, he can tell us how he will tackle the problems connected with the Boundary Facilities Improvement Tax. Madam President, I personally hope and agree that such a tax can be introduced, only that I do not wish to see the tax being levied in the form proposed in the Bill.

Madam President, I also support and agree to the points on boundary security as raised in another amendment. And, it is hoped that the Government can also pay attention to the customs problems which Ms LI Fung-ying has mentioned. Madam President, I know that the SAR Government and the provincial governments of the Mainland have been maintaining some kind of contact in a bid to forbid people with a criminal record in Hong Kong to come here again. However, we really do not know whether this measure is effective. I hope the Secretary can tell us the answer when he gives his reply later on. Because the policy on individual visits has been put in place for just a very short time, we are still unable to ascertain its effects, I mean, its effects on boundary security and even on the security of Hong Kong as a whole. I hope that the Secretary can give us some assurances that the Government will have enough measures to deal with the resulting economic and security problems, and that it will maintain contact with provincial governments of the Mainland to ensure that those with a criminal record in Hong Kong will be prevented from coming here again as individual travellers.

Thank you, Madam President.

MR AMBROSE LAU (in Cantonese): Madam President, the rising number of visitors from the Mainland has created huge numbers of low-skill jobs in the hotel, catering and retail industries of Hong Kong. It is generally calculated

that each additional US dollar generated by the tourism industry will bring about an extra composite revenue of US\$3 to US\$5 to society. This explains why the lifting of restrictions on individual travel is expected to produce instant effects on revitalizing our sluggish economy.

However, the increase in the number of visitors from the Mainland will at the same time exert immense pressure on the various boundary control points. The current development of boundary infrastructure and control point facilities clearly lags behind the requirements of the times, thus bringing about a bottleneck in the development of the tourism industry. During the Golden Week of 1 October, the authorities diverted the flows of visitors by using the Expedient Clearance System and also deployed additional manpower to shorten the clearance time. But all these measures are nothing but mere expedient solutions which cannot fundamentally remove the bottleneck at Shenzhen-Hong Kong land crossings. This has not only impeded the development of Hong Kong's tourism industry, but will also greatly hamper Hong Kong-Guangdong co-operation and the implementation of CEPA. There is hence a need to expedite the construction of boundary infrastructure facilities and to perfect the ancillary facilities of land crossings.

Madam President, in Hong Kong, new boundary clearance and infrastructure facilities will be constructed only after the existing ones have been overloaded, and there will invariably be several years before completion, so when the new facilities are completed, they will lag far behind the demands in reality. Hong Kong's neighbour, Singapore, is more visionary in the construction of border clearance facilities. In Singapore, well before a border control point reaches saturation, a new one is already completed. Under the tide of globalization, clearance at the border control points of the member states of the European Union has also become very smooth. But the boundary control points between Hong Kong and Shenzhen are still marked by inadequate facilities, complicated clearance procedures and comparatively low efficiency.

Smooth boundary clearance is of the utmost importance to the development of the tourism industry, the reduction of investment costs and even the building up of Hong Kong into a hub of the world. Given the bottleneck situation with our control point facilities and boundary infrastructure, it is difficult for us to cope with the rising number of mainland visitors, and not only

this, Hong Kong businessmen also have to bear losses of several billion dollars a year for late delivery caused by clearance delay. This has increased business costs in Hong Kong.

Solutions to these problems can be divided into short-term and long-term ones. As far as the short run is concerned, we notice that the Immigration Department (ImmD) just has enough staff to man 70% of its clearance counters, which means that 30% of the counters are unmanned. On the other hand, huge numbers of civilian staff in the Government have spare capacity and they cannot be laid off. Since the ImmD is in need of manpower, the Government should redeploy its manpower internally as soon as possible to solve the shortage problem of the ImmD. In the long run, the Government should be more forward-looking in its work of improving and constructing control point facilities and boundary infrastructure. It must draw up long-term plans, taking into account the flows of visitors and goods in the next five to 10 years. The urgent task now is to increase the number of boundary crossings and build more highways.

Madam President, the Government must facilitate the flows of visitors as much as possible on the one hand and closely monitor the security problems of boundary crossings on the other. Although the Security Bureau estimates that on average, only three in 10 000 visitors from the Mainland will engage in such unlawful activities as illegal employment, prostitution, begging and overstaying in Hong Kong, we simply do not know whether the entry of individual travellers from the Mainland may lead to more crimes at the various boundary crossings. This is a question which warrants our concern. For the safety of inbound tourists and Hong Kong people, the Government must step up its surveillance and take early precautionary measures.

Madam President, the long-standing problems with boundary crossing clearance must be solved as quickly as possible. In face of the challenges posed by individual travellers from the Mainland and CEPA, how the Government can expeditiously improve and construct control point facilities and boundary infrastructure as well as ensure the safety of inbound tourists and Hong Kong people will indeed be the touchstone of the Government's administration.

Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, first of all, I would like to declare an interest as I am also Chairman of the Hong Kong Tourism Board.

To establish a hospitality image for Hong Kong, a wide range of complementary measures are warranted. After all, tourism is every citizen's business. Whether a place can bring back tourists again and again definitely depends on the ability of the entire community to make tourists feel that they are most welcome. Actually, we are obliged to provide tourists with the best services once they step upon our immigration control points. To start with, Hong Kong must leave them a good impression by giving them a hassle-free and enjoyable immigration experience, and then impress them with Hong Kong's hospitality and sincerity.

In recent years, the rapid growth of the market geared to mainland tourists has certainly provided infinite momentum to Hong Kong's tourism. Mainland tourists have come to Hong Kong mainly on land. According to preliminary figures from January to September this year, over 1.36 million passenger trips by tourists were recorded for the territory, with 5.6 million passenger trips, or 54%, being made by mainland tourists — I wanted to say 10.36 million passenger trips, of which 5.6 million were by mainland compatriots. 75% of mainland tourists have arrived on land, 13% by sea, and 12% by air. These figures can already reflect the situation after the relaxation of individual travel by mainlanders from eight cities in Guangdong Province, Beijing and Shanghai.

Besides, there were tourists from other parts of the world who travelled to Hong Kong via China. Last year, the number of such tourists reached 3.5 million, most of them entering Hong Kong on land or by sea. These figures have demonstrated the importance of land and sea control points, and also the pressure they face in receiving tourists.

It is worth noting that, with the relaxation of restrictions on individual travel, mainland tourists might no longer opt for a long stay. Instead, they might adopt a so-called "flash" pattern of travel by coming and leaving on the same day or any time during weekends. With the flow of passengers crossing the boundary to go to school, to work, or for business purposes, coupled with increasing contact between the two places, the number of short-stay mainland travellers is expected to rise steadily. Furthermore, they are not going to visit Hong Kong only during golden weeks such as National Day, Labour Day or during long holidays. As such, it is extremely important for clearance

arrangements, both on weekdays and during weekends, to tie in tune with the flow of passengers through strengthening supporting facilities in terms of manpower, clearance counters, transportation, and so on.

The daily flow of passengers at Lo Wu is around 260 000 passenger trips, and 80 000 at Lok Ma Chau, though the two control points may handle 350 000 and 90 000 passenger trips respectively during peak periods upon making special arrangements. Yet it is impossible for us to predict the date or time individual travellers may visit the territory. Moreover, they cannot present for immigration clearance collectively as they will be coming as individual travellers, not in tour groups. Therefore, it will take them a longer time to cross the boundary. Confusion might arise if control points fail to cope when there is a sudden surge in the number of cross-boundary passengers. As such, the Government must not wait until demand exceeds supply before considering constructing additional cross-boundary facilities. Otherwise, the desire of travellers to visit the territory will be dampened because of the hardship they experience in crossing the boundary. The authorities should take prompt actions in providing effective cross-boundary facilities and expediting the progress of infrastructural projects at various control points, with a view to upgrading the handling capacity.

A special inter-departmental unit was specially set up during the golden week for the handling of cross-boundary travellers. It was evident that the flow of cross-boundary passengers had been much smoother than last year. However, it must be pointed out that this deliberate arrangement is a very special one. When the usual arrangements are restored, what can be done to cope with the flow of travellers on weekdays and during weekends? In our opinion, interim cross-boundary measures should be further improved.

Faced with a rapid growth in mainland travellers, coupled with the planned full-scale relaxation of restrictions on individual travel in Guangdong Province in May next year, it can be anticipated that various immigration control points are going to face increasing pressure from the flow of passengers. Following the improvement of facilities at Lo Wu, the Government should take prompt actions in planning infrastructural improvement projects for other control points, so as to strengthen cross-boundary supporting facilities and make flexible arrangements for handling cross-boundary travellers. During peak periods, sufficient manpower has to be deployed to provide as much convenience to cross-boundary travellers as possible, so as to leave them with a pleasing experience.

I understand that whenever we call upon the authorities to cope with the flow of passengers, the relevant Bureau Directors and heads of departments will very often tell us that there are a shortage of manpower and a need for resources. We do understand that, faced with a fiscal deficit, there is certainly pressure in all areas to save resources. However, it must be borne in mind that tourism is after all a kind of business. If tourists can bring benefit to all sorts of businesses, not only tourism, but also other related businesses, including retail and catering, the economy as a whole will enjoy substantial growth. Such being the case, I consider it necessary for the Government to consider investing in this area to ensure that services are provided in a very smooth manner during golden weeks as well as on ordinary days.

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

MR LAU PING-CHEUNG: Madam President, as it is widely acknowledged, tourism is one of the pillars bolstering the economic recovery of Hong Kong. With the Mainland as our first and foremost source of tourists, we appreciate the enormous efforts made by the Administration to obtain approval for mainlanders to visit our territory individually. But let me caution that this is just the first step in the right direction. If the arrangement is not followed through with supporting border crossing measures to encourage and attract visitors from the Mainland, we are not just letting slip a golden opportunity, but also tarnishing our hard-earned name as an efficient and effective community.

Even before the introduction of the latest tourist arrangement, visitors from the Mainland have been on the increase in recent years anyway. According to official figures, visitors arriving in Hong Kong over land at the various border crossings totalled 118 million in the year 2002 and are estimated to reach 251 million by 2016. Easing passenger congestions at the boundary control points is a real and pressing issue now that even more visitors from the Mainland are anticipated on a daily basis.

Indeed, it is public knowledge that agreement in principle has recently been reached among the Central Government, Guangdong Province, Macao and Hong Kong to proceed with the much talked about Hong Kong-Zhuhai-Macao Bridge. This is a new addition to the Administration's plan to cope with the increase in cross border traffic with additional infrastructures like the Shenzhen-

Hong Kong Western Corridor, Sheung Shui to Lok Ma Chau Spur Line and the Deep Bay Link. Yet, they are due for completion not until 2005 and 2006 at the earliest. As a responsible Government, a proactive approach should be adopted to cope with any possible problems which may arise in the interim. For one thing, we certainly would not want mainlanders to have second thoughts about visiting Hong Kong because of any unpleasant experience, such as unduly long waiting for customs or immigration clearance at the border crossings.

I agree with the Honourable Miriam LAU that multi-pronged tactics are desirable for avoiding possible congestions at the border crossings. Advancing the completion dates of some, if not all, of the infrastructural projects to the year 2004 should help ease tremendously the anticipated congestion problem. We understand that these construction projects take time to complete. This is why measures are also necessary to meet the increasing needs in the interim. One possible option is manpower redeployment. As proved by the order and efficiency we witnessed at the border crossings over the National Day holidays, immediate improvements can be effected under the co-ordinated efforts of the departments concerned. Extending round-the-clock operation to control points in addition to Lok Ma Chau should also be considered, since statistics for May to August 2003 show that the new operation mode is increasingly welcomed by passengers. Other options which are worthy of consideration include improving the border crossing facilities at Man Kam To and Sha Tau Kok, increasing the quota granted to cross-border coach operators, and improving through train, ferry and even helicopter services.

I also agree with the Honourable James TO that security should by no means be compromised when the Administration strives to improve passenger flow at the border crossings. There have already been worries that the influx of mainland visitors may have encouraged criminal activities. I am glad to note that there have been no signs that this is the case and hope the Administration will take appropriate measures to ensure the safety of both Hong Kong people and visitors from the Mainland. Upholding law and order should be our top priority since this will also affect the Central Government's confidence in Hong Kong's readiness to receive more visitors.

When people travel, they look for pleasure, relaxation, comfort and safety. Their enthusiasm for a certain destination is easily dampened by anything negative about the place, be it rumour or fact. Image is something that takes

years to build up but just one single incident to dismantle. Just when Hong Kong is on the road to a long overdue economic recovery, hiccups are not what we want right now. What we need to do is to convince the Central Government and the general public on the Mainland that Hong Kong is fully capable of handling even heavier cross-border passenger flow if the new travel arrangement is extended to more cities and provinces. Only then can we seize the opportunity and add impetus to our economic growth. I hereby urge the Administration to explore every possible means to maximize the benefits which come with the new travel arrangement for mainlanders to visit Hong Kong individually.

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

MR HOWARD YOUNG (in Cantonese): Madam President, my Honourable colleague has just spoken on how the Government should strengthen the boundary crossing infrastructural projects and the supporting facilities for immigration and customs clearance, and so on. However, apart from such hardware, the software for immigration and customs clearance is also very important. Therefore, I shall focus on presenting my views on strengthening the deployment of manpower, "co-location" arrangement and simplifying the immigration procedures, and so on.

Before the relaxation of restrictions on mainlanders visiting Hong Kong individually, we have all heard about congestions at the border control points on all major festive days. The passengers used to lodge a lot of complaints. However, usually the main problem had nothing to do with the hardware inadequacy. Instead, the problem lied in manpower shortage or vacant counters, which stalled the passenger flow.

Some representatives of staff-side associations have indicated that the Immigration Department has an acute shortage of manpower. During the peak periods, it is just like "ten buckets with only eight lids". So there is a manpower problem. Therefore, the increase in the number of passengers as a result of the relaxation of restrictions on mainlanders visiting Hong Kong individually will only aggravate the situation. The Liberal Party understands that there is the problem of acute manpower shortage at the border control points.

We think the recruitment of more staff is of course one of the solutions to the problem, but can we first proceed with some internal redeployment? For example, some posts which can be manned by people without disciplined service training could be taken up by civil servants not belonging to the disciplined services. In this way, more officers with proper training could be deployed to work at border control points, so as to alleviate the acute manpower shortage problem.

With the further relaxation on mainlanders visiting Hong Kong individually, more visitors will come to Hong Kong and this will definitely cause a great burden on law enforcement officers at the border. Therefore, although the Government is tight with its finances, we still support the Financial Secretary in flexibly dealing with the recruitment restrictions of disciplined services, so as to allow the recruitment of additional staff according to the actual needs.

Apart from these, the Liberal Party also suggests to streamline the immigration and customs clearance procedures. Among the various suggestions, co-location of immigration and customs facilities on the same premises is a very good proposal, because this will surely shorten the clearance time for passengers. Unfortunately, the Government had not acted in accordance with the aspiration of the people to implement this at the control points of Lok Ma Chau and Huanggang. Later, the Government said that it could only implement this as late as 2005-06 in the Shenzhen-Hong Kong Western Corridor, and eventually proceeded quietly to cancel the proposal of implementing co-location of clearance at the Huanggang Control Point. I think the authorities should review whether the proposal of co-location should be brought up again after the mainlanders are allowed to visit Hong Kong individually, so that the original plan of co-location of clearance could be implemented in the busiest land border control point of the world.

In order to facilitate the arrivals and exits of mainland tour groups, we suggest that the authorities should set up dedicated counters at more border control points for group immigration and customs clearance. This would shorten the time required for processing the clearance procedures, and in order to serve specifically the needs arising from the prevailing trend of individual travel of mainlanders, more machines of the Expeditious Immigration Clearance System should be installed, so as to speed up the processing of clearance of mainland passengers on individual visit to Hong Kong, and this would boost the

clearance efficiency substantially. I would like to take this opportunity to commend the Government. We all thought that it would be extremely congested at the border control points during the National Day Golden Week. However, both the people of the industry and the passengers felt that the Government had done a great job. This was attributable to the prior discussion held between the Government and the industry as well as the arrangements made.

As for outbound passengers, I would try to bring up a bold subject. We all know that countries like Great Britain, Canada and the United States basically adopt the practice of "checking the inbound but not the outbound". In the past, we had also made this suggestion. However, after the September 11 incident, there is the view that this practice may give rise to some problems, and it is alleged that even the United States has regretted having adopted this system. However, can we consider adopting the policy of "checking the inbound but not the outbound" to a certain extent at certain periods of time, at certain control points or subject to the destinations of the passengers? I wish to bring up this subject for the consideration of the authorities. This may help to save some manpower and alleviate the congested passenger flow at the various border control points.

As mainlanders visiting Hong Kong individually are not led by a guide, they may not know the situation at the border control points. We suggest the authorities should step up the dissemination of information at the border control points. For example, during the National Day Golden Week, the authorities should upload the information on sea, land and air control points onto a website. Alternative ways of disseminating the information could be used. For example, by way of a hotline, the passengers would be able to find out which border control point is the busiest, so that they could make some adjustment themselves. This is also one of the options meritorious for implementation.

Lastly, I would like to discuss the issue of the connecting transport services at the border control points. We all know that the measure of allowing taxis to provide service in Lok Ma Chau during certain periods of time has been implemented recently. However, taxis are still not allowed to enter the area at daytime, in the fear that it may affect the movement of trucks. I suggest that the authorities should conduct a review after this has been implemented for a certain period. As the round-the-clock operation has been implemented at the Huanggang Control Point, will the authorities conduct a review on which periods

could be used to allow taxis and minibuses to enter the area, so that the passage of trucks would not be obstructed, while an additional option could be provided for passengers? I hope the authorities can consider this proposal.

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Ms Miriam LAU, you may now speak on Mr James TO's amendment.

MS MIRIAM LAU (in Cantonese): Madam President, the sharp rise in the number of inbound tourists since the relaxation of restrictions on mainlanders visiting Hong Kong individually has inevitably raised concern about problems relating to the maintenance of law and order that might possibly arise. The amendment proposed by Mr James TO is concerned mainly with security arrangements at boundary control points (BCPs).

As reported by the Assistant Commissioner of Police, Mr LO Yik-kee, before the commencement of the National Day Golden Week after attending a Tripartite Meeting by Heads of Crime Investigation Unit of Hong Kong, Guangdong and Macau, after the relaxation of restrictions on individual travel, over 70 000 mainlanders have travelled to Hong Kong individually as of mid-September, with seven of them having been arrested for breaking the law.

We have also been told by the Immigration Department that, over the past two months or so, there was no marked increase in the ratio between the numbers of crimes at the border and cross-boundary travellers. We must not, therefore, look at mainlanders visiting the territory individually through a pair of tinted glasses. Furthermore, we must never make any sweeping generalization by presuming that all individual travellers intend to commit crimes in Hong Kong.

Nevertheless, no one will object to measures being taken to strengthen security and reduce the incidence of crimes. Furthermore, the Immigration Department has admitted that, with the rise in the base number of mainland travellers in future, the figures of violations might increase accordingly. As such, we agree that the authorities should do their utmost in detecting and investigating criminal activities at various BCPs. It might even be necessary for additional manpower to be deployed to carry out patrol and interceptions at BCPs with a view to combating theft and smuggling activities for the sake of the personal safety of cross-boundary travellers and the safety of their properties. More importantly, if an alert mechanism as previously agreed upon by the relevant authorities of Hong Kong, Guangdong and Macao can be put in place properly, cross-boundary criminal activities or even cross-boundary crimes can naturally be combated in a more effective manner.

Lastly, I would like to point out, as Mr James TO has also agreed, that while striving to strengthen security at the boundary, it is also necessary to keep traffic at BCPs smooth as far as possible. On this basis, the Liberal Party is going to support the amendment moved by Mr James TO.

Thank you, Madam President.

SECRETARY FOR SECURITY (in Cantonese): Madam President, with the growing exchange between Hong Kong and the Mainland in the economic, social and cultural domains, there has been a constant rise in the number of cross-boundary passengers between the two places. At present, the total number of passengers handled at the five land boundary control points (BCPs) has risen from a daily average of 178 000 passenger trips in 1997 to 304 000 passenger trips for the first nine months of this year. Among these BCPs, Lok Ma Chau has seen the biggest increase of up to 339%, from a daily average of 14 000 passenger trips in 1997 to 61 000 passenger trips in the first nine months of this year.

The Mainland has, since 28 July, introduced a scheme of the so-called "individual travel", or "free travel", as it is known in Hong Kong, to gradually relax its restrictions on mainlanders to visit Hong Kong individually. To date, 10 mainland cities, namely Zhongshan, Jiangmen, Foshan, Dongguan,

Guangzhou, Shenzhen, Zhuhai, Huizhou, Beijing and Shanghai, are covered by this scheme. According to our understanding, as at 7 October this year, over 430 000 applications for individual travel have been received by these mainland cities, with 380 000 applications having been approved. During the National Day Golden Week, a total of 338 000 passenger trips made by mainland visitors, representing a 20% rise from last year, were recorded, with 112 000 passenger trips, or a sharp rise of 180% from 40 000 passenger trips recorded last year, being made by mainlanders visiting the territory for sightseeing.

Under the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), individual travel will extend to all the remaining cities in Guangdong Province by July 2004. Though the speed and direction of further expanding the scheme are not yet finalized, the handling capacity of various BCPs in the two places and security arrangements pertinent to the territory are bound to become the major factors of consideration. A special feature of individual travel is that mainland tourists may, according to their preferred itinerary, visit Hong Kong at any time they wish. According to our observation, most individual travellers chose to travel to Hong Kong on Fridays or Saturdays, mainly through the BCPs at Lo Wu and Lok Ma Chau, and the Hong Kong-China Ferry terminal. However, a more accurate trend can be ascertained only after the scheme has operated for a longer period of time. Nonetheless, we very much agree with a number of Members that flexible cross-boundary arrangements are required to cope with the constantly-changing mode of visit by individual travellers.

The Government has given full consideration to the major directions referred to in the motion under debate. Major infrastructural works being undertaken include the construction of the Shenzhen-Hong Kong Western Corridor to link up Shekou and Northwest New Territories, the Sheung Shui to Lok Ma Chau Spur Line, and Hong Kong-Zhuhai-Macao Bridge with its associated port facilities. It is estimated that, upon its commissioning in late 2005, the Shenzhen-Hong Kong Western Corridor will be able to handle 6 300 vehicles daily, which is equivalent to 76% of the combined flow of 8 300 cross-boundary vehicles at the moment. During the initial stage, the Lok Ma Chau Spur Line is expected to handle approximately 150 000 passenger trips daily, or 50% of the combined daily flow of passengers at the five land BCPs at the moment.

As for the Hong Kong-Zhuhai-Macao Bridge, an Advance Work Coordination Group has been set up by the governments of Hong Kong, Zhuhai and Macao, and it has been agreed that the project be put into implementation expeditiously. In addition, further studies will be conducted with respect to the economic benefit, alignment, environmental impact, and so on. It can be envisaged that, with the completion of these major infrastructural projects, the lack of cross-boundary hardware will be significantly ameliorated.

As for minor infrastructural projects for BCPs, a cross-boundary vehicular bridge linking the BCPs at Lok Ma Chau and Sha Tou Kok will soon be built. Furthermore, expansion works will be carried out and additional air-conditioners installed for the existing pedestrian bridge at Lo Wu. These projects are scheduled for completion by late 2004.

As regards cross-boundary supporting facilities, the Immigration Department (ImmD) has installed brand new optical readers for all BCPs in an effort to shorten the time required for the examination of travel documents. Starting from late 2004, the ImmD will introduce in phases a self-service immigration clearance system for travellers and vehicles at various BCPs. With the help of this system, more clearance counters and passages can be operated with less manpower, thereby shortening the waiting period for cross-boundary commuters and vehicles, and reducing departmental expenses.

Insofar as supporting facilities at individual BCPs are concerned, expansion works at the Lok Ma Chau BCP were generally completed before the commencement of the National Day Golden Week this year. The number of clearance counters has thus risen from 28 before the commencement of the expansion works to 50 at the moment, whereas the number of parking spaces for buses to pick up/set down passengers has been increased from 36 to 64. At the same time, there is an additional installation of travelators, indicators for parking spaces for cross-boundary buses, public washrooms, and so on. Expansion works are also being carried out at full speed in the departure hall at Lo Wu. Upon completion of the works in early 2005, the hall will see its capacity being expanded by up to 200%, and it will be able to accommodate an additional 3 800 travellers. Fourteen additional counters will also be provided for handling departing travellers.

Insofar as clearance processing arrangements are concerned, greater flexibility will be exercised for the purpose of effectively handling the ever-

changing immigration pattern and needs of travellers. During holidays or peak periods when a huge flow of travellers is anticipated, the ImmD will, in addition to making suitable manpower deployment, implement corresponding measures for management of passenger flow so that most counters will be catered for clearance in accordance with the major direction of the flow of cross-boundary commuters.

Continued efforts will be made in enhancing communication and co-ordination among relevant departments. In addition to standing inter-departments working groups, we set up for the first time an interim joint command centre comprising representatives from the police, the ImmD, the Transport Department (TD), the Tourism Commission, and the Kowloon-Canton Railway Corporation (KCRC). A direct line was also set up to enable us to maintain direct liaison with our counterparts in Shenzhen. Through co-ordination among various sectors, we managed to adopt a flexible approach in streaming travellers suitably, so as to allow control points with a less heavy flow of passengers to relieve some of the pressure on busy control points. During the National Day Golden Week, with the co-operation and self-discipline of the tourism sector, we succeeded in persuading mainland tour groups travelling to Hong Kong to avoid the busier Lok Ma Chau as far as possible. Instead, they were encouraged to clear through Lo Wu, where the handling capacity was larger. In addition, the TD had, prior to the holiday, increased its special quota for buses serving the BCPs at Man Kam To and Sha Tou Kok. The frequency of cross-boundary ferries and East Rail trains bound for Lo Wu was also suitably increased. The joint command centre and various streaming measures did play a positive role in making the flow of passengers during the National Day Golden Week basically smooth.

Subsequent to the development of transport services, constant reviews and adjustments have been made with respect to the *modus operandi* of BCPs. Starting from 29 September 2003, travellers intending to travel between the Pearl River Delta (PRD) and other parts of the world via the Hong Kong International Airport may, without the need to enter the territory, travel to and from other parts of the world by plane or major PRD control points by speed ferries without going through immigration and customs clearance in Hong Kong, provided that security and airport safety considerations are complied with. Furthermore, starting from 8 October, private cars, previously allowed to cross the boundary at the BCPs at Man Kam To or Sha Tau Kok only, may cross the boundary at the BCPs at Lok Ma Chau/Huanggang during non-peak hours from midnight to 6.30 am every day.

Thanks to the adjustment and speedy deployment of manpower by various front-line departments, the authorities concerned have been to handle the frequently-changing flow of cross-boundary passengers with the help of these measures and flexible arrangements. During the National Day Golden Week, a total of 460 officers of various ranks were deployed from the ImmD, the Customs and Excise Department (C&ED) and the police to provide support at various BCPs. However, in addition to introducing short-term flexible deployment, the management must be able to see things in the longer-term perspective and endeavour to ensure that there is a sufficient and stable supply of manpower at various BCPs to cope with the increasing workload. On the other hand, given the Government's extremely stringent financial situation, we will continue to study, having full regard to security, whether individual immigration and customs clearance procedures can be further streamlined and whether certain work procedures can be dealt with by a reliable and safe system without involving human efforts.

We fully understand that some people in the community are concerned that the constant rise in mainlanders visiting Hong Kong might cause certain negative impacts on the maintenance of law and order in the territory. Here I must stress that, despite the constant rise in mainlanders visiting the territory in recent years, the number of mainland visitors being arrested for such serious criminal offences as robberies and deception has over the years remained at a relatively low ratio of around 0.0003, and the ratio of individual travellers is even lower. There is so far no evidence showing that the implementation and further expansion of the individual travel arrangements will pose a serious threat to the maintenance of law and order in the territory. Furthermore, the majority of mainland visitors, being law-abiding people, will only impact on the Hong Kong economy in a positive manner. I believe many Hong Kong citizens, besides me, are well aware of this.

Certainly, we will spare no effort in cracking down on any mainland visitors engaging in illegal activities in Hong Kong. Apart from setting up a high-level inter-departmental working group, the Government will further strengthen communication and exchange of intelligence with relevant departments on the Mainland. Effective measures will be taken by these departments to, *inter alia*, vet and approve the issuance of two-way exit permits and passports in a stringent manner. As for mainland visitors imprisoned for committing criminal offences and those having violated their condition of stay, the relevant departments on the Mainland will, depending on the circumstances,

prohibit them from visiting Hong Kong again within a specific period of time. At the same time, the ImmD and the C&ED will adopt effective scrutiny measures at various immigration control points by way of intelligence analysis in order to prevent undesirable elements or contrabands from entering Hong Kong from the Mainland. The police and relevant departments will also identify the criminal black spots of these undesirable elements, and combat in a focused manner whatever illegal activities involving these desirable elements through more joint operations.

Of course, we have not neglected the fact that mainland visitors might become crime victims as well. In this connection, the police have published a large quantity of booklets to remind mainland visitors to pay attention to their personal safety during their stay in Hong Kong. These booklets are widely distributed at various BCPs and appropriate spots in the urban areas. The police and the C&ED will also step up their efforts in combating such unlawful conduct as cheating of tourists and sale of counterfeit goods. From the experience gained during the National Day Golden Week, the efforts made by various law enforcement departments in this area have borne fruit in some measure.

It was suggested by Members that interim measures be taken to cope with the massive increase in tourists. There were such proposals as the extension of the clearance service at certain BCPs or even 24-hour clearance, and so on. As deployment of law enforcement officers of the two places and certain transport arrangements are involved, further consideration is warranted.

As regards the request made by Ms Miriam LAU to increase the frequency of through trains, I am pleased to report that the KCRC has today announced its decision to increase two pairs of through trains starting from next Monday, with the last train departing from Guangzhou at 9 pm. Under the new arrangement, we will be able to have dinner in Guangzhou before heading back to Hong Kong by through train. Concerning the point raised by Ms Audrey EU with respect to the boundary facilities improvement tax, I can tell the Honourable Member that I will properly reflect her view to Secretary Frederick MA, because I have no knowledge of the latest developments.

A remark was made by Mr James TO earlier that some people repatriated from Hong Kong had managed to come back to Hong Kong. As I said last week, several hundred people have actually succeeded in doing so. According

to my understanding, however, the relevant authorities in the Mainland are perfecting their systems of record-handling through computerization and a national online system in a progressively manner. Such incidents will presumably diminish in future.

The issue of co-location of immigration and customs clearance under one roof was brought up by Mr Howard YOUNG earlier. I hope this proposal can be implemented expeditiously, though amendment of our laws will then be required. Mr Howard YOUNG has also raised the point that some countries have practiced "arrival clearance only". I can say that this subject has always been under our consideration. In fact, we already considered it more than a decade ago, not now. We still believe this policy, if adopted, will compromise the integrity of immigration control and create a flaw insofar as the maintenance of law and order in Hong Kong is concerned. As such, we will not consider implementing this policy for the time being.

In a nutshell, the Government is convinced that the implementation and gradual expansion of individual travel arrangements will do to Hong Kong as a whole far more good than harm. Despite the extreme pressure on manpower, the Bureau and various front-line departments are confident that the smooth flow of passengers and cargoes at various BCPs can be maintained through suitable arrangements and measures. They will also ensure that Hong Kong citizens and tourists can continue to enjoy peace and stability.

The Government has recently announced its lifting of restrictions on a number of disciplined forces working in close partnership with the Security Bureau with respect to the freezing of staff recruitment, and approximately 560 front-line officers will be recruited shortly through an open recruitment exercise. Though these new recruits are likely to slightly ease the manpower pressure on the relevant departments, the road ahead is, nonetheless, full of challenges. Given the stringent finances in general, the management must face the need to do its utmost to streamline manpower. But, when a certain stage is reached, the standard of service or the morale of our front-line staff might be undermined. In particular, the proper maintenance of public order has an enormous impact on the daily lives of the public in general. Various viewpoints and factors need to be considered in the careful evaluation of options. Detailed explanation should also be given to the general public to, hopefully, enable them to understand the true picture before making their choice.

Here I would like to express my most sincere gratitude to Ms Miriam LAU, the mover of the original motion, Mr James TO, the mover of the amendment, and Honourable Members who have spoken today. We will certainly consider carefully the valuable opinions put forward by Members, with a view to properly performing our tasks relating to BCPs and the maintenance of law and order in Hong Kong in a pragmatic manner. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr James TO to Ms Miriam LAU's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Ms Miriam LAU, you may now reply and you have two minutes 11 seconds.

MS MIRIAM LAU (in Cantonese): To start with, Madam President, I would like to thank the 12 Members who have spoken on the motion and the amendment today. This motion today may be able to please everyone, because both the original motion and the amendment will be unanimously agreed by all Members without any objection. It is therefore extremely clear that it is our desire to see an improvement in infrastructure at BCPs, and that we attach great importance to the security arrangements at BCPs. I noticed that some Members were extremely enthusiastic, and they wanted to take this opportunity to express their

opinions on the impact of individual travel on the Hong Kong community, as well as such issues as "illegal labour", prostitution, and so on. I have to tender them my apologies for the motion moved by me today has failed to give Members an opportunity to speak their minds freely. I hope a more appropriate motion can be moved in future to give Members a better opportunity to express their views.

Although I said the motion might be able to please everyone, I am a little disappointed because only the Secretary for Security is present to give us a response. Actually, such issues as transportation, infrastructure, BCPs, and so on, are mentioned specifically in the original motion. However, I do not see any response from the Environment, Transport and Works Bureau. Even the Secretary for Security has only touched on the matter lightly. A number of proposals have been raised today with respect to transport arrangements, extension of the hours for clearance processing, round-the-clock operation of trains, and so on. It is hoped that the Secretary for Security can share these proposals with his colleagues and endeavour to exploring ways that can really improve the arrangements for BCPs as far as possible.

Lastly, Mr Ambrose LAU pointed out that the attitude adopted by Singapore is more forward-looking than ours. Hong Kong will far too often respond only after a problem has arisen. With respect to the arrangements for BCPs, I hope the Government can, in the days to come, adopt a more forward-looking attitude by making early preparations. It takes time to complete long-term infrastructure. This is why I hope the Government can do its utmost to expeditiously provide facilities that can facilitate the travel of cross-boundary commuters. Thank you, Madam President.

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

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 3.00 pm tomorrow.

Adjourned accordingly at twenty-four minutes past Nine o'clock.

Appendix

WRITTEN ANSWER

Written answer by the Secretary for Financial Services and the Treasury to Ms Emily LAU's supplementary question to Question 6

As regards the specialized on-site examinations conducted by the Hong Kong Monetary Authority (HKMA) in June and July this year, the HKMA has provided the information as follows:

1. *The number of specialized on-site examinations carried out by the HKMA in June and July in the light of the issues arising out of the Bank of China (Hong Kong) Limited (BOCHK) case and the follow-up actions as a result of these examinations*

The HKMA conducted 46 on-site examinations as part of the exercise of its supervisory functions in June and July. These examinations include specialized examinations on 10 authorized institutions made in the light of issues arising out of the BOCHK case with the aim of establishing that prudent lending policies, practices and procedures were being followed by the institutions concerned. As with other examinations conducted by the HKMA, areas for improvement, none of which was considered serious, were noted, and remedial actions were required to be undertaken by the institutions concerned.

2. *Whether the results of the examinations were submitted to the Chief Executive and the Financial Secretary*

No. The HKMA does not make disclosures to the Chief Executive or the Financial Secretary of normal supervisory matters. Specialized examinations are part of the HKMA's standard procedures to look at the conduct of identified business lines across a number of institutions in order to determine whether effective policies, practices, procedures and controls are in place. The HKMA has conducted a number of specialized examinations in the past in relation to a variety of business lines: examples of the nature of these examinations may be found in successive HKMA Annual Reports. Specialized examinations are standard practice followed by supervisors globally to promote adherence to best practices. The

WRITTEN ANSWER — *Continued*

HKMA monitors the implementation of actions taken by banks to address any issues raised during the inspection process.

We consider that it is neither necessary nor appropriate to report the results of normal supervision work to the Chief Executive or the Financial Secretary. In any case, under the Banking Ordinance the Monetary Authority is permitted to disclose information arising from the exercise of its supervisory functions only in very narrow circumstances.¹

3. *The number of problems and weaknesses identified in on-site examinations in the past three years and the actions taken to address these problems and weaknesses*

The HKMA conducted a total of 778 on-site examinations in the three years to end-2002. It is not unusual for the HKMA to identify areas for improvement in institutions where an examination is conducted. Indeed, one of the objectives of such examination is to detect any potential problems before they become serious. Examples of areas for improvement that were identified include:

- strengthening corporate governance;
- strengthening and formalization of policies and procedures;
- improvements in documentation standards;
- improvements in certain risk management procedures and internal control system;
- clearer segregation of control functions;

¹ Under section 120 of the Banking Ordinance, the Monetary Authority may only disclose information arising from the exercise of his functions under the Ordinance to the Chief Executive or the Financial Secretary if he is of the opinion that such disclosure is in the interests of depositors or potential depositors or the public interest, or such disclosure will assist the recipient of the information to exercise his functions and the disclosure is not contrary to the interests of depositors or potential depositors or the public interest.

WRITTEN ANSWER — *Continued*

- more robust loan approval, loan loss provisioning and classification systems;
- strengthening compliance and internal audit functions; and
- more robust management information systems.

Since these areas for improvement vary considerably in scope, scale and degree of seriousness, it would not be meaningful to provide a total figure.

At the end of an examination the HKMA, where warranted, will require an action plan for implementing the recommendations arising from the examination. The HKMA monitors the implementation of the action plan as part of its ongoing supervision of the institution. It is a feature of the HKMA's method of supervision to require senior management of authorized institutions to tackle these issues. This helps foster the development of an appropriate corporate culture and is cost-effective in terms of the use of the HKMA's resources in the discharge of its remedial functions. The HKMA monitors the implementation of remedial actions taken by the relevant institutions' senior management, who are themselves subject to the Monetary Authority's supervising powers.

It is important to note that it is quite normal for the HKMA to identify areas needing improvement during these examinations. That is the purpose of the exercise. The HKMA takes an active approach in helping institutions improve their systems and procedures and to ensure that best practices are migrating through the banking system. This does not imply that there are problems with the safety and soundness in the banking system. Hong Kong's banking system has shown its ability to adopt good practices during a period of considerable change in the industry and against a very challenging global environment. The banking system's resilience has been demonstrated by its performance during very difficult economic conditions locally, regionally, and globally.